

News from



Midwest Healthcare Startups Raise a Record Breaking \$1.04 Billion in First-Half of 2016

Software and Service sector drives first-half performance

Cleveland, OH, Monday, August 8, 2016 – Midwest healthcare companies attracted \$1.04 billion in new equity investments in the first-half of 2016, according to the BioEnterprise Midwest Healthcare Growth Capital Report. This is the largest amount raised in any first-half by the greatest number of companies since BioEnterprise began compiling its report in 2005.

Illinois (\$261 million), Minnesota (\$226 million), and Missouri (\$143 million) led Midwestern states in attracting investment dollars. Chicago (\$260 million), Minneapolis (\$226 million) and St. Louis (\$143 million) were the regional leaders.

“Midwest healthcare continues to perform at record levels, and as with other parts of the country, the software and services sector is clearly driving the surge,” said Aram Nerpouni, president and CEO of BioEnterprise.

Across the Midwest, 2016 mid-year growth capital funding was allocated as follows:

- Healthcare IT and Software and Services companies: \$538 million (51%)
- Biotech and Pharmaceutical companies: \$280 million (27%)
- Medical Device companies: \$226 million (22%)

“Not only have we seen a record first-half, but we are also seeing some of the largest individual deals since BioEnterprise started tracking these numbers,” added Nerpouni. “Accretive Health, a health IT and services company in Chicago reported the largest fundraise, a \$200 million PIPE. Minneapolis-based Bright Health, another HIT and services company, raised \$80 million, and software and services company Centene, located in St. Louis, raised nearly \$70 million in a private placement.”

For state and regional results across the Midwest, see the tables below. To view the full report with individual deal financings go to <http://www.bioenterprise.com/reports>.

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Table: Midwest Healthcare Venture Investment (By State)

State	First Half 2016		First Half 2015		First Half 2014		First Half 2013		First Half 2012	
	\$ Millions	# of Cos.	\$ Millions	# of Cos.	\$ Millions	# of Cos.	\$ Millions	# of Cos.	\$ Millions	# of Cos.
Illinois	260.8	22	69.9	7	52.6	10	27.1	4	84.3	4
Indiana	32.4	15	31.3	11	100.8	18	11.7	5	51.6	9
Iowa	15	1	6.5	3	N/A	1	-	-	-	-
Kansas	undisclosed	1	7.1	4	5	1	7	1	-	-
Kentucky	52.36	6	1.8	1	-	-	-	-	25.9	2
Michigan	116.4	15	15.2	7	113.9	8	37.9	6	55.9	9
Minnesota	226.3	61	100.5	44	183.5	43	69.3	45	86.1	9
Missouri	143.3	20	27.1	6	85.1	5	14.1	6	32.4	1
Ohio	136.1	40	158.6	29	155.3	31	154.9	38	126.4	44
Western Pennsylvania	33.3	16	16.7	10	63.6	18	17.3	8	32.8	12
Wisconsin	27.7	21	73.1	22	17.5	4	11.5	4	15.2	7
Total	1043.5	218	507.8	144	777.3	139	350.8	117	510.6	97

Table: Midwest Healthcare Venture Investment (By Region)

Region	First Half 2016		First Half 2015		First Half 2014		First Half 2013		First Half 2012	
	\$ Millions	# of Cos.	\$ Millions	# of Cos.	\$ Millions	# of Cos.	\$ Millions	# of Cos.	\$ Millions	# of Cos.
Chicago	259.7	20	69.6	6	48.3	9	27.1	4	84.3	4
Indianapolis	22.4	9	18.0	7	39.5	10	1.6	2	50.5	8
West Lafayette	9.0	3	1.8	2	15.9	4	0.2	2	-	-
Louisville	52.4	6	1.8	1	-	-	-	-	N/A	1
Detroit-Ann Arbor	114.9	12	10.1	5	100.3	6	37.9	5	55.9	9
Minneapolis	225.9	57	99.6	42	183.5	43	69.3	45	86.1	9
St. Louis	142.9	19	27.1	6	85	4	14.1	6	32.4	1
Kansas City*	0.4	2	7.1	4	5	1	7	1	-	-
Cincinnati	16.1	10	2.1	3	43.3	3	42	3	40.2	5
Cleveland	99.3	23	104.1	19	97.7	24	79.1	27	104.1	34
Columbus	19.3	5	52.3	7	14.3	4	33.7	8	8.1	6
Pittsburgh	33.3	16	16.7	10	63.6	18	17.3	8	32.8	12
Wisconsin	27.7	21	73.1	22	17.5	4	11.5	4	15.2	7

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The Midwest Healthcare Growth Capital Report includes medical device and diagnostics, biotechnology and pharmaceutical, and healthcare IT software and service investments, specifically seed, venture, individual and group angel funding, private equity, bridge funding, convertible debt, foundation funding with equity component, strategic and corporate investment, secondary offerings and PIPEs. Data are compiled from Pitchbook, SEC Filings, company press releases, news items and regional Midwest organizations.

Regional organizations participating in the 2016 mid-year report include Medical Alley (MN), Cultivation Capital and BioSTL (MO), BioCrossroads (IN), Wisconsin Technology Council (WI), Innovation Works (Western PA), BioOhio, Rev1Ventures, CincyTech, and JumpStart (OH).

Regions are generally defined by 2012/2013 Combined and Metropolitan Statistical Areas. A company's location is attributed to its headquarters region.

Sectors are defined by FDA definitions of [Medical Device](#) and [Drug Establishments](#) (Biotech and Pharmaceuticals). Sector assignment for combination products is determined by the product's primary mode of action. Health IT and Software and Services includes software related to EMRs, coding services, communication, payment processing, educational tools, business operation/automation tools. Included also are mobile apps, and their distributors and suppliers, not used in the diagnosis of disease or other conditions, or in the cure, mitigation, treatment, or prevention of disease.

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About BioEnterprise

BioEnterprise is a business formation, recruitment, and acceleration effort designed to support the growth of bioscience companies. Located in Cleveland, BioEnterprise provides management counsel and support services to healthcare companies. BioEnterprise founders are Case Western Reserve University, Cleveland Clinic, and University Hospitals.

Additional technology partners include the NASA Glenn Research Center, Cleveland State University, and BioOhio. The initiative comprises the collective activities of BioEnterprise and its partners' commercialization offices: The Case Office of Technology Transfer, Cleveland Clinic Innovations, and University Hospitals Case Medical Center – Center for Clinical Research. The combined efforts of these groups has created, recruited, and accelerated more than 300 companies in 14 years.

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