

The Digitalisation of Healthcare

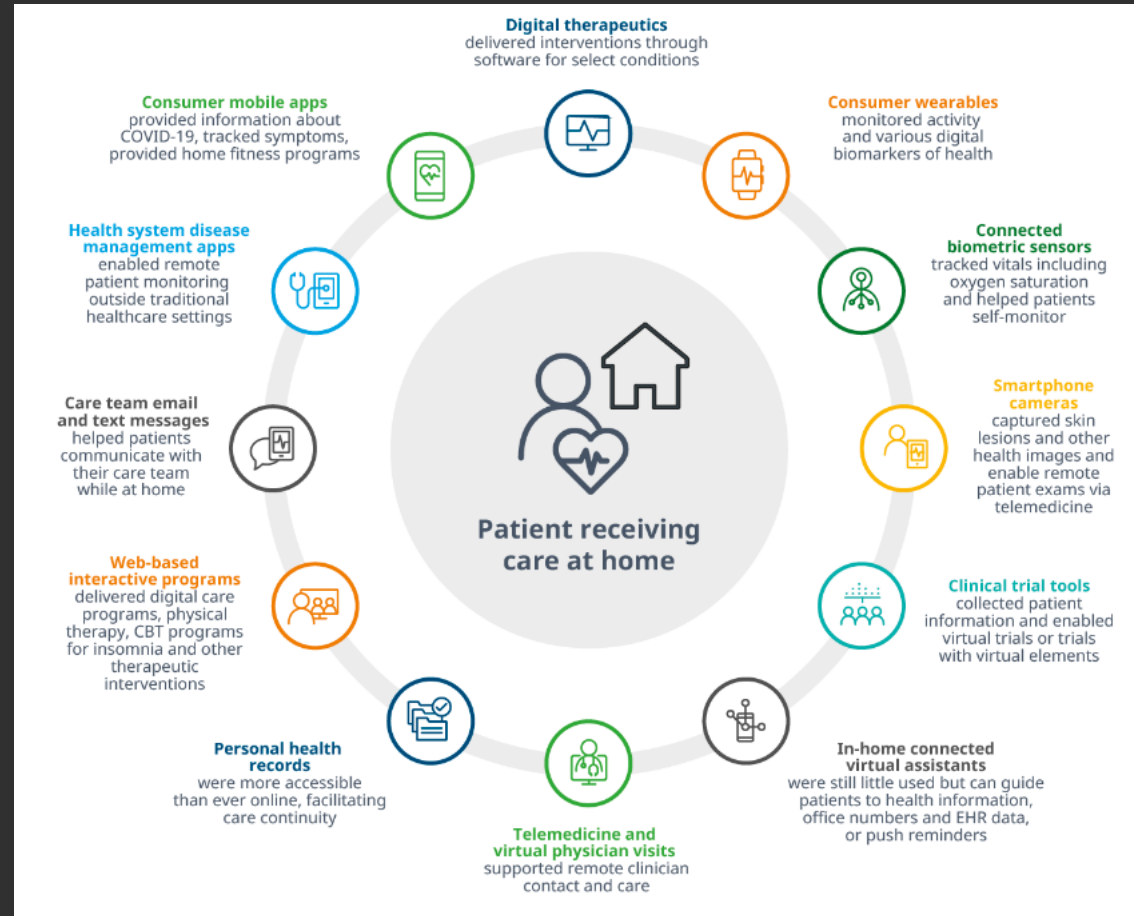
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UN and WEF Expert Advisor

AMII SUMMIT, November 2022

COVID19: a catalyst for digital health



Pre-COVID, digital health was a differentiator, now it's an expectation and it's here to stay



Global Semiconductor Shortage Need for Prioritisation of Healthcare Capabilities

Semiconductors shortage: why the medtech sector must be prioritised

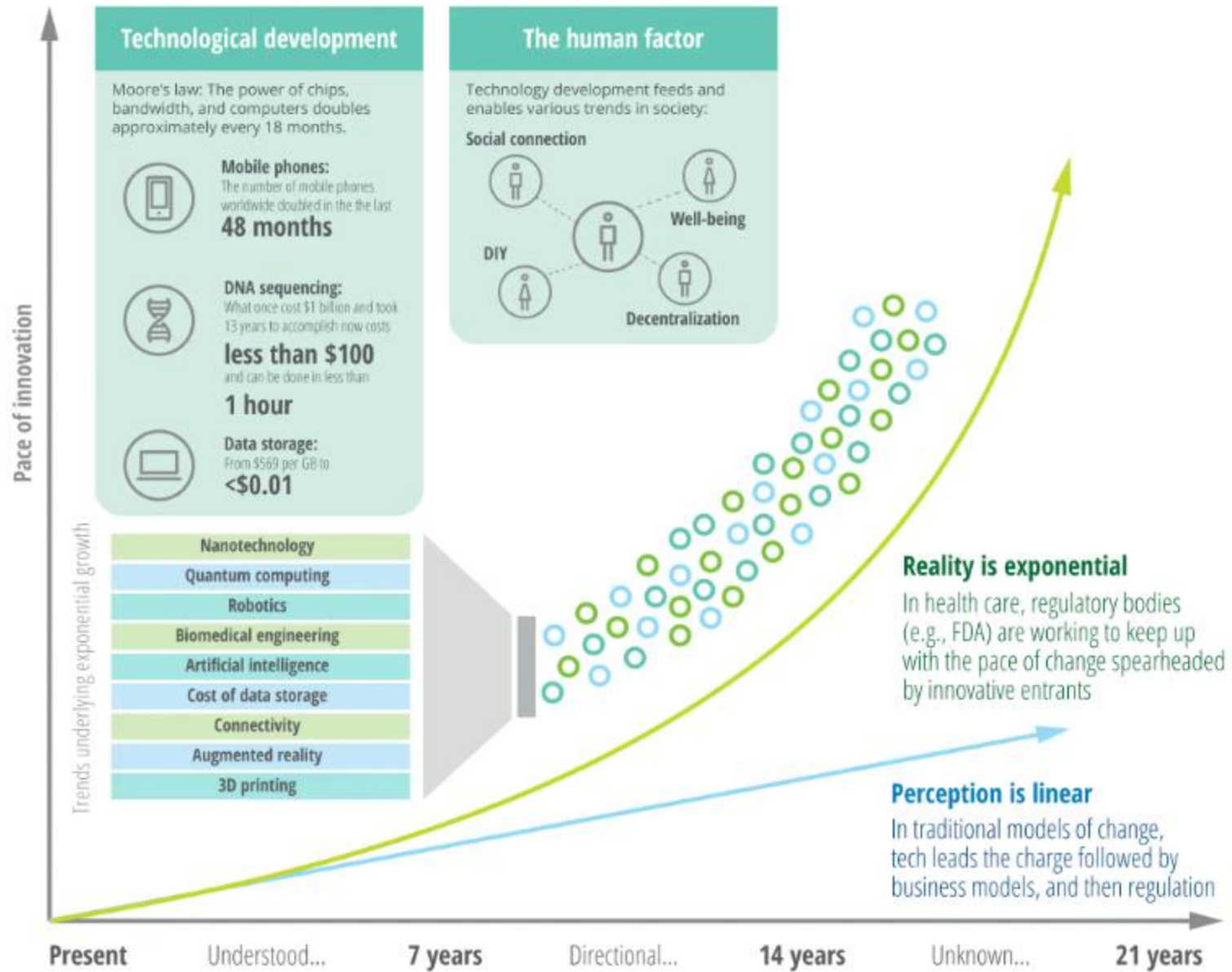
Global semiconductor shortage 'a risk to patient health'

OUT-LAW NEWS | 05 Jan 2022 | 12:10 pm | 3 min. read



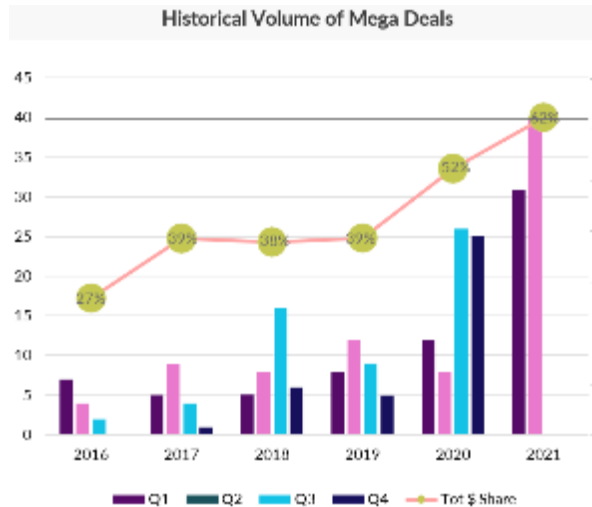
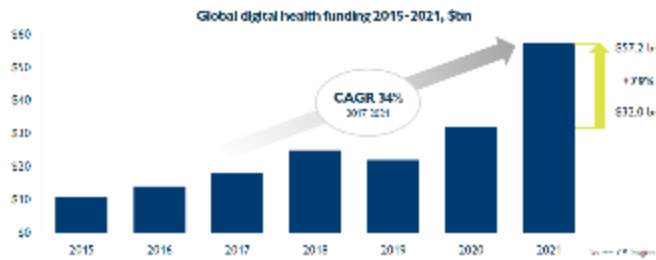
Patient health could be at risk if the global shortage of semiconductors affects the ability of health care providers to fit or issue functioning medical devices or medical technologies, an expert in digital health has warned.

Exponential change will accelerate the pace of disruption

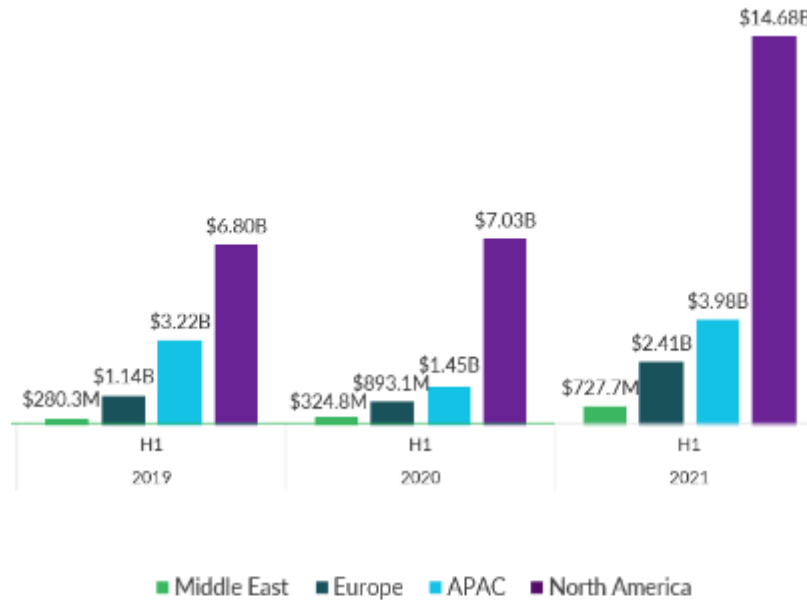


What are the key factors making the sector attractive?

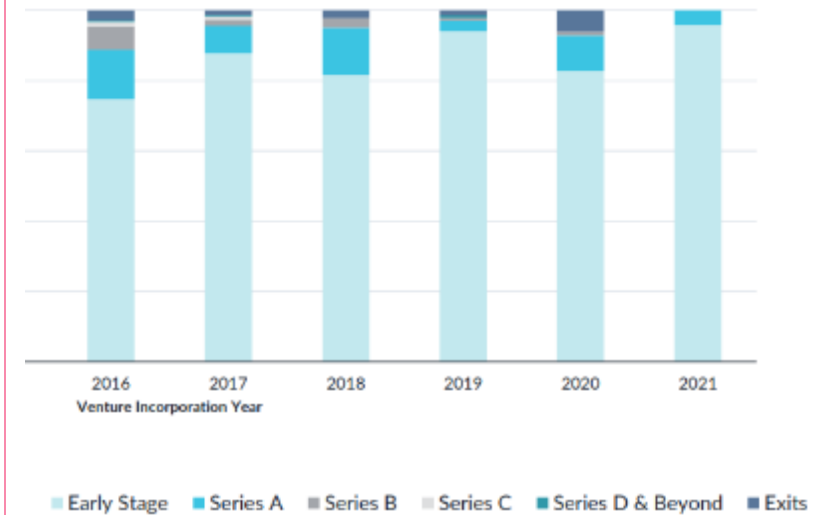
Global digital health funding has experienced **34% CAGR 2017-2021⁴** with mega deals rising over **2.6x** over the Q1 2020 levels and **5x** over Q2 2020 levels³



In 2021 global digital health venture funding amassed to **\$21.8B in 2021¹**, up **2.6x** compared to 2019. with **\$4.66B +2.99x YoY deployed across Europe, across 249 deals +0x YoY²** demonstrating rising attractiveness and potential of this sector.



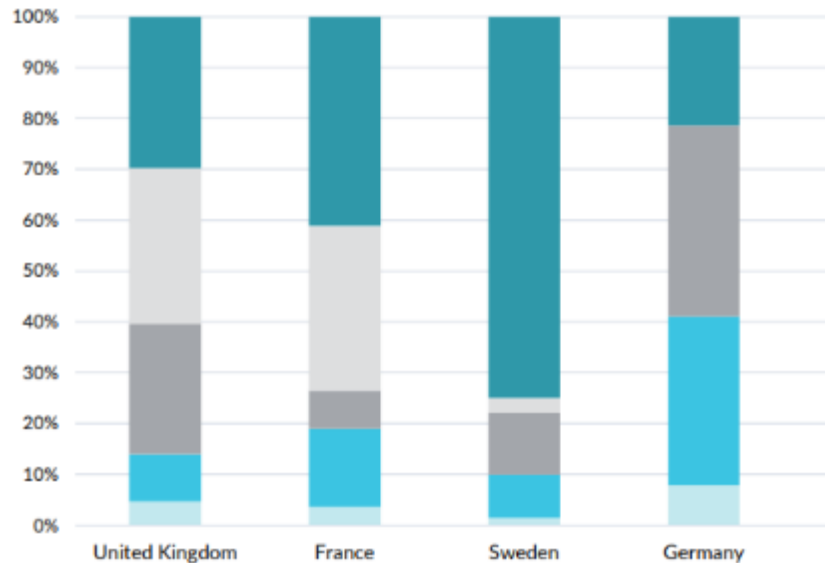
26% of global digital health ventures are headquartered in Europe, with a predominance of early stage and Series A ventures dominating the space right now. Only 10% of ventures incorporated have exited via acquisition, IPO or SPAC^{2,3}



1. Health Trends Insight Report, Galen 2021
2. Pitchbook
3. Global Digital Health Report, Deloitte, 2021
4. CB Insights Report, 2021

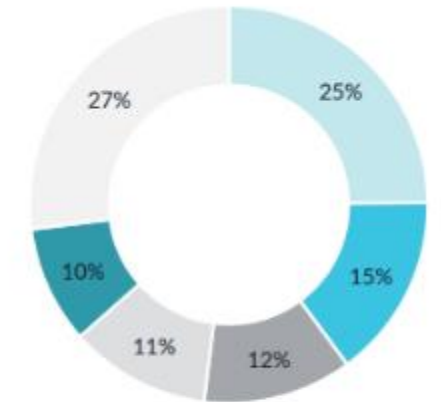
The UK remains at the core of innovation and funding activity...

The Top 4 countries by funding value are UK, France, Sweden and Germany; with research and telemedicine being the key areas of interest capturing over 40% of the capital deployed.



■ Early Stage ■ Series A ■ Series B ■ Series C ■ Series D & Beyond

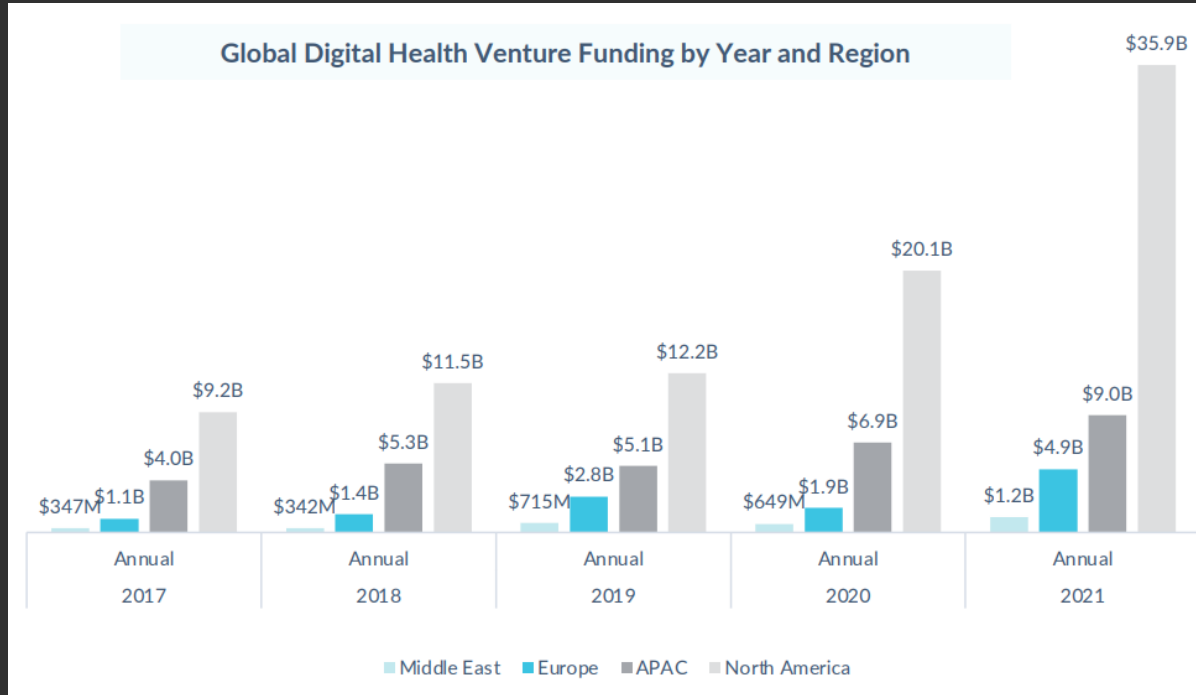
	Digital Health Cluster	Total Funding in Europe (2021)	Rank in 2020	Largest Deal in 2021
1	Research	\$1.16B	#2	Exscientia \$300.0M (Series D1)
2	Telemedicine	\$700.1M	#1	Kry (also LIVI) \$316.5M (Series D)
3	Patient Solutions	\$565.5M	#4	Huma \$130.0M (Series C)
4	Wellness	\$532.8M	#3	OURA \$100.0M (Series C)
5	InsurTech	\$446.8M	#5	Alan \$261.7M (Series D)



■ Research ■ Telemedicine
 ■ Patient Solutions ■ Wellness
 ■ InsurTech ■ Other Digital Health Clusters

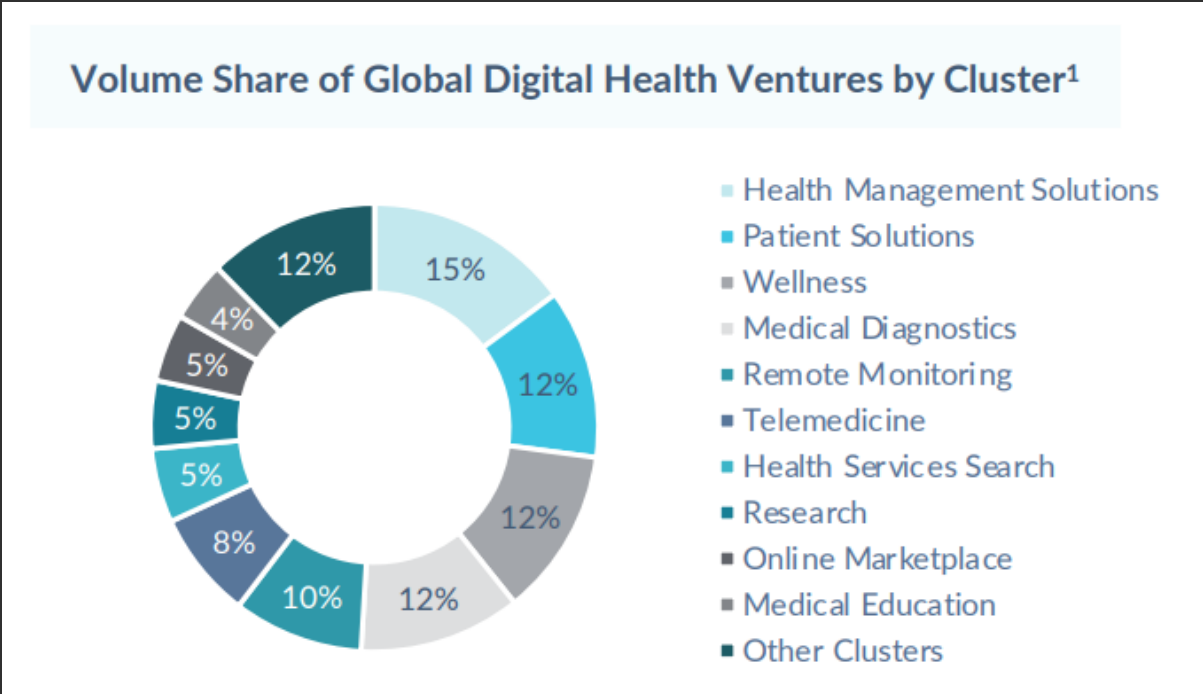
Where has the investment been in digital health tech?

There has been an explosion in venture funding for digital health disrupters



Year on year growth in global digital health venture funding

50% of funding in four key areas: health management solutions, patient solutions, telemedicine and wellness



Unsurprisingly, teleconsultations have now taken off..



Kry (also LIVI)

COUNTRY	PRIMARY CATEGORY
Sweden	Teleconsultation
LATEST FUNDING	VALUATION
\$316.5M (Series D)	\$2.44B
INC. DATE	MATURITY SCORE
12 / 2017	82.8

DESCRIPTION

(known as LIVI in the UK, Germany and France) Kry delivers video GP consultations within minutes to patients via their mobile devices. LIVI provides equitable access to high-quality health care – at the patient’s own convenience.




Doktor.se

COUNTRY	PRIMARY CATEGORY
Sweden	Teleconsultation
LATEST FUNDING	VALUATION
\$61.3M (Series D)	\$500.7M
INC. DATE	MATURITY SCORE
4 / 2016	82.8

DESCRIPTION

Doktor.se is a Swedish e-health company that helps members find, book and get access to the best healthcare. Doktor.se provides its services through video app meetings and phone calls. Using their own doctors and nurses, Doktor.se gives employees at member companies access to fast and accurate health care, with referrals to physical exams, tests and specialized care.



ieso

COUNTRY	PRIMARY CATEGORY
United Kingdom	Teleconsultation
LATEST FUNDING	VALUATION
\$53.0M (Series B)	\$254.4M
INC. DATE	MATURITY SCORE
9 / 2000	75.7

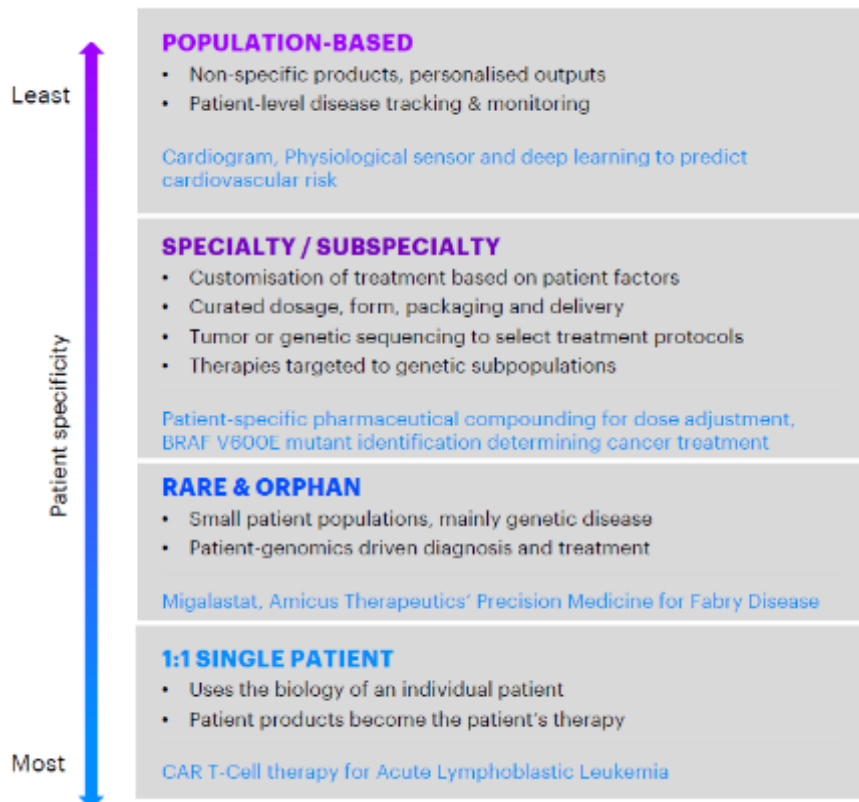
DESCRIPTION

ieso is a world leading digital health company specialising in internet-enabled, evidence-based psychological therapies. Their modality of providing online therapy through written conversation and strict adherence to disorder-specific treatment protocols ensures that patients experience the best possible evidence-based cognitive behavioural therapy (CBT) for their needs.

And of course, there remains a focus on Cancer

Oncology has seen an 8.5x increase in funding; patient support tools and early detection and targeted therapies

How specific do we want to be?



Example Ventures

Owlstone Medical		Artios Pharma	
COUNTRY	United Kingdom	COUNTRY	United Kingdom
PRIMARY CATEGORY	Diagnosis Tools	PRIMARY CATEGORY	Genomics Related Research
LATEST FUNDING	\$58.0M (Series D)	LATEST FUNDING	\$153.0M (Series C)
VALUATION	\$446.2M	VALUATION	\$900.0M
INC. DATE	11 / 2003	INC. DATE	12 / 2015
MATURITY SCORE	74.1	MATURITY SCORE	75.4
DESCRIPTION		DESCRIPTION	
Owlstone has developed the Breath Biopsy platform, using breath analysis for precision medicine and the early detection of disease.		Artios is a leading independent DNA Damage Response (DDR) company focused on developing first-in-class treatments for cancer. Artios began clinical trials in February 2021 of its small-molecule ATR inhibitor, ART0380, in patients with advanced or metastatic solid tumours.	

But as we go through 2022, we are beginning to see signs of a downturn..

\$10.4B

Global digital health funding in Q1'22.

Global digital health funding reached \$10.4B in Q1'22, a 36% decrease compared to Q4'21 and a 6-quarter low.

Digital health startups saw a larger funding drop-off in Q1'22 than the fintech and retail tech sectors, which only saw 18% and 11% funding decreases QoQ, respectively. ¹

-52%

Decrease in mega-round funding.

Mega-round funding more than halved in Q1'22, as investors backed fewer \$100M+ deals to digital health startups QoQ.

At \$4.4B, total mega-round funding represented just 42% of all digital health dollars invested in Q1'22, down from 57% in Q4'21 – helping to explain the 36% drop in overall funding. ¹

138

M&A deals in Q1'22.

M&A activity in the digital health sector has held above 100 deals for 7 consecutive quarters. Consolidation took off in 2021 and remained elevated in Q1'22, with 138 deals.

As dominant players emerge in this fragmented market, we expect to see this consolidation trend continue. ¹

-96%

Drop in IPOs.

IPO activity ground to a halt in Q1'22, with just 1 IPO compared to 23 in the previous quarter.

Further, no SPAC deals occurred in Q1'22, down from the 6 recorded in Q4'21.

This drop in public exits is likely due to disappointing IPO returns in 2021, among other factors. ¹



One of the most talked about IPO's Bablyon (NYSE) is down 81.25% YTD despite a MKTCAP of 487.15M and over 200M p.a ARR. Analysts had previously downgraded it to 'sell' but last week upgraded this to 'hold', despite missing EPS predictions²

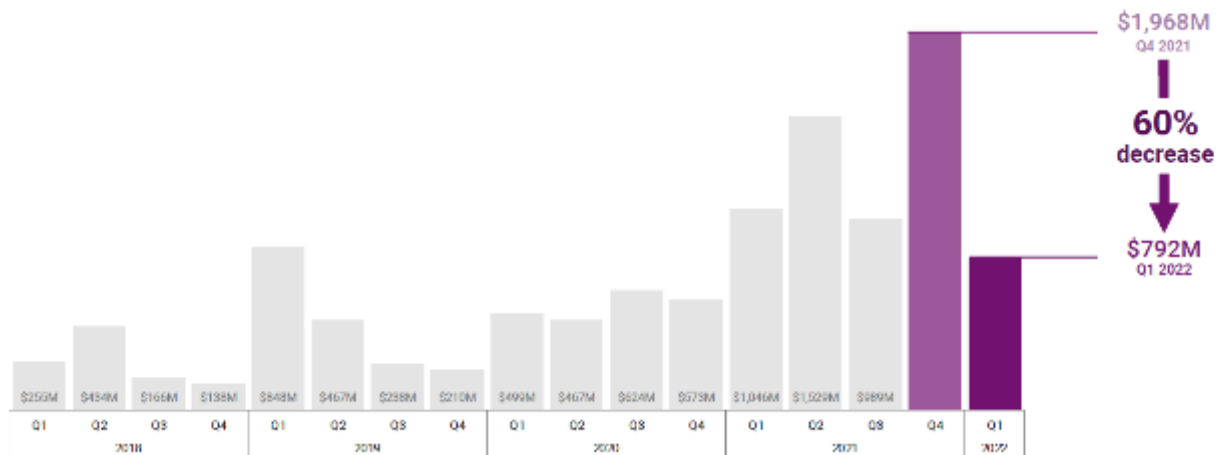
What is also important to note is high demand areas have seen funding fall..

With market consolidation occurring mainly through sales partnerships or vertical integration, we are likely to see the robust, scaleable solutions succeed, and leading incumbents may face more pressure from consolidation among smaller players increasing competition and improving market efficiency. An example of this is Teladoc and Livongo in the United States.

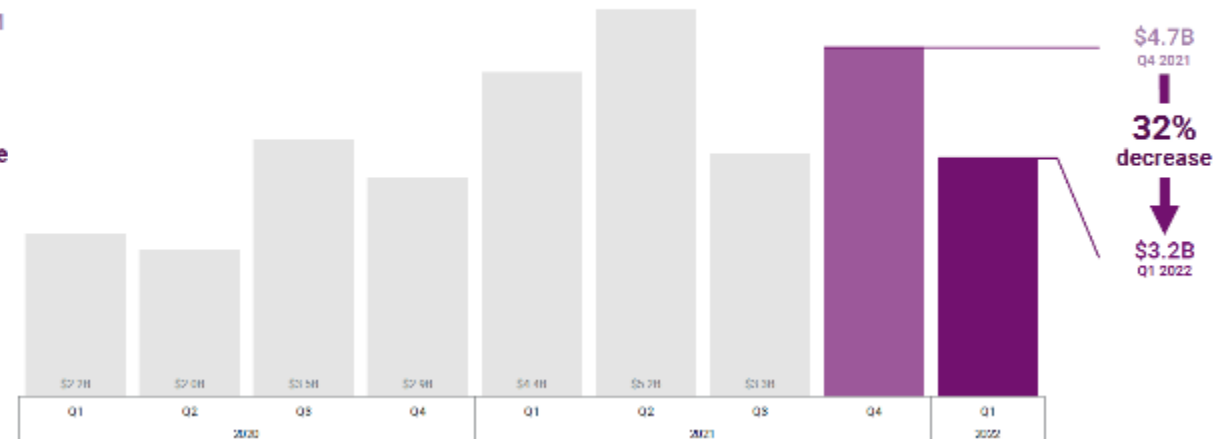
This type of activity is likely to benefit Vitality and the consumer in the long-term, bringing together capabilities (health care professionals, digital tools, data science) into one ecosystem for better health.

Some would argue innovation and personalised solutions (targeting niche or specialised needs) are likely to be stifled. A critical factor for all Vitality partnerships remains in conducting detailed due diligence including financial position with all start-ups we partner with.

Q1'22 mental health tech funding plummets 60% QoQ



Q1'22 telehealth funding falls off 32% to reach \$3.2B



Five healthcare trends to watch out for

Digital health is revolutionalising the way we think about healthcare

1 Shifting models of care

2 Self-serve healthcare

3 Remote consultations and monitoring

4 Digital diagnostics and therapeutics

5 Virtual or augmented reality

Innovation in digital healthcare is broad ranging, and exciting



There are many players and examples of use cases which have promising outcomes

Telemedicine



See a doctor from the palm of your hand and comfort at home.
Primary Care and beyond; with diagnostic support.

Digital health



Focus, track or augmenting what can be provided, augmenting services in traditional clinics and supporting clinical systems.

Digital therapeutics



Evidence-based interventions, delivered digitally via software to treat, manage or prevent a disorder or health condition.

IoT



Benefits of voice for health; medicines ordering, information sharing, connectivity whilst in care, and insurance claims.

VR/AR



Creating 'other reality' environments leading to faster and more effective collaboration and diagnostics.

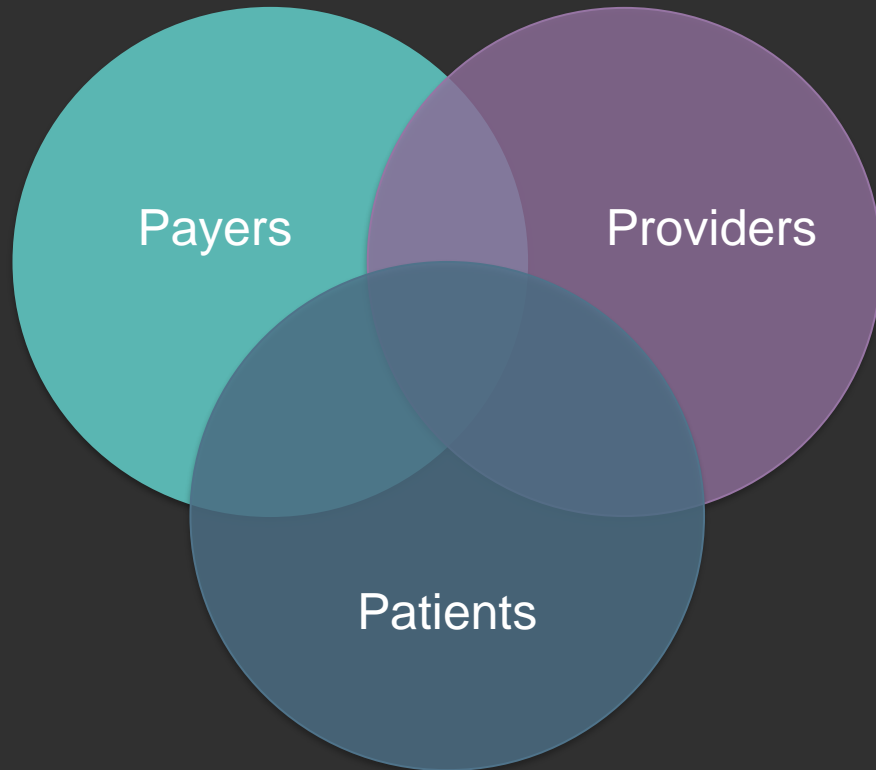
Remote monitoring



Remote patient monitoring for example managing 'non critical' patients at home, through connected devices and services.

Benefits for the system

Digital health is set to improve clinical, effectiveness, efficiency and patient outcomes



- **More options** for early diagnosis, prevention and management of all conditions
- **Improved capacity**, in a strained system
- **Proactive, not reactive**, healthcare
- **Personalised** at its core
- Better **value**
- **Sustainability**, the ESG agenda
- **Reduction in health inequalities?**



Thank You

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