



**BIOTECH AND
MEDTECH SEED
FUNDING:
WHAT LIES AHEAD?
PANELLIST PREVIEW**

BIOTECH AND MEDTECH SEED FUNDING: WHAT LIES AHEAD?

The 4th annual Biotech and Money/Medtech and Money World Congress will offer insight into the investment landscape for biotech and medtech companies via a series of panel discussions with leading investors in the sector. Those attending the two-day event in London can hear from experienced investors about the current state of funding for life science companies at varying stages of development. This includes a focus on seed funding, with panel discussions on 'Seed funding for biotech development' and 'Pan-European medtech seed funding'.

The seed funding for biotech development panel discussion will feature:

- Søren Møller, Managing Partner at Novo Seeds.
- Frank Hensel, Senior Investment Manager at High-Tech Gründerfonds.
- Piyush Unalkat, Head of Technology Transfer at EIF.
- Alain Huriez, Chairman and Managing Partner at Advent France Biotechnology.
- Gerry Maguire, General Partner at Atlantic Bridge.
- Moderator: Savvas Neophytou, Head of Life Sciences at Deepbridge Capital.

The Pan-European medtech seed funding panel discussion will feature:

- Antonio Sánchez-Cordero, Operating Partner at accelmed.

- Alexia Perouse, Chief Executive Officer at iBionext Growth Fund.
- Christoph Ruedig, Partner at Albion Capital.
- Claudio Rumazza, Partner at Innogest.
- Martin Pfister, Senior Investment Manager at High-Tech Gründerfonds.

Ahead of the conference on 5-6 February 2018, Biotech and Money caught up with some of the panellists to learn more about the latest developments in biotech and medtech investment in Europe, what would be required to enhance investment opportunities for emerging companies, and what they wished more start-ups kept in mind while seeking seed funding. The following presents a small snapshot of their insights on these topics, which will be delved into in further detail during February's panel discussions.



PAN-EUROPEAN MEDTECH SEED FUNDING: PANELLIST PREVIEW

A shift in focus

The funding climate for medtech companies has become more challenging over the last few years, as the VC environment's focus has moved towards biotech, explains Martin Pfister, Senior Investment Manager at High-Tech Gründerfonds. "A couple of years ago, people tended to invest more in medtech because they thought it would be faster to market, but it has shifted more towards biotech and this is a problem for medtech companies raising money," he adds.

Meanwhile, medtech start-ups have also generally not shared in the increase in funding available for tech start-ups, notes Antonio Sánchez-Cordero, Operating Partner at accelmed. "Unfortunately, with certain exceptions, the European medtech space has not benefitted in the same way as the general technology and software space from the growth of incubators and VC funds," he says.

Bolstering Europe's seed funding environment

So, what steps could be taken to improve the situation for medtechs seeking seed capital? As Sánchez-Cordero notes, there is no magic bullet. However, he suggests facilitating relationships between start-ups and the public healthcare system so that young medtech companies can learn and develop the most effective solutions while also generating traction at an earlier stage and at a lower cost.

There are other measures that could be initiated from within the sector, such as medtech companies and VCs proactively highlighting success stories, says Pfister. This might take the form, for example, of case studies about successful exits, IPOs or business development.

The regulatory environment is another area where some panellists have identified barriers to medtech funding and development. A more risk-based, pragmatic regulatory approach could help new technologies come to market, in turn providing greater patient access and potential improvements to many patients' lives, says Christoph Ruedig, Partner at Albion Capital.

What to know when raising funds

For those medtechs seeking seed funding, there are some key criteria that investors would encourage greater awareness of. For Ruedig, this is realistic expectations of the length of time it

takes to develop a product, the time it takes to be adopted, and the amount of money required to facilitate this.

The team, of course, is also a critical component. Pfister says: "You have to make sure, no matter what the technology is, that you have convinced the investor that the team will be able to do the job and be successful. Even if you don't have a full team, which is often the case in early seed stage funding, you have to know what [talent] you are missing so that in one, two, or three years you might add in C-level management or a seasoned business development person."

When it comes to the product itself, the focus should be on solving problems in the healthcare ecosystem rather than developing 'cool', albeit fascinating, technology, adds Sánchez-Cordero. "It makes a huge difference in raising funds when the team has been working on the business case from the early days and has taken the stakeholders into consideration during the product development phase," he explains. "At the same time, I wish investors would recognise the value of basic and sound approaches to healthcare innovation that do not necessarily include buzzwords like AI [artificial intelligence], blockchain or VR [virtual reality]."

Blurring boundaries

The blurring of boundaries between traditional medtech, medical devices and digital health technologies could lead to a knowledge gap among investors, notes Pfister. While some VCs may have access to digital expertise in-house, others may need to look elsewhere to access this information and experience.

A further repositioning within the industry may also be prompted over the longer term by a shift in the positioning of medical device companies from providers of equipment to providers of solutions, suggests Ruedig. "That's driven by what's happening in the US, but also in other developed economies around outcomes-based measures," he explains. If there is a greater focus on services, and medtech and medical device companies' contributions to the patient journey and patient outcomes, then what impact might this have on the seed funding environment?

[You can learn more about these issues and hear the full panel's views on the latest trends in European medtech seed funding on 5 February.](#)

SEED FUNDING FOR BIOTECH DEVELOPMENT: PANELLIST PREVIEW



A stable course ahead for biotech seed funding?

Both Søren Møller, Managing Partner at Denmark-based Novo Seeds, and Frank Hensel, Senior Investment Manager at Germany-based High-Tech Gründerfonds are fairly optimistic about the investment opportunities available to biotech companies, and expect this trend to continue in 2018. The investors will feature on the 'Seed funding for biotech development' panel at Biotech and Money World Congress, where they will join fellow panellists Piyush Unalkat, Head of Technology Transfer at EIF, Alain Huriez, Chairman and Managing Partner at Advent France Biotechnology, and Gerry Maguire, General Partner at Atlantic Bridge, in providing local and international perspectives on the funding landscape for emerging biotechs.

For Møller, one particularly positive local development is the Novo Nordisk Foundation's recently unveiled incubator initiative for life sciences. The BioInnovation Institute in Copenhagen will provide support to researchers and entrepreneurs, such as access to risk capital and expertise. More broadly, he anticipates an increase in the size of investment rounds in Europe's biotech sector, although remaining comparatively smaller in size to those seen in the US. "If you have a good quality company, people are ready to put up the capital to bring it to a value inflection point," adds Møller. Indeed, this trend towards larger investment rounds has also been noted by Hensel in Germany's life science sector.

Addressing barriers to seed funding

That is not to say that biotech seed funding is without its challenges. Hensel points to an increase in the number of dedicated seed funds, as well as greater institutional investment as ways in which seed funding for European biotechs could be improved.

The barriers to enhancing seed funding opportunities will be among the topics discussed by the panellists in February, who will also examine what measures could be implemented to ensure the current and future investment ecosystem provides young biotech companies with sufficient access to seed capital.

Join the conversation

What do you think are the key seed funding challenges facing the life sciences sector? What can be done to overcome these challenges? What investor insights would help life sciences companies to present a stronger case when seeking investment? Join the conversation by tweeting @BiotechandMoney and following the latest #BMWC2018 updates, or put your questions to the panellists on Monday 5 February 2018.

Those attending Biotech and Money/Medtech and Money World Congress 2018 will have the opportunity to gain perspectives from leading investors, pharma, biotech and medtech companies. This will include insights on the investment landscape, tech translation, collaborating with pharma, IP, IPO and M&A strategies. In addition, senior executives from biotech and medtech companies will share their experiences of licensing deals, finance raises, IPOs, and more.

The 4th annual Biotech and Money/Medtech and Money World Congress will take place on 5-6 February 2018 at etc.venues, 200 Aldersgate, St Paul's, London.

For more information about attending the event, please contact tom@biotechandmoney.com or download the brochure for the full agenda.



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