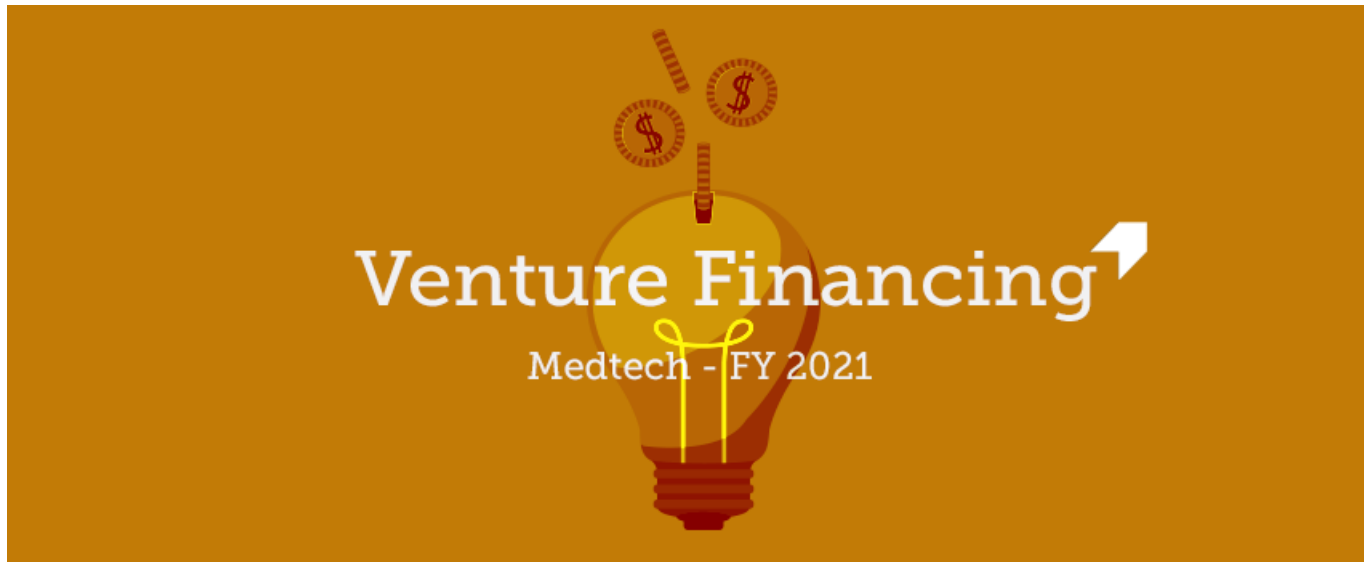


January 17, 2022

Medtech scores its biggest-ever venture haul



[Elizabeth Cairns](#)



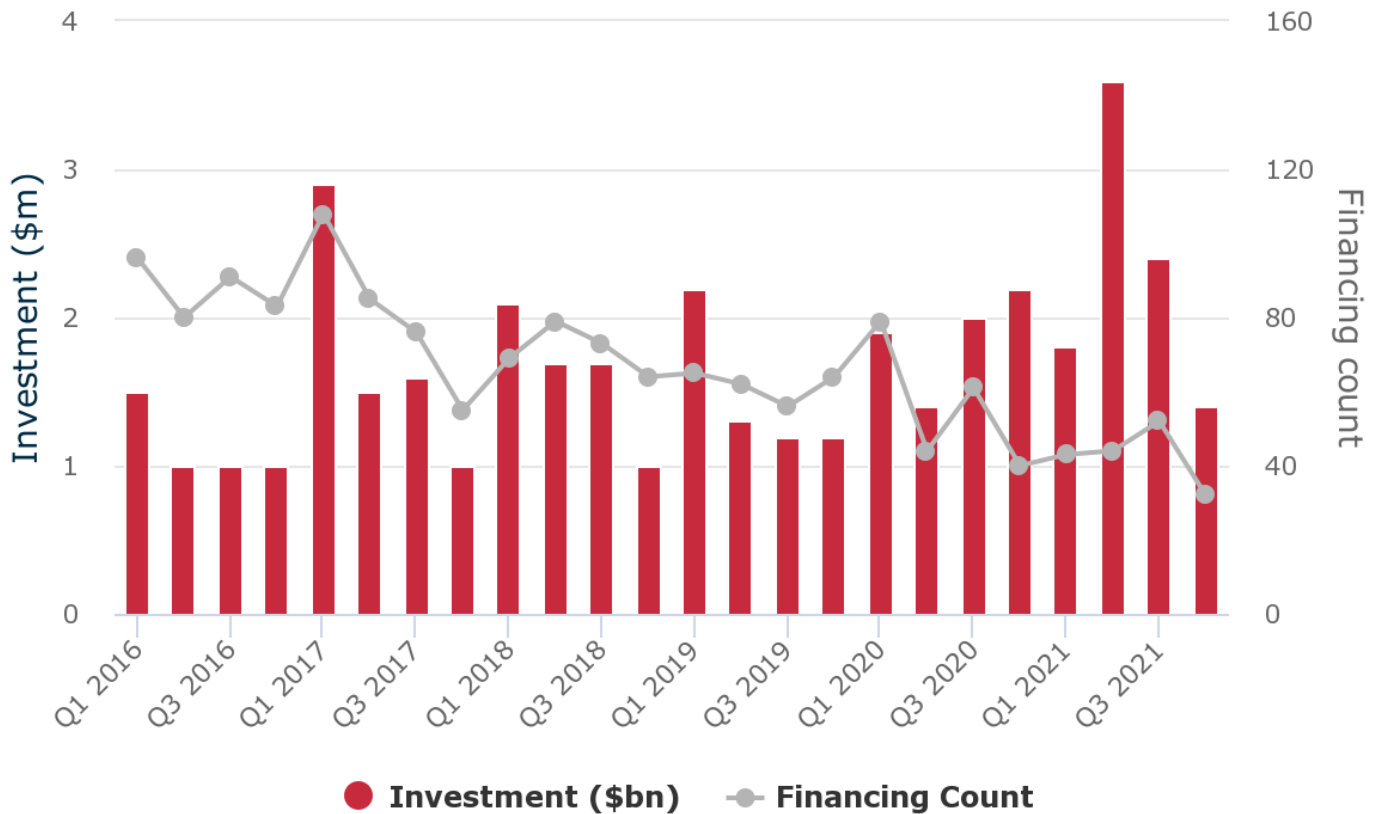
How long can it be before the total breaches \$10bn?

Medical device companies have just concluded a storming year for both acquisitions and flotations, and that means venture backers felt justified in ploughing their cash into the sector. They have done so in a big way – medtech has had its strongest ever year for venture financing, with a total haul of \$9.9bn.

Diagnostics developers have done best over the year, with liquid biopsy and Covid test makers represented in the top 10. The cancer testing company Caris Life Sciences, which employs the investor catnip of artificial intelligence in its technology, raised the greatest single deal of the year with an \$830m infusion in May.

Unusually, the second spot is taken by a UK company. The robotic surgery group CMR Surgical closed a \$600m series D round in June, and this in combination with Caris's deal helped the second quarter of 2021 to a new record.

Medtech VC investment, 2016-21



Evaluate Medtech

The second quarter of 2021 was the largest since *Evaluate Medtech's* records began, its \$4.4bn total smashing the \$2.9bn taken in the first period of 2017. The above below incorporates VC rounds from developers of medical devices, telehealth products and diagnostics, excluding biotech and pharma groups.

That total was swollen by CMR Surgical's \$600m fundraising, led by Ally Bridge Group and Softbank. GE Healthcare also participated, perhaps pointing to a new focus for that company, which is soon to be spun out of the vast conglomerate General Electric ([GE Healthcare heads back to an independent future, November 9, 2021](#)).

Presumably many of these investors ended the year disappointed since CMR Surgical did not achieve its main goal for 2021 - US approval of its Versius system. Still, the company claims to be making a success of the European launch of the robot, and put its money towards a new manufacturing facility which it says is necessary "to meet Versius demand".

Top 10 VC rounds of 2021

Date	Company	Investment (\$m)	Round	Focus
May 11	Caris Life Sciences	830	Undisclosed	In vitro diagnostics
Jun 28	CMR Surgical	600	Series D	Robotic surgery
Apr 27	Livi/Kry	316	Series D	Telehealth
Dec 7	Freenome	300	Series D	In vitro diagnostics
Jun 29	Element Biosciences	276	Series C	In vitro diagnostics
Jul 15	Imperative Care	260	Series D	Cardiovascular
Jun 23	Quanta	245	Series D	Home dialysis
May 13	Cue Health	235	Series D	In vitro diagnostics
Jul 29	Exo	220	Series C	Diagnostic imaging
Aug 2	Intervenn Biosciences	201	Series C	In vitro diagnostics

Source: Evaluate Medtech, company communications.

Diagnostics companies are also strongly represented among the top 10 – and many are liquid biopsy developers, with Caris, Freenome and Intervenn all working in this area. The others offer Covid tests or testing services.

It seems that nearly two years after the coronavirus emerged VCs still see test makers as promising investment prospects. Those that backed Cue Health were arguably correct – the group went public in September, though its stock has done poorly since.

The pandemic is also a likely driver of the funding rounds closed by Kry and Quanta. Kry, which operates in the UK and France under the name of Livi, provides video consultation technology to connect patients with healthcare professionals, and Quanta makes home-based dialysis machines. Both these techs will help keep patients away from healthcare settings, reducing the risk of Covid transmission.

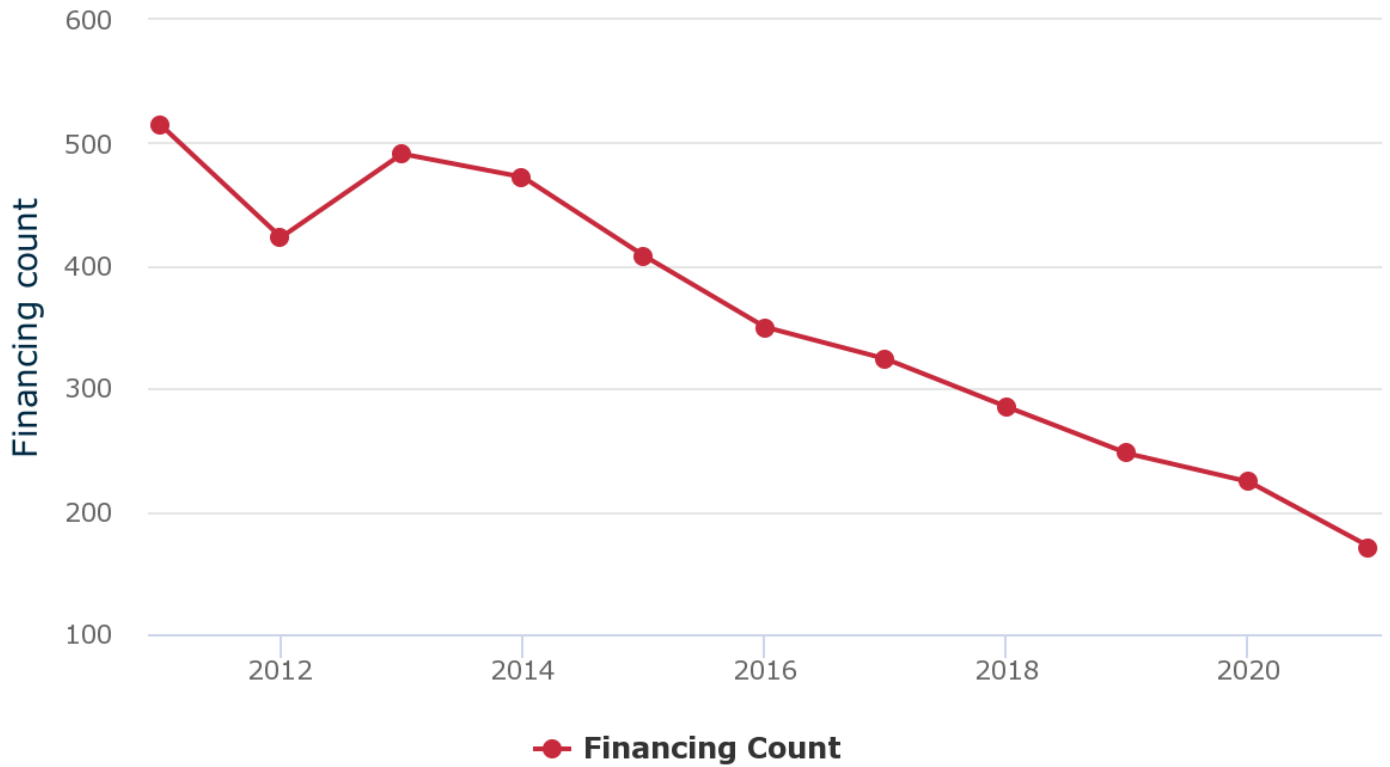
Downward spiral

In some ways there are encouraging signs that the cash is being spread around to a greater degree than in prior years. The top 10 rounds made up just 31% of the total VC haul, a relatively low proportion, and the year's largest round is smaller than in either 2019 or 2020.

That said, the number of rounds closed has fallen once again. This number has been shrinking year-on-year since 2013, a downward trend that shows no signs of reversing.

A new low

Annual medtech VC deals



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