

January 24, 2023

## Medtech investments hold up despite market turmoil



[Lisa Urquhart](#)



### Medtech venture funding started strongly in 2022, but a slump in the fourth quarter could give rise to concern.

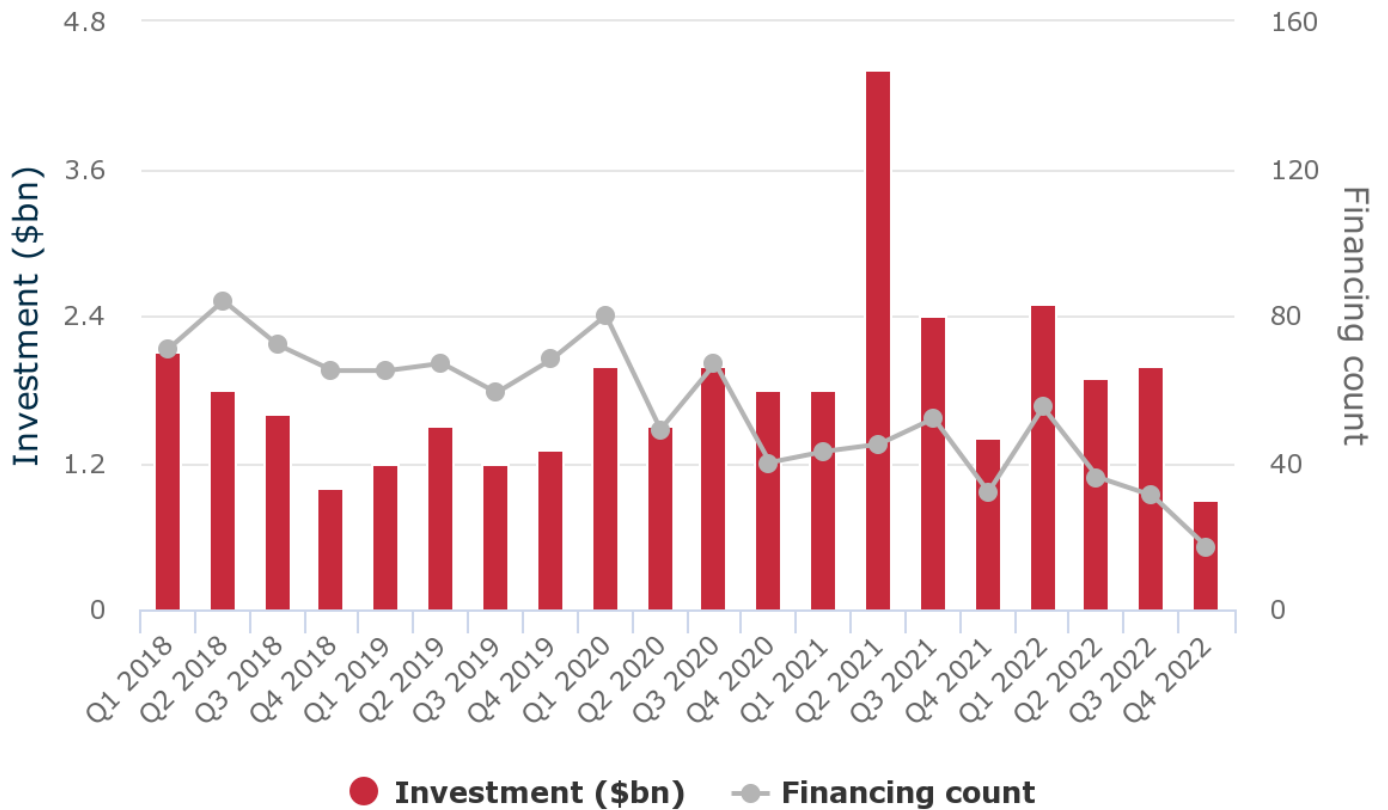
After 2021's \$9.9bn outlier year for medtech venture money, on the surface the \$7.4bn raised in 2022 looks like a return to normality, with last year's tally on a par with the \$7.3bn raised in 2020. But what might come as a concern is the huge fall in both the amount invested and the number of investments seen in the fourth quarter.

The \$900m pumped into private companies in the fourth quarter is the first time the figure for quarterly investment has failed to hit a billion dollars since 2016. And the meagre 17 placements is the lowest number in over a decade. The 139 rounds for all of 2022 was also down significantly, from 236 in 2020 and 259 in 2019.

*Evaluate Vantage* has previously covered the trend of fewer companies getting larger pots of cash, but if the first three months of the coming year – traditionally a strong period for investment – show no sign of recovery then existing concerns about curbs on innovation will only be heightened.

The paucity of flotations is unlikely to help the situation. Venture firms are having to support their portfolio companies for longer, leaving little appetite for new investments.

# Medtech VC investment, 2018-22



Evaluate Medtech

This analysis incorporates VC rounds from developers of medical devices, telehealth products and diagnostics. It excludes biotech and pharma groups.

For those that did manage to raise venture cash last year, digital health companies were among the biggest winners, with the \$300m series D Biofourmis pulled off in April remaining last year's largest investment. The Boston-based company attracted investors with the promise of AI to monitor the progress of medical treatment, and to deliver at-home care.

Other digital health beneficiaries included Cleerly and Kry International. Cleerly scooped \$223m for its AI software designed to predict the risk of heart attacks. For Kry, however, things have not gone particularly well since its \$160m cash injection in the summer. The Swedish hybrid telehealth and physical care company laid off 10% of its 3,000-strong workforce in October. These job cuts came on top of a 100-person cut in May, and its move to pull out of the German market.

## Top 10 VC rounds of 2022

Date	Company	Investment (\$m)	Round	Focus
Apr 26	Biofourmis	300.0	D	Digital health
Jul 18	Delfi Diagnostics	225.0	B	In vitro diagnostics
Jul 25	Cleerly	223.0	C	Digital health
Jan 27	Enable Injections	215.0	C	Drug delivery
Jul 21	Kry International	160.0	E	Digital health
Jan 12	Noah Medical	150.0	B	Robotic surgery
Aug 16	Alivecor	150.0	F	Cardiology; patient monitoring
Mar 30	Billiontoone	125.0	C	In vitro diagnostics
Mar 2	Saluda Medical	124.4	D	Neurology
May 27	Biolinq	115.8	B	Patient monitoring

Sources: Evaluate Medtech, Vantage & Pitchbook

In vitro diagnostic companies also proved popular with investors, with the liquid biopsy company Delfi Diagnostics and prenatal screening player Billiontoone both managing to make it into the top 10 rounds of 2022. In an indication of just how hot cancer blood testing is, Delfi managed to more than double the amount it raised in a 2021 series A round.

The total amounts raised in 2022 show that not all was bad in the medtech venture world; money is flowing into the sector. But the volatile market conditions that were a feature of 2022 and caused the fourth-quarter slowdown are likely to remain a problem this year, and could increase investor caution.

[More from Evaluate Vantage](#)

Evaluate HQ  
[44-\(0\)20-7377-0800](tel:44-020-7377-0800)

Evaluate Americas  
[+1-617-573-9450](tel:+1-617-573-9450)

Evaluate APAC  
[+81-\(0\)80-1164-4754](tel:+81-080-1164-4754)

© Copyright 2023 Evaluate Ltd.