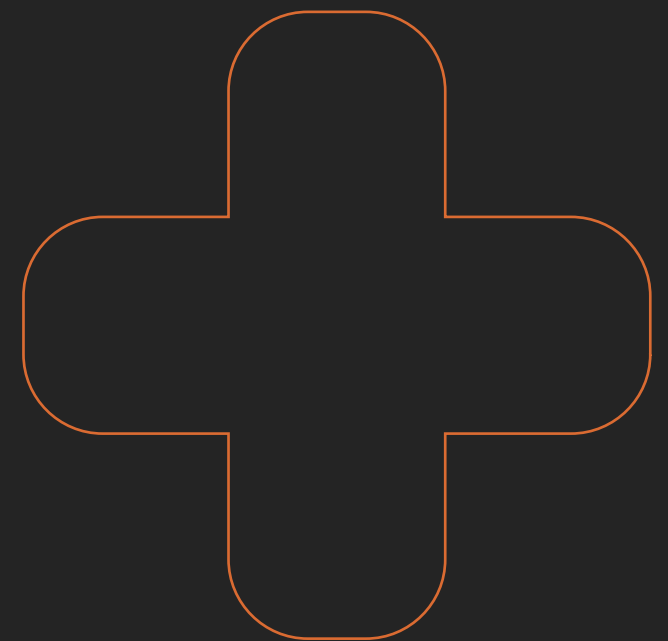# techleap.nl

# Healthtech Mini-Report 2021

An insight in Techleap.nl's first research into the Dutch
healthtech startup ecosystem

Help us to build on this research so we can work together.

Startup or Investor? **Fill in the survey** | Ecosystem builder? Share the survey

# The Urgency of Healthcare in the Netherlands

### + Increasing costs

Towards 2040 indicate that two-thirds of the increase in expenditures can be attributed to medical technology and rising prosperity. (ref: CBS). Over the past 40 years, healthcare costs have been increasing by ~3% per year (ref: CBS, RIVM). This means that in recent years, while the Netherlands is spending more than 100 billion euro on Healthcare, costs are increasing by ~3 billion euro per year.

### + Next technological wave

Healthcare is currently adopting the innovative power of data; using AI and machine learning algorithms to analyze healthcare data for faster and more accurate diagnoses of problems helping physicians to the most effective course of action.

### + The current COVID pandemic

Accelerated development of innovative solutions such as the mRNA vaccine and better personalized IC treatment has been saving many lives as well as enabling faster economic recovery. The healthtech startup ecosystem is an effective and fast vehicle to bridge new scientific medical innovations into solutions for doctors and patients.
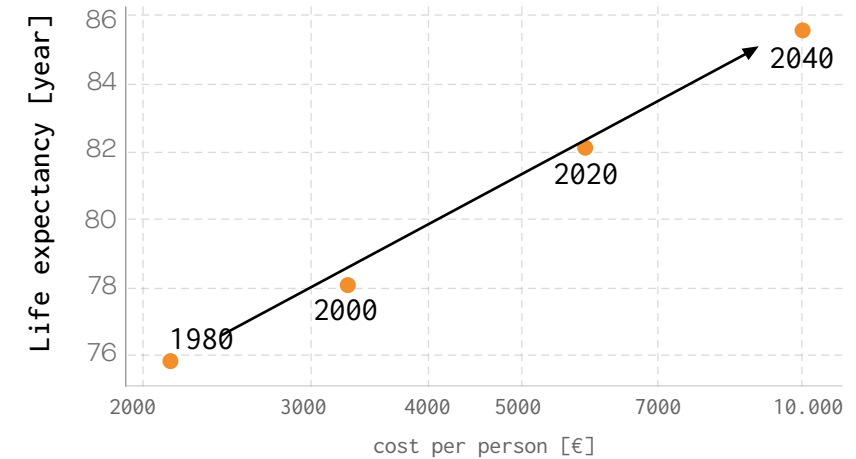


*Correlation between healthcare cost and life expectancy (one of the best proxies of healthcare in a country). This figure shows that the more we spend on healthcare, the longer our life expectancy. It is expected that two thirds of the increasing costs is due to better medical technology.*
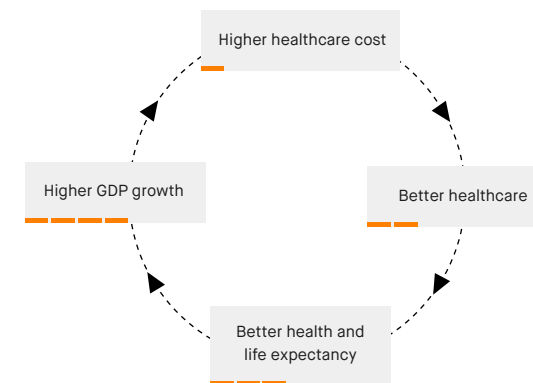


*The positive cycle of health, the more spend on health, the better the quality of life and life expectancy, the higher the productivity which in turn improves the GDP growth and enables the government to spend more on health. Startups contribute to better healthcare by developing innovative medical technology solutions.*

# Healthtech Startup Overview

*Healthtech startup is a company working in medicine that uses technology to prevent, diagnose and treat human diseases.*

## 347
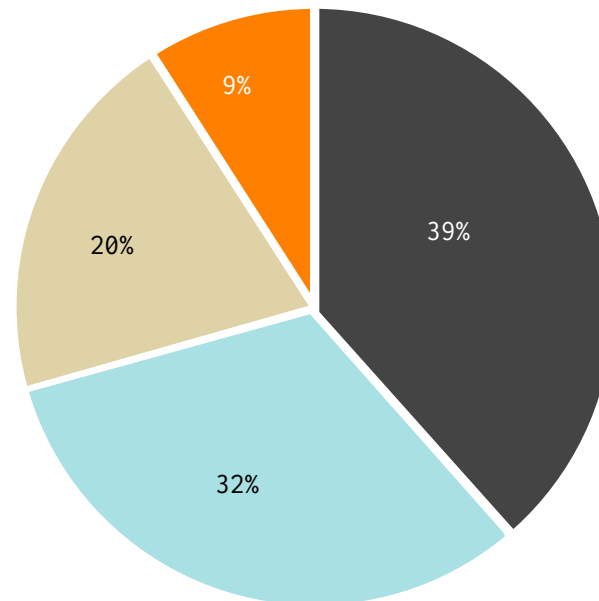Active innovative healthtech companies in the Netherlands

## 273
Healthtech startups with any kind of funding

## 77
Healthtech startups with more than 3M in funding

## Healthtech startups
(total: 347)



- Medical devices — 39%
- Biotechnology — 32%
- Health Platforms — 20%
- Pharmaceuticals — 9%

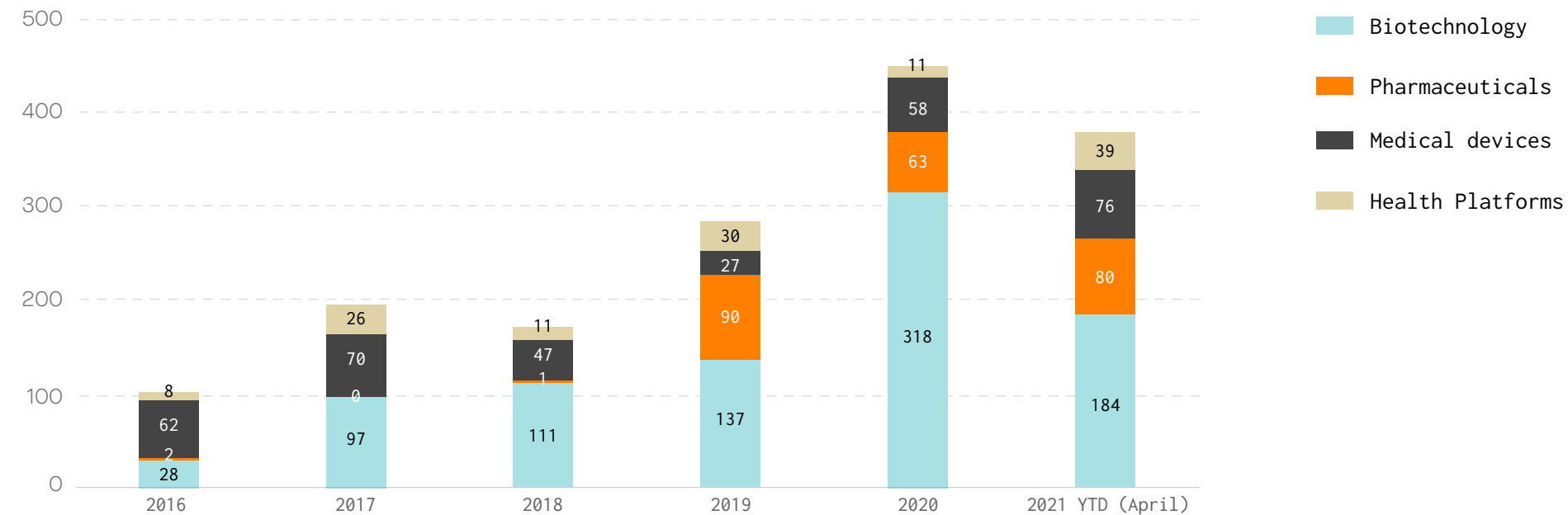Our data partners:

PitchBook.

dealroom.CO

CBINSIGHTS

orbis

# Healthtech Funding in the Netherlands

**+ A rapidly growing sector for total invested**

Worldwide healthtech is growing enormously in the last couple of years (ref: Pitchbook, Cbinsights and Dealroom reports). Before 2018, funding did not exceed €200 million euros in the Netherlands per year, while in 2019, funding grew to almost €300 million and continued to grow to more than €400 million in 2020.

Funding amount (€): NL Health Industry



Legend:
- Biotechnology
- Pharmaceuticals
- Medical devices
- Health Platforms

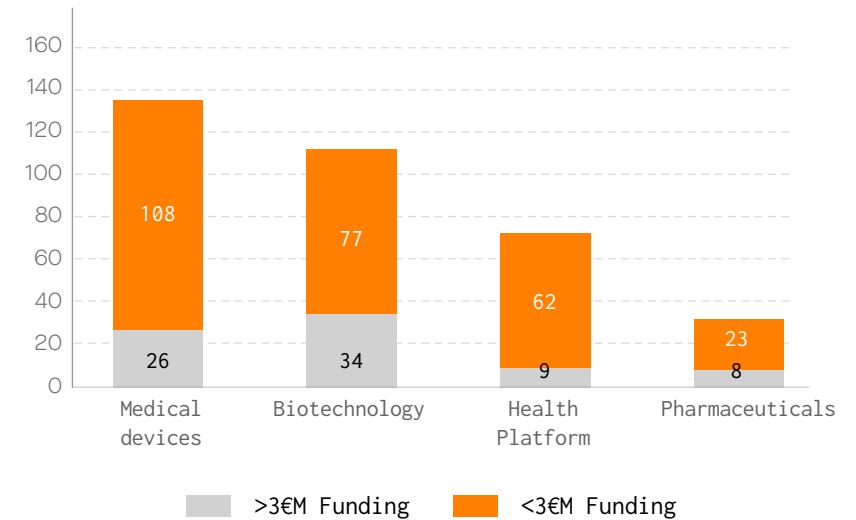| Year | Biotechnology | Pharmaceuticals | Medical devices | Health Platforms |
|------|---------------|-----------------|-----------------|------------------|
| 2016 | 28 | 2 | 62 | 8 |
| 2017 | 97 | 0 | 70 | 26 |
| 2018 | 111 | 1 | 47 | 11 |
| 2019 | 137 | 90 | 27 | 30 |
| 2020 | 318 | 63 | 58 | 11 |
| 2021 YTD (April) | 184 | 80 | 76 | 39 |

# Healthtech Funding in the Netherlands

## + Biotechnology dominates round size

In 2020, biotechnology companies received the highest average deal size, with an average deal size of €13.8 million, followed by pharmaceuticals (€7,9 m), medical devices (€2,8 m) and health platforms (€1 m).
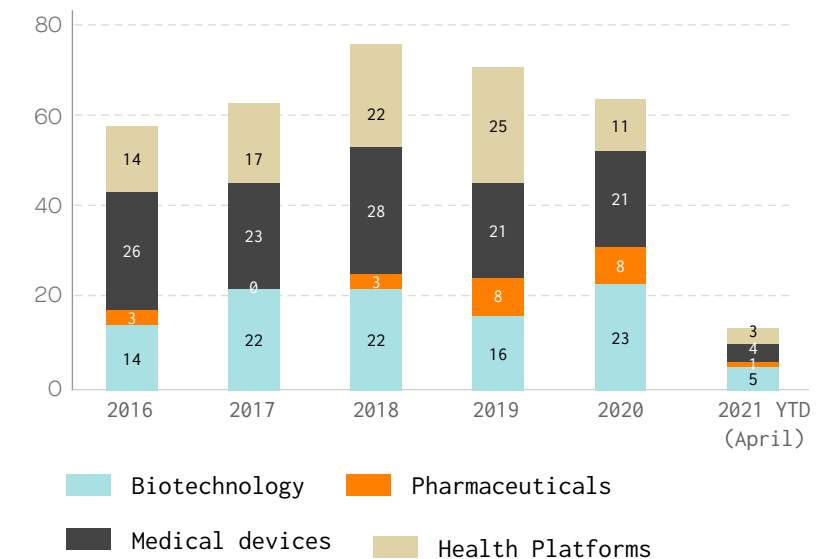
## + Funding round numbers are decreasing

By April of this year we have almost hit already the same total funding amount in the healthcare sector yet the number of rounds is dramatically lower. This shows a considerable increase in average round size but not a widespread of money filtering through the ecosystem to all stages. This poses a possible threat to the current funnel of startups coming through that will reach scaleup status as the overall number of companies raising has reduced. If we look at previous years there has been a downward trend since 2018 yet an increase in total investment through the years.
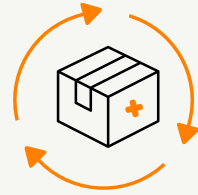
### Healthtech startups



Legend: >3€M Funding, <3€M Funding

Medical devices: 108 (<3€M), 26 (>3€M)
Biotechnology: 77 (<3€M), 34 (>3€M)
Health Platform: 62 (<3€M), 9 (>3€M)
Pharmaceuticals: 23 (<3€M), 8 (>3€M)

### Funding Rounds (#): NL Health Industry



Legend: Biotechnology, Pharmaceuticals, Medical devices, Health Platforms

2016: 14, 3, 26, 14
2017: 22, 0, 23, 17
2018: 22, 3, 28, 22
2019: 16, 8, 21, 25
2020: 23, 8, 21, 11
2021 YTD (April): 5, 1, 4, 3

# Challenges Dutch Healthtech startups face

## + Product Development

As the lives of human patients are involved, there is little room for experimentation. Therefore, the technical readiness levels of products should be very mature at adoption: product requirements and specifications are high while specialized documentation should be available and up-to-date. The Netherlands has a history of companies that have overcome this to become giants but the barriers still remain.

## + Regulatory environment

Speed to market is an issue especially for the implementation of data driven solutions, there is a strong need to optimize regulations that accelerates the insertion and adoption of AI, IoT, big data and data sharing in healthtech.

## + Stakeholder management

In healthcare, the users are the patients, the decision makers are the healthcare providers, and the payers are the insurance companies and governments. This requires a business development strategy that covers all different interests and powers.

# Challenges Dutch Healthtech startups face

## The Netherlands struggles to compete with its developing ecosystem counterparts

The comparison to the UK startup ecosystem reflects the large difference on the total available domestic market sizes between UK and NL. It also shows that even a highly funded sector in the Netherlands still cannot compete with its European counterparts.

This is compounded by a difference in funding. In the UK, a second funding peak is seen around ~3 million euro. The Netherlands does not show a similar peak, suggesting a funding gap between 0.1-10 million euro.

Although Israel is more comparable to the Netherlands with respect to the total number of companies, in Israel, the distribution peaks around ~10 million euro total funding. This means that the conversion of startups to scaleups is much higher.
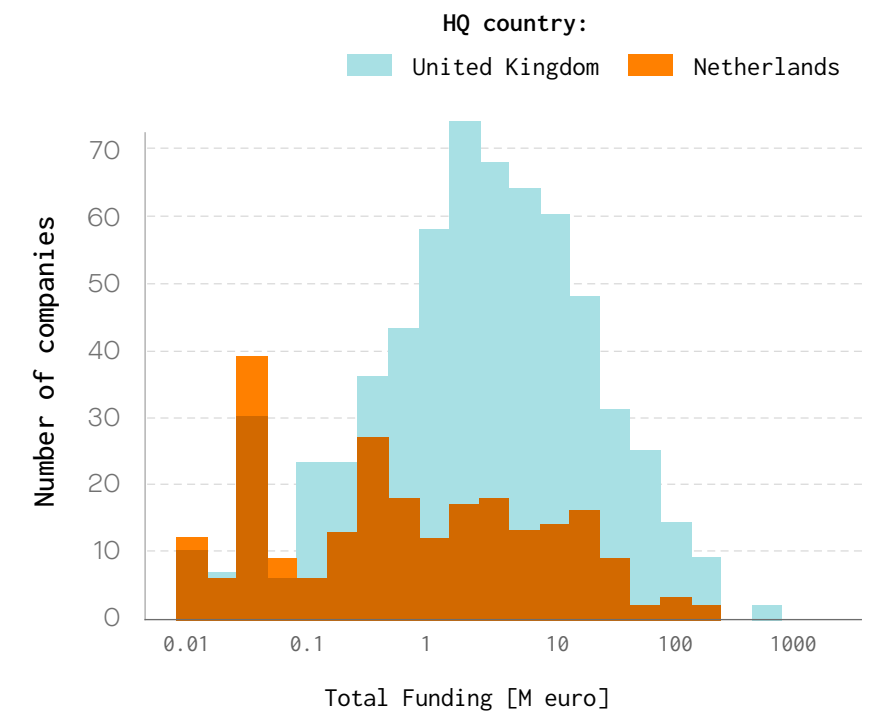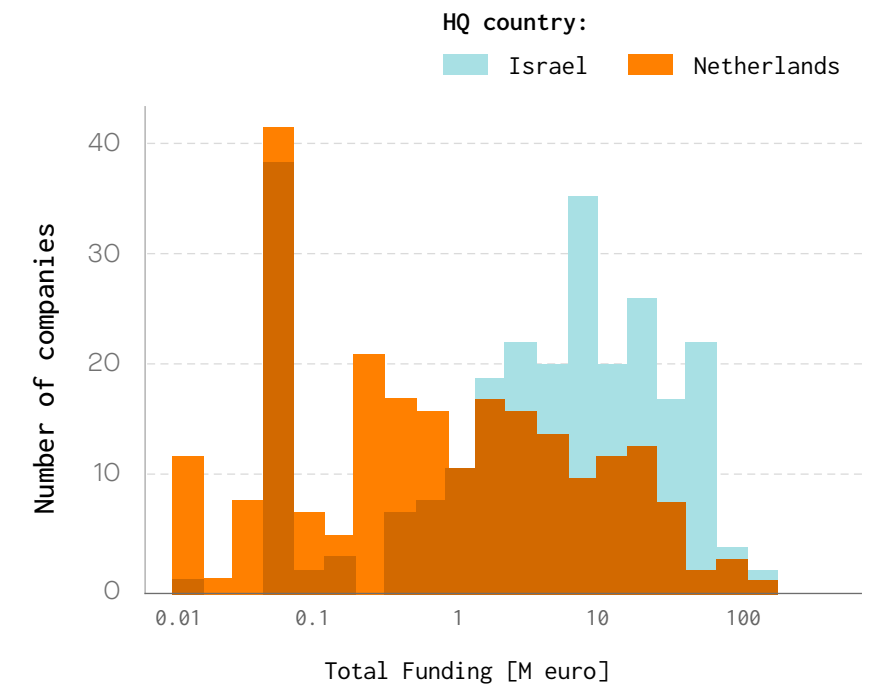
# Now we need your help!

After a first data analysis we are now validating the challenges found via a survey to relevant startups and investors.
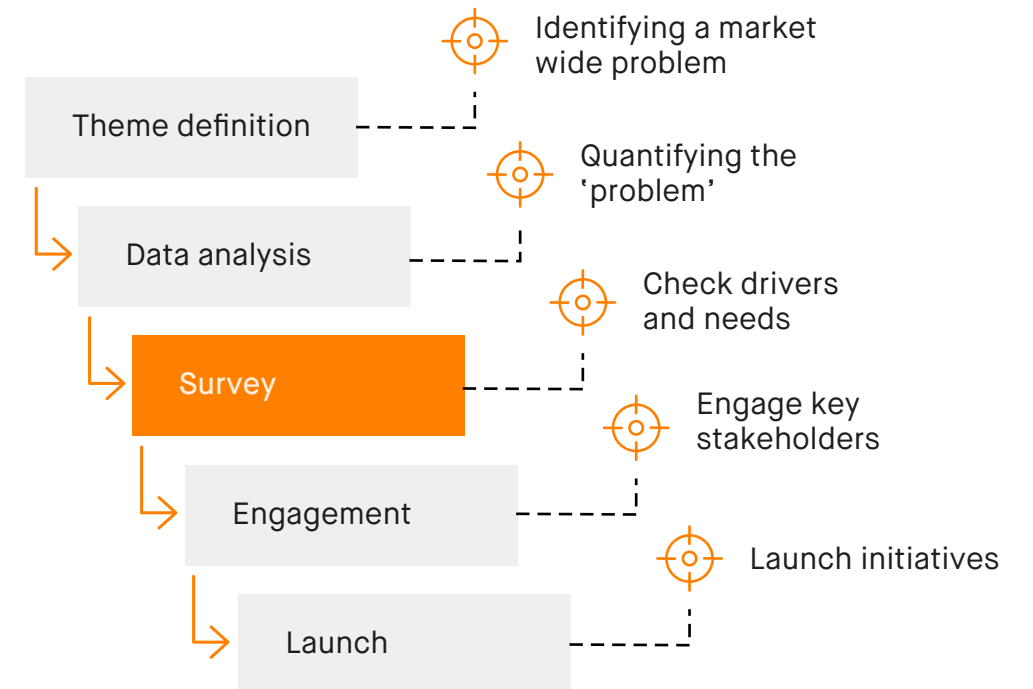
**+ Startup or Investor? Fill in the survey today**

Ecosystem builder? You can help by sharing the survey with your network directly, through social media and via your newsletter.

We will share all findings publicly and the more people we can reach the better the results will be.

↓

Download the social media pack here and reach out directly via info@techleap.nl with any questions.

Theme definition

Data analysis

Survey

Engagement

Launch

Identifying a market wide problem

Quantifying the 'problem'

Check drivers and needs

Engage key stakeholders

Launch initiatives

*We are currently in the Survey phase. Outcomes and insights will be shared with the participants*