



Capricorn Venture Partners

Hoe kijkt een durfkapitaalverschafter naar ***zaken doen in zorg***

Marc Lambrechts

December 3, 2014

InnovAGE, Leuven.Inc & Innovatiecentrum - Leuven



Your speaker today

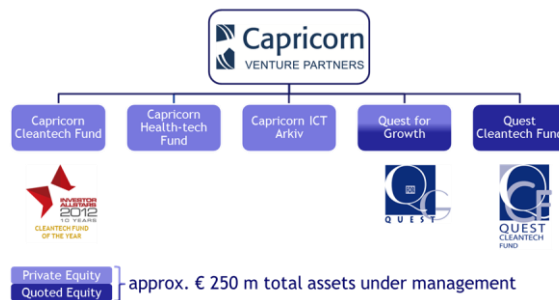
dr ir Marc Lambrechts



- R&D in microsystems and PhD on biosensors @ KULeuven
- industrial R&D experience @ Terumo Europe
- RTD programme management experience @ IWT
- + 15 years experience as senior investment manager @ Capricorn Venture Partners
- technology fusion as special area of interest
 - ⇒ digital healthcare, big data, IoT as current focus
- active on the board of directors of
 - EpiGaN
 - Right Brain Interface
 - Capricorn Cleantech Fund
 - Leuven.Inc

Capricorn Venture Partners

- Founded in 1993, partners-owned
- +15 people organisation, based in Leuven, Belgium
- Licensed asset manager – AIFMD compliant
- Consistent strategy : focus on global, innovative technology companies with European roots



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Portfolio examples : all funds

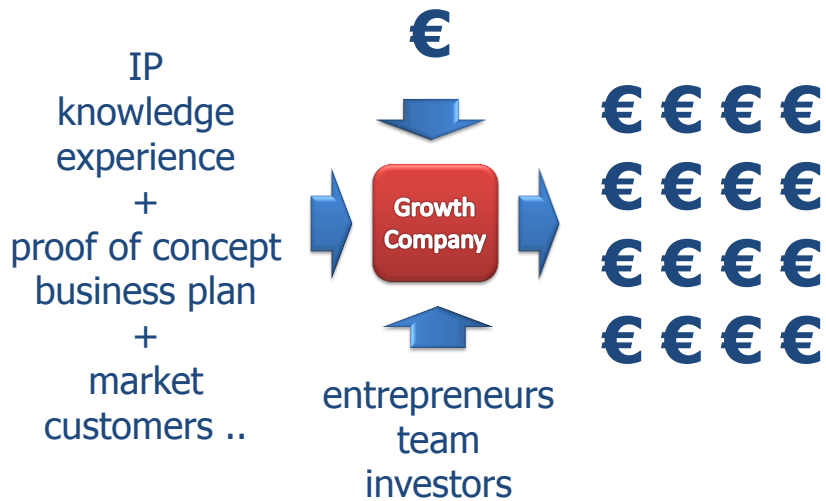


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The Venture Capital model



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Sources of capital/cash

- Personal assets
- 3 F's : Friends, Family and Fools
- Crowd funding = the 4th F : Fans
- Business Angels
- Government subsidies (IWT, EU, ESA, ...)
- Cash flow from happy customers!
- Institutional investors
 - Banks
 - Private Equity
 - Venture Capital
- Stock market

e.g.



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Scanadu Scout

Story Updates 40 Comments 1,333 Funders 8,509 Gallery 13



11k 30 1.2k Email Embed Link Follow

A scanner packed with sensors designed to read your vital signs and send them wirelessly to your smartphone in a few seconds, any time, anywhere.

Mountain View, California, United States Technology

\$1,661,988 USD
 RAISED OF \$100,000 GOAL

1,662% 0 time left

This campaign started on May 22 and closed on July 20, 2013 (11:59pm PT).

Flexible Funding

CAMPAIGN CLOSED

This campaign ended on July 20, 2013

SELECT A PERK

\$10 USD

Stay informed

Every contribution helps to bring to fruition the vision of the first medical tricorder. Be part of the movement to make this the last generation to know so little about their health. You get FREE ACCESS to the Scanadu app and will receive our newsletter with updates along the journey of bringing the first medical tricorder to market.



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 RAISED OF \$100,000 GOAL

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Scanadu Closes \$10.5M Series A Round, Gearing Up To Send Its Medical Tricorder Through Clinical Testing

Posted Nov 12, 2013 by Eliza Brooke (@eliza_pb)

0 Likes 141 Tweets 234 Shares 39

Next Story



Four months after raising \$1,664,574 on Indiegogo and breaking the site's existing record, medical device developer Scanadu has closed \$10.5 in Series A financing led by Relay Ventures, with participation from VegasTechFund and AME Cloud Ventures.

Embarking on the next stage in taking its first product to market, Scanadu has partnered with Dr. Eric Topol at the Scripps Translational Science Institute to conduct clinical testing on the Scout device, a medical tricorder that measures a host of metrics like blood pressure and heart rate. Those trials are set to begin in Q1 of 2014.

ADVERTISEMENT



Tech VC's prefer to invest in

- Entrepreneurs and a team
- Technology as sustainable competitive advantage
 - strong and clean intellectual property/capital
 - proof of concepts exists and mode of action is understood
- A business model we understand and like
- Growing and huge markets
- 'Need to have' proposals with 'identified customer pain'
- Focus combined with mutant potential
- Well funded and capital efficient companies
- Exit perspective @ 5 to 10 x multiple



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Business model

- i.e. the architecture of revenue and profit
- The functions of a business model are to:
 - articulate the **value proposition**, that is, the value created for users by the offering based on the technology;
 - identify a **market segment**, that is, the users to whom the technology is useful and for what purpose;
 - define the **structure of the value chain** within the firm required to create and distribute the offering and determine the complementary assets needed to support the firm's position in this chain;
 - to specify the **revenue generation mechanism(s)** for the firm and estimate the cost structure and target margins of producing the offering, given the value proposition and value chain structure chosen;
 - describe the position of the firm within the value **network** linking suppliers and customers, including identification of potential complementary firms and competitors;
 - formulate the **competitive strategy** by which the innovating firm will gain and hold advantage over rivals.

Based on : Open Innovation, Henry Chesbrough, HBS Press

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[illegible]

The chart illustrates the BOM cost breakdown for three iPhone models. The total BOM cost increases from the iPhone 5S to the iPhone 6 Plus. The components contributing to the total cost are: Assembly & Test, Supporting Materials, Other, Non-Electric, Power Mgmt/Audio, BB+XCR, Processor, SDRAM, NAND, Connectivity, Camera, Battery, and Display/Touchscreen & Glass.

| Component | Apple iPhone 5S | Apple iPhone 6 | Apple iPhone 6 Plus |
|-----------------------------|-----------------|----------------|---------------------|
| Total | \$211.49 | \$227.00 | \$242.50 |
| Assembly & Test | \$11.07 | \$11.00 | \$11.00 |
| Supporting Materials | \$5.60 | \$6.00 | \$6.00 |
| Other | \$31.80 | \$34.50 | \$34.50 |
| Non-Electric | \$10.52 | \$15.50 | \$18.00 |
| Power Mgmt/Audio | \$7.17 | \$7.00 | \$7.00 |
| BB+XCR | \$24.07 | \$27.50 | \$27.50 |
| Processor | \$36.40 | \$37.00 | \$37.00 |
| SDRAM | \$6.42 | \$5.00 | \$5.00 |
| NAND | \$10.16 | \$9.00 | \$9.00 |
| Connectivity | \$10.82 | \$13.00 | \$13.00 |
| Camera | \$17.39 | \$16.50 | \$17.50 |
| Battery | \$4.99 | \$3.50 | \$6.00 |
| Display/Touchscreen & Glass | \$36.09 | \$41.50 | \$51.00 |

| | | |
|--------------------------------|--------------------------------|---------------------------------|
| 16 GB ¹ € 699,00 | 64 GB ¹ € 799,00 | 128 GB ¹ € 899,00 |
|--------------------------------|--------------------------------|---------------------------------|



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Investment themes for the Capricorn ICT Fund



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Digital Healthcare : ICT tools for improved healthcare at a lower cost



Today ... tomorrow

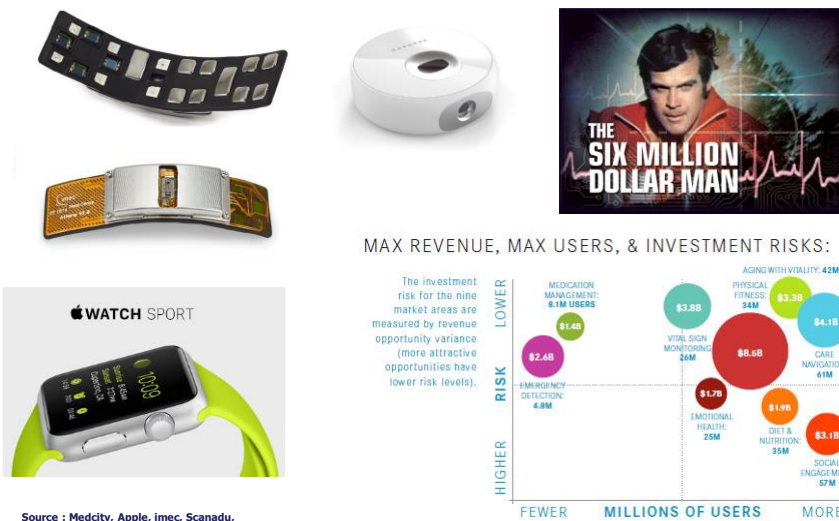
- Ubiquitous wireless networks
- Smartphones everywhere
- Cloud computing
- Big Data & Analytics
- Sensor abundance
- ...

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Wearables everywhere in digital healthcare



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Most US consumers are interested in lower-priced or free wearables

While about one in 10 consumers are willing to pay a premium price for a wearable, most would rather receive one for free from their employers or insurers.

Consumers were asked how likely they would be to purchase a fitness band at each price point.



Source: HIR/CIS Wearables consumer survey 2014



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New business models in digital healthcare required

*"How many businesses do you know that want to cut their revenue in half?
 That's why the healthcare system won't change the healthcare system."*

Rick Scott – Governor of Florida (as quoted by Vinod Khosla) – Rock Health Innovation Summit

| Who is likely to pay? | For what? |
|-------------------------------------|---|
| Consumers | <ul style="list-style-type: none"> Wellbeing, weight loss, physical condition Monitoring elderly (e.g. parents with dementia) Facilitating normal life for chronically ill Access to healthcare in remote areas |
| Payors / insurers | <ul style="list-style-type: none"> Monitoring of chronic conditions if it reduces cost of care |
| Healthcare providers | <ul style="list-style-type: none"> Solutions to improve workflow in hospitals, labs, ... Monitoring solutions that demonstrate a clear business case (e.g. reduce readmission rates) |
| Pharma, Biotech & Medtech companies | <ul style="list-style-type: none"> Solutions that increase revenues (e.g. medication compliance solutions, remote monitoring solutions that drive incremental device sales, ...) or provide real live evidence data |

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Digital healthcare and big data related business models

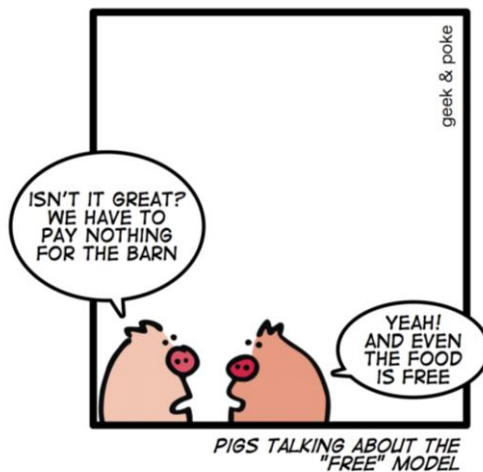
- IP licensing = €'s for use of patents or copyright
- Consultancy = €'s for hours of thinking and writing reports
- Services = €'s for hours of hard work
- Hardware = €'s per system, device, component, ... you sell
- Razor blade model = €'s per consumable for your device
- Software = €'s for the use of your code (one off or yearly fee)
- Software as a service = €'s for the use of your cloud service
 - freemium, transaction or usage based
 - transaction or usage based
 - yearly fee
 - monthly fee
- Data access = €'s for the use/analytics on your (big) dataset
- Medical care = €'s for performing a certain medical treatment
 - = €'s for treating a disease
 - = €'s for curing a disease
 - = €'s to keep a person healthy
- Social, mobile, web 2.0 = €'s per pair of eyeballs
- + any combination of the above

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*"If you are not paying for it, you're not the customer;
you are the product being sold."*



Source : geekandpoke.typepad.com/geekandpoke/2010/12/the-free-model.html

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Health economics!



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