

Triventures Feature in Israel's Leading Business & Financial Journal

In early September 2019, Gali Weinrab of Israel's leading business and financial journal, *Globes*, published a two-page feature piece on Triventures. Below are some select excerpts from the interview.

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Michal Geva, Peter Fitzgerald & Netalie Nadivi, Triventures Partners / Photo: Ramiz Zaranger

"In the past year, \$15B has been invested in digital health alone," says Michal Geva, a Partner at Triventures. "I still remember standing at our first investor conference in 2010 talking about 'IT for MT', communication as part of medical devices, as we coined the field back then. At the time, everyone thought we were crazy. "

For Triventures, in 2010 this was not just talk. Triventures' first fund, founded by interventional cardiologists Prof. Peter Fitzgerald and Dr. Martin Leon in the United States and Michal Geva in Israel, invested in Medisafe and Earlysense alongside investments in traditional medical devices. "It was very difficult back then to find opportunities in Israel in the digital health space to invest in," Geva recalls.

This format of investing in digital health and medical devices proved itself, especially as the emphasis on digital health increased over the years. Triventures recently performed the first closing on its joint seed fund with Sheba Medical Center (Tel Hashomer) which will focus on digital health and is in the advanced stages of raising its fourth independent post-seed fund. Triventures has \$150M under management.

How has the digital health sector evolved in recent years?

Geva: "First of all, there is no doubt that today the market truly believes that digital health is an industry here to stay. The main evolution of the domain is the emphasis on building clear business models. If in the past, investors and potential customers were enthusiastic about the fact that a company has gathered a lot of data and built an interesting algorithm, then today, the first question is - What is the real clinical change your product is making? And is anyone willing to pay for it?"

"When I speak with entrepreneurs, I always say, "Don't invest a dollar in technology before you understand the market, the needs and the various incentives that drive it. Only when it is clear who will pay for a particular solution should you start developing it."

At the beginning of digital health, many developed consumer apps. Has the market really evolved in that direction, or is there a preference for products sold to hospitals or through doctors?

"Gover6 is exactly such an example that is directed to the consumer. The idea is that you don't necessarily have to go through a doctor, although in certain cases it is appropriate, but you have to have a real business model, which means while the consumer may be the ultimate user, they are not always the paying customer. With apps, if we want insurance companies to pay for them, we need to prove that the product can actually save them money. For example, Medisafe, which has developed an app that sends reminders for taking medication and also provides information on the user's conditions, has shown that its product can actually reduce morbidity. "

The two partners with whom you started the fund are cardiologists. How did they react to the new world revolutionizing traditional healthcare?

"Professor Peter Fitzgerald, my partner, has always been a visionary and also with respect to digital health and to a large extent he has led us to this field. Today, Peter is recognized worldwide as one of the leading physicians in digital health and he has even been named advisor to the FDA on its digital health strategy. Dr. Martin Leon, who today is a Venture Partner, continues as a full-time interventional cardiologist but has been central to introducing and adopting innovations in the field and one of the more forward thinking clinicians in the segment." Two years ago, Netalie Nadivi was appointed Partner in the fund. Netalie worked for 20 years with start-ups and entrepreneurs in the field of enterprise software and in various positions at Philips, including Director of Business Development and Mergers and Acquisitions. "I am very excited that through our joint venture fund with Sheba, Triventures is again investing at a very early stage, right at the start to shape the companies together with their management. Alongside this, we continue to invest in later stages through our independent post-seed fund," says Nadivi.

What areas of the digital health sector do you specialize in?

"Prevention, personalization, workflow improvement, administrative improvements, wherever we throw an arrow in healthcare, there is something to improve in terms of streamlining processes. One of the most interesting things occurring in healthcare is the breakdowns of boundaries between verticals. A fintech company can also deliver a fintech solution to healthcare. Autonomous vehicles can collect medical data about the passenger through the in-cabin sensors. We will continue to focus on companies where health is at the core of their activities, but not necessarily those whose client is the hospital. **In light of all this, is it still worth investing in traditional medtech?**

"Sure! But today our focus is only on the burning needs and not the incremental changes that are more difficult to justify payment for. For example, Cathworks, a company in our portfolio, makes recommendations if a stent is required based on catheterization images. This is a software solution but is considered a medical device from the point of view that it required a clinical trial and FDA approval so that we could market it and we could get a reimbursement code for the solution. "

What will characterize the 4th Fund?

"It will be \$125M. In contrast to the joint fund with Sheba, the 4th fund will invest in companies in later stages, so that we can also make continued investments in companies that begin their path in the joint fund. I believe the portfolio companies will feel very comfortable knowing that we also have runway and deep pockets."