

The Intelligence Report:

Initiating Comprehensive Insights into AI & Healthcare

Report by Liam Lewis

August 1st, 2023

The logo consists of the letters 'I', 'I', and 'V' in a large, black, serif font. The first 'I' is a simple vertical bar. The second 'I' is a thin vertical line. The 'V' is a large, bold, serif letter. They are arranged horizontally with wide spacing.

INTELLIGENCE VENTURES

Investing in the intersection of AI & Healthcare

INTELLIGENCE VENTURES: WE INVEST IN AND SUPPORT ICONIC COMPANIES TO MAKE HEALTHCARE BETTER



We are an emerging VC firm

Raising \$25M to invest in and support pre-seed, seed, and series A companies in the US



Partners... not just investors

We partner with our portfolio companies to offer best-in-class business consultation to guide them from 0 to 1



Our Focus

Companies that use automation to solve inefficiencies in biotech, pharma, medtech, and diagnostics



Community Building

Scientists, doctors, patients, and tech gurus united to positively reshape the way that we think about healthcare

Our progress since forming in late February 2023:

We have met with

40

startups that match our
investment thesis

Built relationships with

50

healthcare and/or AI
investors

Grown our core team to

8

individuals dedicated to
innovation

THE IV EDGE: A DIFFERENTIATED APPROACH...

AI-Verified Insight: Our expert team decodes the AI hype, identifying true AI and automation breakthroughs within healthcare

Agility & Responsiveness: Quick to act and adapt due to our small, nimble fund size

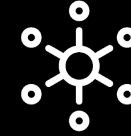
Emerging Manager Advantage: Data from Cambridge Associates shows first funds outperformed follow-on funds in 11 of the past 15 years in the US VC space - median net IRR of 14.6% versus 10.7%

Unique Deal Flow: Uncovering high-reward investment opportunities often overlooked by larger funds

Access to Emerging Talent: Providing funding, mentorship, and launchpad to promising AI and healthcare ventures

Synergistic Growth: Sharing a parallel growth journey with our portfolio companies, driving mutual success and returns

... WHILE OFFERING A DIVERSE SUITE OF SERVICES TO OUR PORTFOLIO COMPANIES



The Intelligence Network

Vital support for growth
& recruitment



Fundraising Consultation

Capital raise, investor relations,
& public relations support



Corporate Development M&A Advisory

We've partnered with expert
bankers to achieve optimal exit
opportunities



Industry Analyses

Ad-hoc market
intelligence and reporting
to ensure our portfolio is
best-in-class

The AI Revolution In Healthcare

We're at an important time in history where we have increased clinical outcomes, greater data analysis capacities and technological advancement creating fervor for greater healthcare technology applications

The Potential Impacts of AI + Healthcare Applications

- ✓ Reduce Physician Burnout
- ✓ Reduce Futile Treatments
- ✓ Increase Diagnostic Accuracy
- ✓ Streamline Administrative Tasks

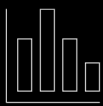
Challenges Ahead for AI Implementation In Healthcare

- ✗ 'Black Box' Problem – There is a lack of transparency in how AI models reach conclusions and determine algorithmic outcomes
- ✗ Sufficient Training Data – Adequate quantity and quality of training data needed for a reliable AI model
- ✗ Proper AI Model Use – Companies need to determine the most appropriate AI model for their given tasks
- ✗ Data Security – Companies need to be transparent and forthcoming about user data storage, privacy, and compliance

AI-Healthcare Market

2023	\$20 B
2028	\$180 B
CAGR	48%

What Factors are driving growth of the AI-Healthcare Market?



Big Data

The 'Big Data' market is poised to increase from \$115B to \$297B in 2030

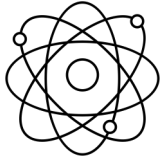
CAGR 14.5%



High Healthcare Costs

PwC's Health Research Institute (HRI) predicts a 7% YoY increase in individual and group medical costs for 2023

Future Impacts of Automation in Healthcare



Quantum computing may allow for great computational advancement in drug development/medical imaging



Increased reliance on wearables could inform on diagnostics, treatments, and provide greater access to physicians and caretakers



Increased telehealth with AI-based chatbots will decrease physician-burden and free up providers



AI-managed EMRs will allow for greater medical transparency and inform on Dx and treatment decisions. Also frees up providers by processing notes/patient visits

Expert Market Insights

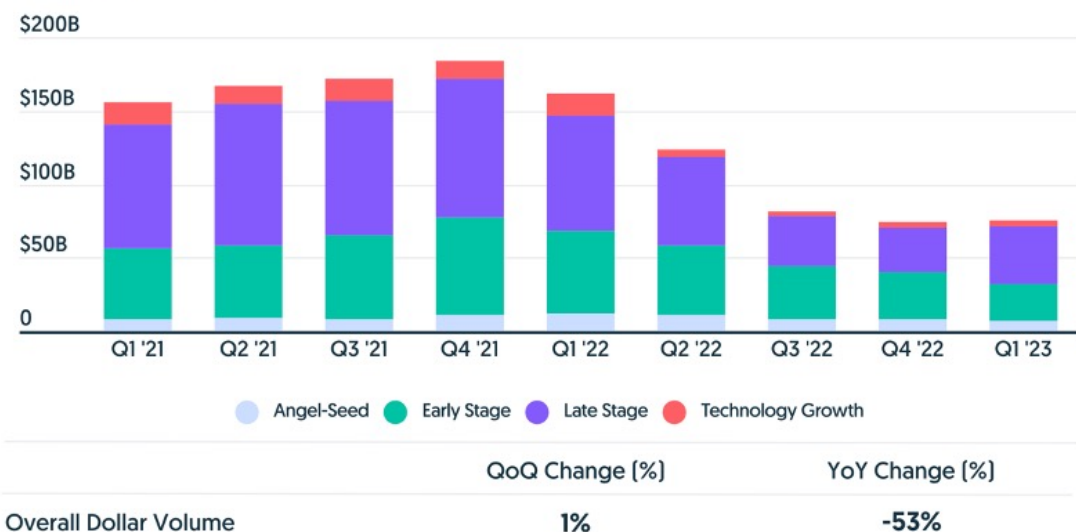
“AI is maturing at a time when life sciences and healthcare are also transforming, both industries increasingly driven by engineering with its power and opportunity to change how we diagnose, treat, and manage disease and deliver health.” – Vijay Pande

Risks of AI-Healthcare Adoption

- Current AI models pose a risk of perpetuating social biases due to insufficient training data and algorithms
- AI can pose a significant risk if proper ethical and moral values of AI decision making are not properly introduced
- Lack of transparency in the AI decision-making process can lead to distrust and hinder adoption rates of AI technologies
- AI adoption has the potential to lead to job displacement across various industries

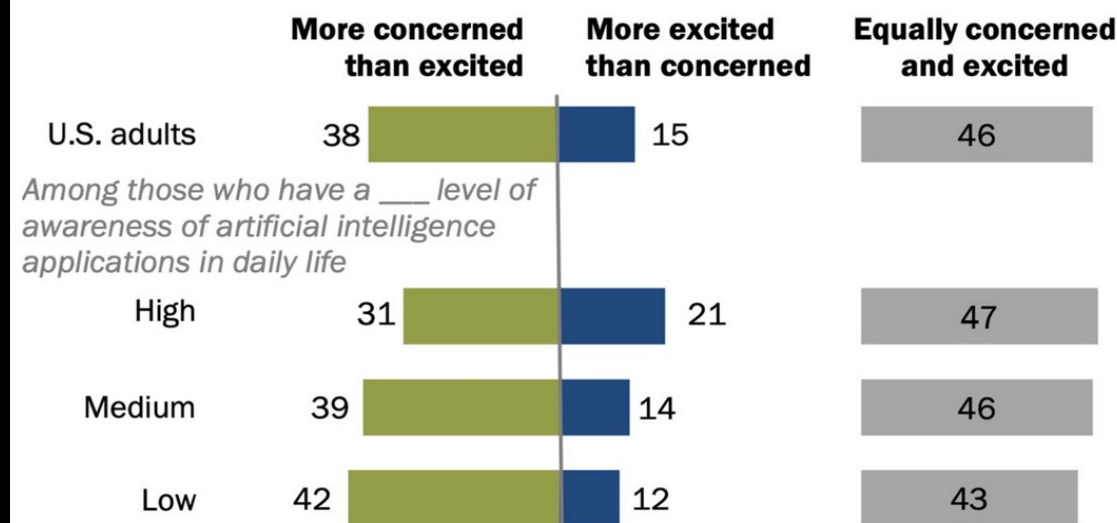
As global venture funding stabilizes, it will be important to understand consumer concerns related to AI-Healthcare

Global Venture Dollar Volume Through Q1 2023



The general public is overwhelmingly concerned about AI

% of U.S. adults who say the increased use of artificial intelligence in daily life makes them feel ...



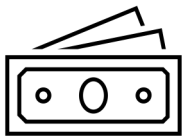
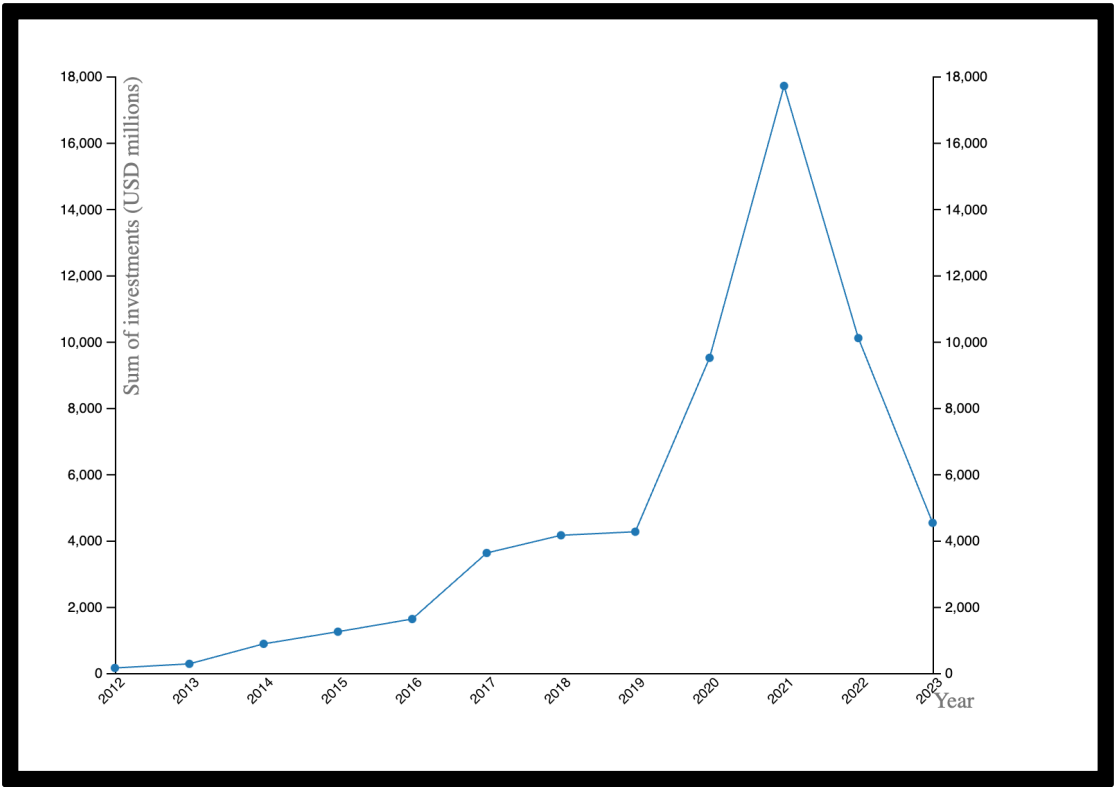
Global Venture funding decreased 56% since 2021



Forethought of AI ethics and best practices in portfolio companies may reduce consumer fears



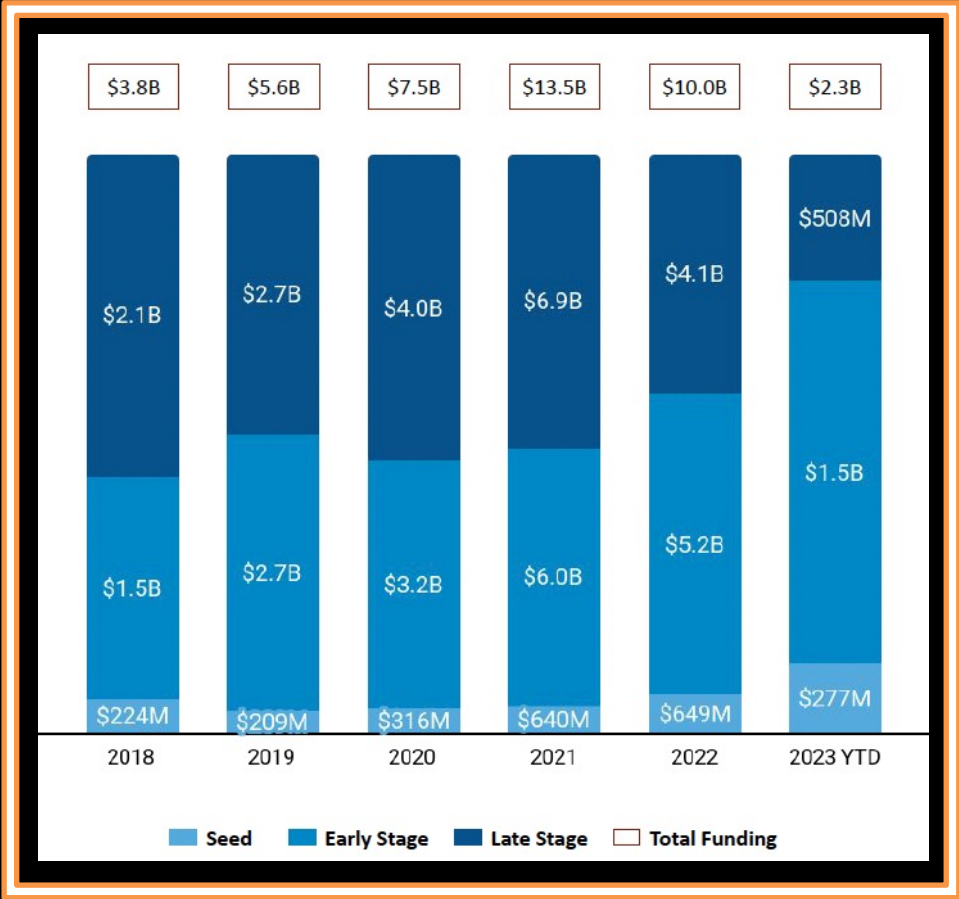
U.S AI-healthcare venture funding has decreased precipitously since 2021, however, AI and Healthcare ventures accounted for ~40% of capital raised



Companies active in AI raised ~\$2.8B (13%) in Q2 '23

Healthcare companies raised the most in Q2 '23 at \$5.7B

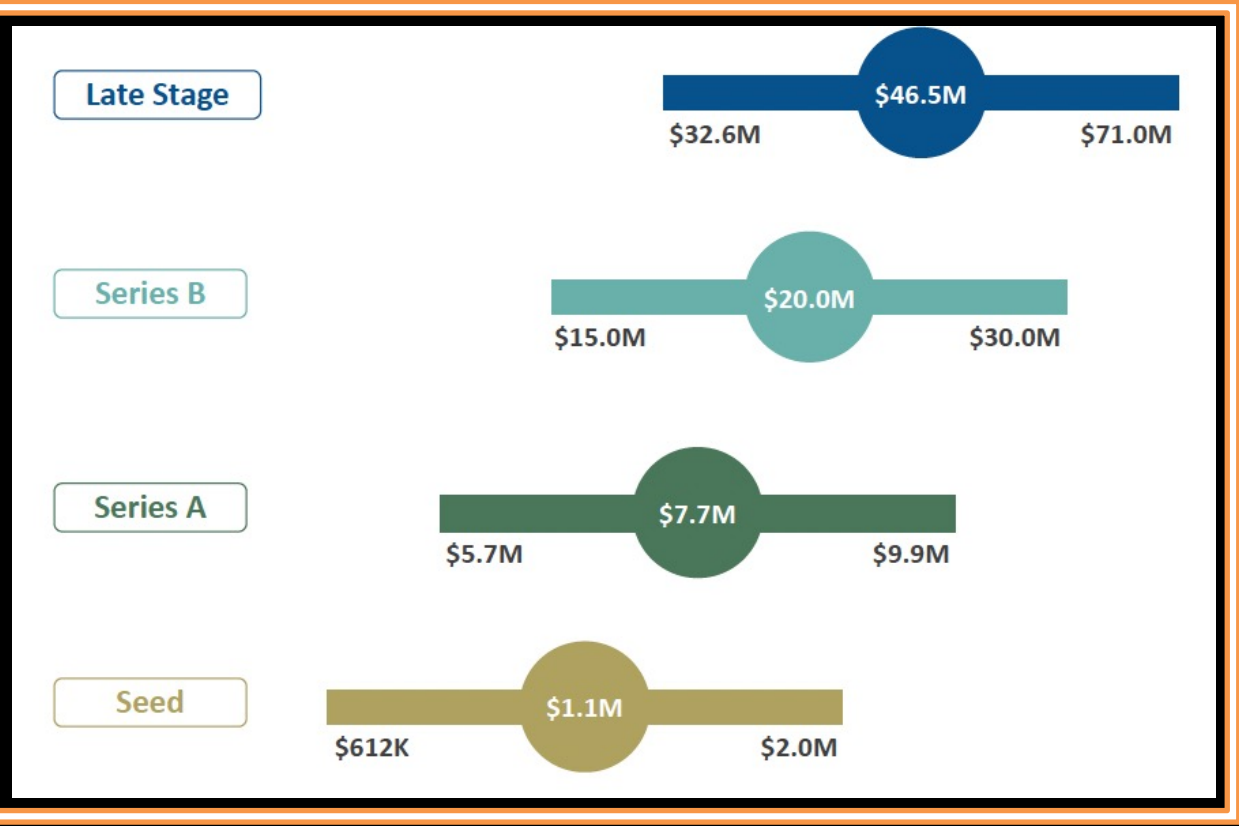
Expected rebounding of early-stage venture investments in 2023



Although funding decreased YoY, early-stage funding has remained consistent relative to other rounds, and recently increased



Funding Ranges by Round (2018-2023)



Median round amounts from Seed to Series B are \$1M-\$20M

Top AI-Healthcare Business Models

Business Model	Funding (USD, Millions)
Drug Discovery	\$420
Gene Therapy	\$349
Cancer Dx	\$335
Liquid Biopsy Assays	\$274
Healthcare IT	\$223
Healthcare Business Intel	\$200
Radiological Imaging	\$198
Surgical Robots	\$180
Synthetic Biology	\$175



Drug Discovery



Gene Therapy



Healthcare IT



Top AI-Healthcare Business models involve drug discovery, gene therapies and cancer diagnostics



Sources: Tracxn, Crunchbase

Largest AI-Healthcare Checks

AI-HEALTHCARE STARTUPS WITH LARGEST ROUNDS

Ultima Genomics Last Funding \$600M AI-Driven Genomics	Monogram Health Last Funding \$374M Personalized in-home care for polychronic patients	Inari Agriculture Last Funding \$303M Agricultural Seed Design	Freenome Last Funding \$290M Next-Gen Blood Tests for Early Cancer Detection	Kriya Tx Last Funding \$270M ML-driven Gene Therapy Development
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Startup Highlights

Company	Founded	Last Funding Round; Total Funding Amount	Company Description
Bighat Biosciences	2019 (CA)	Series B (\$75M); \$99.3M	Antibody design platforms integrating computation and experiments
Deepcell	2017 (CA)	Series B (\$73M); \$98M	REM-I Platform for high-resolution AI analysis single cell morphology imaging pivoted from Stanford Lab
Profluent Bio	2022 (CA)	Seed; \$9M	Large language models to improve the protein design process
Atomic AI	2021 (CA)	Series A (\$35M); \$42M	Using AI to analyze 3D RNA structures to identify functional RNA binders
Abridge	2018 (PA)	Series A (\$12.5M); \$27.5M	Using AI to dictate Physician-Patient conversations
Exscientia	2012 (UK)	Series D (\$225M); \$374.4M	Using AI to automate drug design

Sources: Tracxn, Crunchbase

QUESTIONS

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Together, let's keep our fingers on the pulse of the future of healthcare. Join us as we delve into the world of AI-powered healthcare innovation.