

PRESS RELEASE

Philips, Vesalius Biocapital III and Health Innovations invest in AI health tech start-up DEARhealth

AMSTERDAM 18 July 2019 - DEARhealth, a health tech spin-out from the University of California, Los Angeles (UCLA), today announced a first closing of its Series A round with Philips Health Technology Ventures, Vesalius Biocapital III and Health Innovations. DEARhealth offers Artificial Intelligence (AI)-powered health pathways for chronic care. With the €6.0 (\$6.8) million investment, DEARhealth will scale testing of its health technology offering to more hospitals, thus significantly enhancing Value Based Health Care. DEARhealth will also expand operations to Europe, opening their European headquarters in Amsterdam, The Netherlands.

In 2012, Daniel Hommes, a Dutch born MD PhD, worked at UCLA when he started DEARhealth as a research project. The goal was to test if data-driven care planning for people with chronic diseases could have better outcomes, improved experiences for patients and providers, with lower cost (Quadruple Aim objective). Hommes, now Chief Executive Officer at DEARhealth: “In the first prototypes for Inflammatory Bowel Disease (IBD), we demonstrated that the disease relapse rate as well as ED visits and hospitalizations were significantly decreased. This also had a huge impact on projected costs.”

The [DEARhealth](#) approach has since then expanded to other chronic conditions, including pain management, liver diseases, ovarian cancer, chronic kidney diseases, low back pain and many more are in the pipeline. Biopharmaceutical company UCB and DEARhealth [recently announced](#) collaboration to improve chronic care delivery for people living with epilepsy.

Chronic patients often visit their doctor and hospital for checkups and care. The DEARhealth platform creates personalized care pathways, precisely tailored to the patient’s situation. Based on the care pathway doctors, nurses and other professionals can together provide the best possible care.

Combining medical knowledge and patient data, the DEARhealth platform predicts the best care pathway with the lowest risks. With the prediction doctors can easily adjust the care pathway to navigate away from risk, when the patient’s condition changes or following unexpected test outcomes.

Strategic investment to expand validation

The current goal of DEARhealth is to validate the successful UCLA-based approach and platform with other healthcare providers in the US and Europe. In 2019,

DEARhealth will be deployed in seven European hospitals (four hospitals in The Netherlands) and with multiple hospitals and pharmaceutical companies in the US.

This Series A investment allows for validation of the platform in multiple care settings across various chronic conditions. Hommes: “We couldn’t be more excited to partner with Philips, Vesalius Biocapital III and Health Innovations at a time where care is transforming so rapidly. DEARhealth is collaborating with companies like Philips to share disease-specific knowledge and expertise in order to maximize value for patients and providers.”

Rich Wilmot, Head of [Philips Health Technology Ventures](#): “We view DEARhealth as an ideal fit within our venture strategy, where we aim to partner with and invest in promising digital health companies complementary to Philips strategic initiatives. DEARhealth’s strong potential to accelerate transformation in chronic care towards better outcomes and experiences for patients aligns perfectly, and we look forward to working together to transform care delivery and help the company reach its full potential.”

Philips Health Technology Ventures manages a business-agnostic digital health fund investing capital in future partners to help drive Philips’ digital transformation and jointly achieve the Quadruple Aim in healthcare.

Marc Lohrmann, Managing Partner of [Vesalius Biocapital III](#), added: “With this investment we support the DEARhealth team to accelerate the validation of the revolutionizing AI-powered Care Pathways, to deliver the cost reduction, to reduce the clinician’s administrative burden and to improve patient outcomes”

Dick Sietses, partner of [Health Innovations](#), added: “DEARhealth clearly fits our strategy to introduce value based healthcare in a way that fits the healthcare system, and helps healthcare professionals, while it’s easy to use and makes healthcare better and more affordable at the same time.”

Lara Koole (Philips), Marc Lohrmann (Vesalius Biocapital III) and Dick Sietses (Health Innovations) will join the Board of Directors of DEARhealth.

Patient-centric pathways for chronic care

DEARhealth provides patient-centric, data-driven and AI-powered care pathways, orchestrating the work of everyone involved in providing care. Using a proven approach and the DEARhealth platform, healthcare professionals create care pathway models for their hospital and healthcare system. Each model bundles the experience of medical specialists and nurses, holistic patient data, medical knowledge, cost controls and outcome measures.

Based on the model, the software optimizes daily care delivery by continuously presenting recommendations derived from advanced expert algorithms and deep

learning outcomes. Providers can accept or decline those recommendations so that over time, through machine-learning, providers' choices will become optimally aligned with Quadruple Aim outcomes.

Both patient-reported outcomes and data derived from medical devices will help augment the learnings. Via mobile apps, patients are engaged to actively participate in their care pathway and its additional supervised modules for adherence, mental support, nutritional support, wellness and education.

Hommel: "Hospitals will become software-powered organizations. DEAR is ready to support that transformation for chronic care."

The DEARhealth platform seamlessly integrates its intelligent healthcare pathways to existing Electronic Medical Record systems (EMR). Providers are engaged through an EMR-integrated application layer in which they are invited to manage their patients and efficiently shift tasks between specialist, primary care physician, care coordinator or case-manager.

Transform chronic care

DEARhealth aims to improve patient health outcomes and experiences in chronic care while reducing costs. Aria Zand, MD and Chief Product Officer at DEARhealth: "We want to enable our value-based healthcare tools, developed by physicians with decades of experience, to contribute significantly in complex healthcare systems. Decades of patient dossier digitization and process automation has brought only marginal benefits in outcomes and patient experience, with still staggering costs. We want to change that."

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About DEARhealth

DEARhealth transforms chronic care towards a quadruple aim: improve patient experience, measurable health outcomes, provider well-being and cost control. The DEARhealth platform and modelling approach enable patient-centric, Artificial Intelligence (AI)-powered health pathways for chronic care.

DEARhealth is a health-AI spin-out from the University of California, Los Angeles (UCLA) and has headquarters in Los Angeles and Amsterdam. For more information please visit www.dearhealth.com.

About Vesalius Biocapital III

Vesalius Biocapital III is a specialist life sciences venture capital fund and is in line with predecessor funds Vesalius Biocapital I and Vesalius Biocapital II, which have supported life sciences companies since 2007. Vesalius Biocapital I and II raised over EUR 150 million and contributed in the development of over 20 companies.

The investment portfolio is well balanced between drug development, medical device & diagnostics and digital health investments and committed to providing capital to science-backed innovation and ambitious entrepreneurs, with a strong focus on exit within five years.

The specialist team consists of seasoned life science professionals with healthcare industry, corporate finance and strategy consulting experience, supporting companies through their growth cycle. The team is based in Europe and explores investment opportunities and valuation potential for the portfolio.

Vesalius Biocapital III, launched in April 2017, announced a final close with EUR 120 million in commitments. The fund targets later-stage European life science companies in drug development, medtech, diagnostics and digital health. For more information please visit <https://www.vesaliusbiocapital-3.com>

About Health Innovations

Health Innovations invests in young companies that make healthcare better and more affordable, focusing on innovative care concepts, eHealth, medical technology, Digital Health and Health Services. Health Innovations invests in Seed and Growth stage companies. Health Innovations is based in The Netherlands. Investors in the funds include KPN Ventures, Menzis, Monuta, OostNL, ABN AMRO, Achmea, VGZ, Mediq and the Netherlands ministries of Healthcare and Economic Affairs. For more information please visit www.healthinnovations.nl.

Note for the editor

This press release is issued by DEAR Health. For more information, please contact:

Katinka de Korte
DEARhealth, General Manager Europe
Frederik Roeskestraat 115 Amsterdam
Tel: +31 651534272
katinka.dekorte@dearhealth.com
www.dearhealth.com