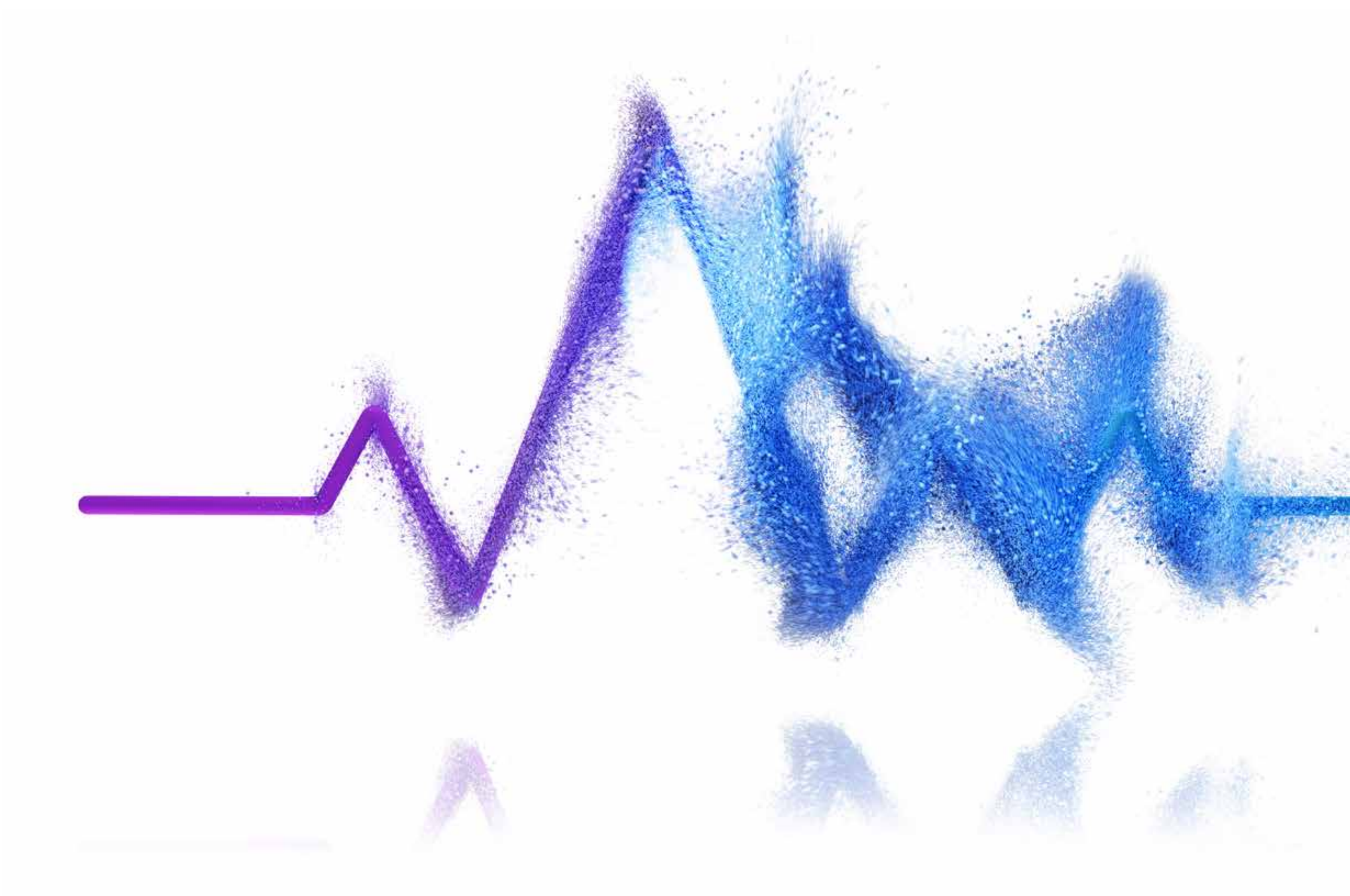
Health horizons

Opportunities emerge as sectors converge



Contents

Foreword

The outlook for healthcare and life sciences (HLS) investments is brimming with potential and growth.

Despite an overall decrease in global M&A levels across all sectors over the past two years, and uncertainty around when investment activity will bounce back, interest in HLS continues to weather unfavourable headwinds.

In fact, this year we have witnessed a surge in HLS megadeals that have seen biotech and healthcare startups raise upwards of $100 million.[1]

Several macro-economic drivers are likely responsible for the increased levels of interest in the sector.

Technological advancements in the HLS space, ageing populations, particularly in Asia, and an accelerated interest in telemedicine and agile vaccine development triggered by the pandemic all have a part to play.

Meanwhile, both the pandemic and trade tensions have highlighted the value of supply chain security, resulting in an increased focus on local manufacturing infrastructure.

Based on extensive research among 351 senior counsel and C-suite decision makers working at companies in the HLS sector in Europe, 361 investors in Europe with HLS portfolios, and a panel of our in-house legal experts, our latest report on HLS sector investments provides in-depth analysis of the landscape in which these major deals are taking place.

We explore the key trends shaping the sector, as well as offering expert guidance on how businesses and investors can overcome the challenges they currently face.

According to Alexandre Regniault, partner and healthcare and life sciences sector head:

"The powerful insights within this report are proof of the intrinsic value of healthcare and life sciences as fields for investments. Straight away, we see that investors are hungry, with a substantial 86% expecting their company to increase its investment allocation in the HLS sector in the next three years. Combine this appetite with the depth of opportunity provided by the sector's strong innovation pipeline and this becomes a recipe for success."

Alexandre Regniault
Partner, Sector Head - Healthcare and Life Sciences

The powerful insights within this report are proof of the intrinsic value of healthcare and life sciences as fields for investments.

Robert Turner
Partner, Sector Head - Asset Management and Investment Funds

> General interest in the Middle East as an investment region has not only been very high, but it's been our fastest growing practice in recent years.

Contributing to this positive outlook is the sense that relatively speaking investing in the HLS sector is viewed as an easy win.

As Robert Turner, partner and asset management and investment funds sector head states:

"From an investor perspective, external factors such as geopolitical tensions are actually incentivising HLS investments by making investing in other areas much more difficult."

At the same time, the opportunities on offer play into investors' need to invest capital raised via private credit strategies.

Partner and financial institutions sector head Charlotte Stalin points out that "private credit has been a hot topic in recent years. Now, funds are looking for businesses offering five-year investment opportunities to allow them to quickly service their debt. HLS businesses have significant funding needs, and they also tend to be very cash generative which make them perfect candidates for investment."

As well as highlighting corporate and investor optimism regarding the state of future HLS investments, our report dives into the key trends shaping the sector.

Unsurprisingly, we'll see that European corporates and investors view their home patch as offering great opportunity when it comes to HLS investing. Regniault cites the example of Denmark as an innovative hub for manufacturers and research and a basis for the development of global pharmaceutical products and medical devices.

That said, corporates and investors do also show an interest in opportunities outside of their domestic region, with North America, South America and the emerging Middle East and Asia Pacific HLS markets all attracting attention.

According to Turner, "general interest in the Middle East as an investment region has not only been very high, but it's been our fastest growing practice in recent years. In fact, the level of management talent looking to become active within the region is higher now than at any time in my career. Of course, this influx of asset management and investment funds talent may in turn lead to further requirement for HLS investment in the region."

Another factor driving interest in the sector is the vast potential for technology, particularly AI, to revolutionise healthcare. However, as we explore in the report, this is an area where corporates struggle, with many from our study stating that staying ahead of technological innovation is a challenge they face in making or attracting investments.

Our study also reveals that environmental, social and governance (ESG) considerations are taking centre stage within the HLS sector.

Investors are acutely aware of the potential for HLS investments to positively impact society and are interested in opportunities to invest in social infrastructure including elderly care, intellectual disability care and private hospitals over the next three years.

However, an increased focus on the impact of HLS activities on the environment has propelled ESG to the top of business and investor agendas.

Regniault states that "a deeper understanding of the environmental cost of healthcare has emerged in recent years. At the same time, our awareness of the impact that global warming and deteriorating biodiversity have on human health has also grown. There has often been a tendency within the HLS sector to view the environmental aspects of ESG as a risk, while the social elements are more often framed as an opportunity. And yet, when we explore this key trend, we see that proactive engagement with all aspects of ESG can in fact reveal a range of opportunities for innovation, cost reduction and growth."

Of course, all of these investment trends have one thing in common.

According to Stalin "success rests on business and investors' ability to navigate complex, and in some cases patchy, regulatory frameworks."

Our research shows that this is something both corporates and investors find hard to tackle.

Charlotte Stalin
Partner, Sector Head - Financial Institutions

> HLS businesses have significant funding needs, and they also tend to be very cash generative which make them perfect candidates for investment.

As legal experts in the HLS field, we believe that regulation can in fact be framed as an opportunity to drive investment. We trust that the insights we provide here will encourage you to do the same.

Executive summary

Investment outlook

Corporates and investors give a major vote of confidence to the healthcare and life sciences sector.

80% corporates[2]

86% investors

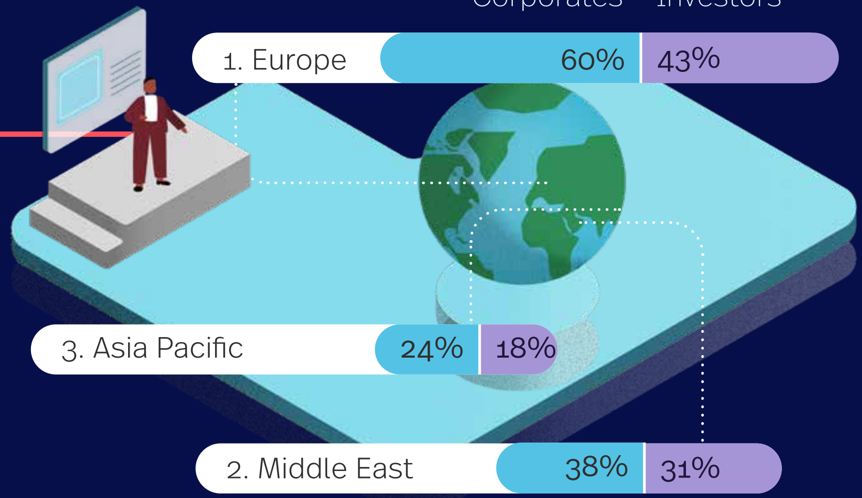
expect to see an increase in investment appetite over the next three years.

Top three business areas attracting investor interest:

- Social infrastructure
- Healthcare providers
- Pharma/Biotech/Contract research organisations

Regions of interest

European corporates and investors favour local healthcare and life sciences investment opportunities but also show interest in the emerging Middle East and Asia Pacific markets.



	Corporates	Investors
1. Europe	60%	43%
2. Middle East	38%	31%
3. Asia Pacific	24%	18%

Separate technology agendas

All agree that technology provides an attractive investment opportunity but priorities vary.[3]

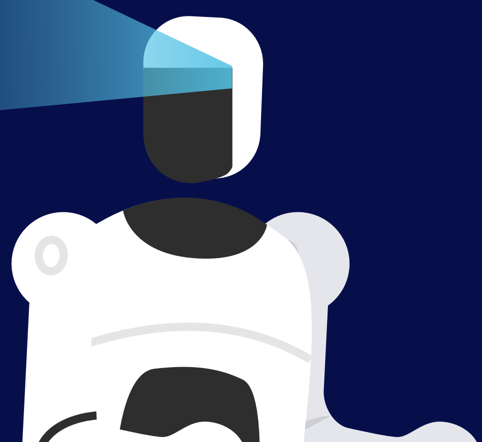
Corporates	Investors
1. Cloud platforms	1. Healthcare apps
2. AI/machine learning	2. Blockchain (DLT)
3. Healthcare apps	3. Smart clothing
4. Organs on chips	4. Robotics
5. Smart clothing	5. AI/machine learning

The impact of AI

100% corporates

99% investors

see AI positively disrupting the full spectrum of the healthcare and life sciences sector in the next 24 months.[4]



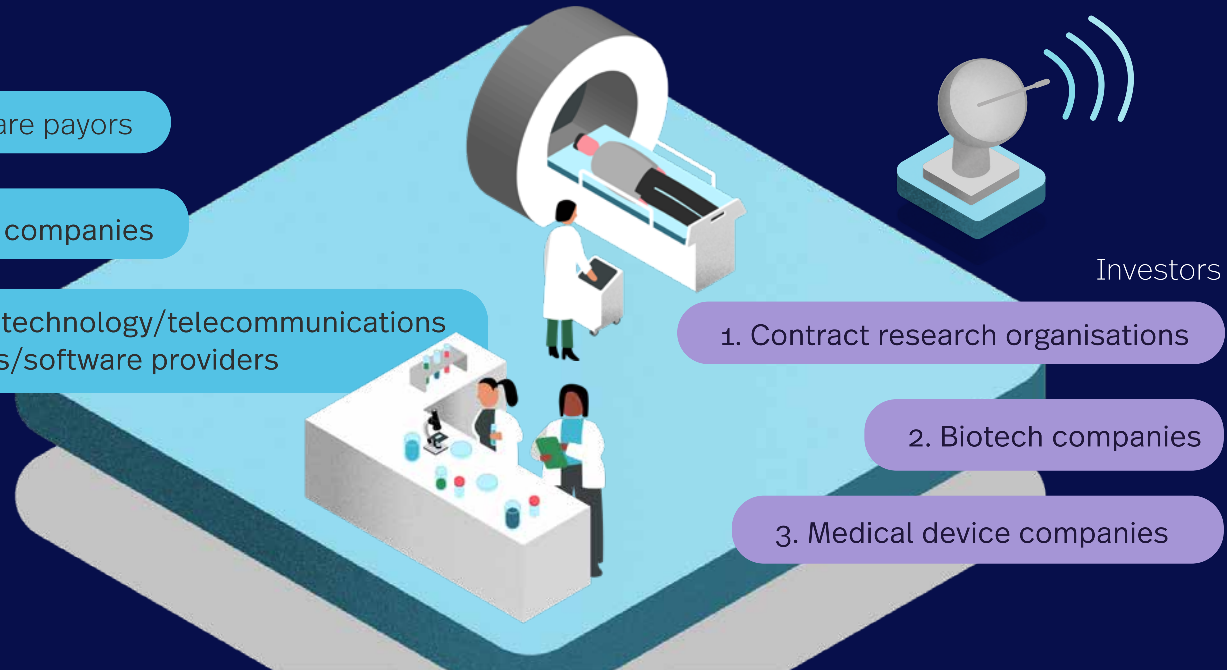
Top three types of HLS organisations expected to be most positively disrupted:

Corporates

1. Healthcare payors
2. Biotech companies
3. Startup technology/telecommunications companies/software providers

Investors

1. Contract research organisations
2. Biotech companies
3. Medical device companies



Investing in healthcare sustainability

Regulatory pressure to reduce the environmental impact of industry activities is intensifying.

All corporates are adopting ESG principles to enhance their appeal to investors[5]. But, a quarter identify ESG considerations as a major challenge.

All investors are just as committed to ESG across their portfolio[6], with 40% favouring ESG-focused thematic investing.

Top three ways corporates are attempting to offset their carbon emissions/ footprint:

1. Green building and construction design
2. The use of energy efficient products
3. Utilising renewable energy sources

Challenging regulation

Complex regulatory frameworks are hindering investment flows, and future regulatory changes are expected to have a major impact.

Top five future regulations that will most significantly impact growth and investment strategies:

Corporates	Investors
1. EU pharma package	1. ESG related regulations
2. Amendments to MDR and IDVR regulations	2. European Health Data Space Regulation
3. European Health Data Space Regulation	3. Amendments to MDR and IDVR regulations
4. US Biosecure Act	4. Local pricing and reimbursement issues
5. ESG related regulation	5. Regulation on Health Technology Assessment

Chapter 1

Taking the healthcare and life sciences investment pulse

Overview

Despite uncertainty in global M&A, both investors and corporates maintain a positive outlook on healthcare and life sciences (HLS) as a prime sector for investment. Europe will become the new destination for patient centric advancements.

The HLS sector's continued ability to provide opportunities for growth despite challenging macro-economic factors, advancements in healthcare technology and high demand due to changing demographics are contributing to an increase in investor appetite.

Both European corporates and investors are most likely to say that Europe is attractive to their organisations when considering HLS investment opportunities, in part due to the level of safety provided by the European Union's familiar regulatory frameworks.

Healthcare providers and social infrastructure are key areas of interest for investors, no doubt driven by the need to cater to rapidly ageing populations.

Both corporates and investors are being held back by regulatory challenges, especially foreign direct investment (FDI) policies. However, with expert guidance, investors can work around these rules to mitigate risk and even benefit from the regulations.

At a glance

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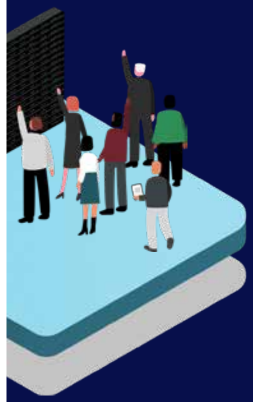

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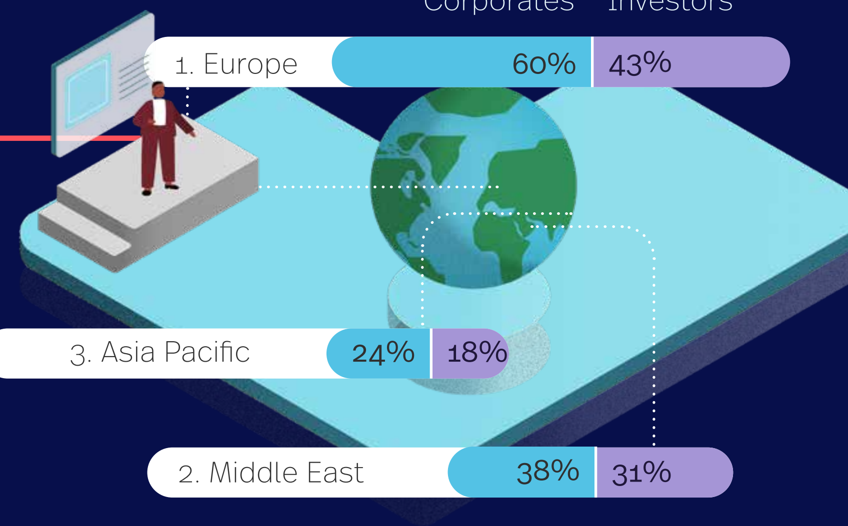

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Corporate concerns

Despite the expected increase in investment appetite, corporates fear there may be obstacles to overcome.

Corporates surveyed have concerns when it comes to deploying growth and investment strategies, the top three concerns are:

1. A gap between buyers' and sellers' expectations on valuation	42%
2. Health policy, political and geopolitical factors	41%
3. Perceived risk/ rewards	39%

An optimistic outlook

The healthcare and life sciences (HLS) sector ticks a lot of boxes as an investment opportunity.

Innovation, constant demand, scale, and relevance to environmental, social, and governance (ESG) objectives make it an attractive investment target for sources of private capital that appears set to receive a major cash injection in the next three years.

Jérôme Patenotte
Partner, Corporate and Commercial

> The pandemic was instrumental in highlighting the strength and resilience of the HLS sector. This has made it a very attractive prospect for investors.

Our research reveals that 80% of corporates surveyed expect to see an increase[2] in investor appetite over the next three years. Meanwhile, 86% of investors surveyed expect their company to increase its overall investment allocation in the HLS sector in that time, with respondents reporting that they expect this to increase by 68% on average.[7]

Recent examples that demonstrate the growing interest in the sector include leading European private equity firm Exponent's investment in Kingsbridge Healthcare Group[8], and Apotex's acquisition of leading Canadian specialty innovative branded pharmaceutical company Searchlight Pharma.[9]

The anticipated increase in investment appetite in the HLS sector can be attributed to a number of factors.

Corporates surveyed say that the principal drivers for the expected change in HLS investment allocation are health policy and political/ geopolitical factors (38%), the outlook for inflation/ interest rates (38%) and regulatory and IP (eg 'patent cliff' factors) (35%).

At the same time, investors say the principal drivers for their increased appetite are perceived risk/ rewards (30%), changed views about other parts of their portfolio (30%) and the outlook for inflation/ interest rates (28%).

Commenting on the findings, Jérôme Patenotte, partner in our corporate and commercial group, points out:

"The pandemic was instrumental in highlighting the strength and resilience of the HLS sector. This has made it a very attractive prospect for investors who find themselves in possession of a large stock of dry powder but are finding it challenging to finance deals in other sectors due to macro-economic factors such as high interest rates and geopolitical tension.

The sector's continued ability to provide opportunities for growth, despite these obstacles, along with the dream exit potentialities on offer, mean it's no wonder such a high proportion of corporates and investors anticipate increased investment activity in the coming years."

Dream exits for HLS investors

Recently completed exit deals demonstrate the potential for investment success in the HLS sector.

In fact, market intelligence shows that of the 10 largest exits completed with private equity or venture capital seller involvement in the first half of 2024, five were in the HLS sector.

For example, before being acquired by Johnson & Johnson earlier this year, Shockwave Medical's previous investors, which included Vanguard Group and BlackRock, sold their shares in the company for almost $12.9 billion. Meanwhile, in March biopharmaceutical company Karuna Therapeutics' investors did the same for $12.8 billion.[10]

Furthermore, technological innovation is undoubtedly driving interest in the sector, as David Brangam, partner in our corporate and commercial group, states:

"The very definition of HLS has broadened considerably over the past decade and will continue to do so as the marriage of healthcare and technology uncovers exciting new possibilities. In particular, generative artificial intelligence (Gen AI) is set to have a significant impact within the sector given its potential to transform everything from drug discovery to patient care."

Additionally, changing demographics are opening up new investment opportunities within the sector.

Brangam adds:

"Rapidly ageing populations are lending themselves to certain sub-sectors such as pharmaceuticals, treatments or elderly care. There is also an enormous opportunity for AI to deliver health monitoring and personalised, predictive care to growing ageing populations without putting additional pressure on health services that are already under strain."

David Brangam
Partner, Corporate and Commercial

> The very definition of HLS has broadened considerably over the past decade and will continue to do so as the marriage of healthcare and technology uncovers exciting new possibilities.

Future corporate action

As well as showing that corporates and investors expect HLS investment levels to rise over the next three years, our study also highlights that both groups believe their organisations are likely to conduct various types of corporate action in that timeframe.

While both corporates and investors favour capital raising as a category of future action, one size doesn't fit all. Investors rank venture financing/capital as the top action within this category, followed by equity offerings and private investment in public equity (PIPE). In contrast, corporates view venture financing/capital as the least favoured action, with equity offerings being the most likely.

Both groups rank the categories of M&A and strategic alliances and collaborations in second and third place, respectively. However, they are not aligned in their rankings of the specific actions throughout the categories.

For example, corporates favour acquisitions and equity deals, while investors appear to be more focused on asset and debt transactions. Nonetheless, they are both aligned in being less likely to undertake reverse mergers and minority stakes.

Neither corporates nor investors commit to a particular course of action, highlighting agility in future HLS investment strategies. Despite their excitement over the HLS investment opportunities, corporates and investors may still be influenced by the general uncertainty surrounding global investments.

What type of corporate action, if any, is your organisation the most likely to conduct over the next three years? (tick up to five options)

	Corporate action category	Corporates	Investors
1	Capital raising	75%	67%
2	Mergers and acquisitions	73%	64%
3	Strategic alliances and collaborations	56%	49%

1 Capital raising

	Corporates	Investors
Equity offering	21%	15%
Private investment in public equity (PIPE)	21%	15%
Controlling stake	20%	14%
Debt offering	19%	13%
Private Equity style buy-out	18%	15%
Venture financing / capital	17%	17%

2 Mergers and acquisitions

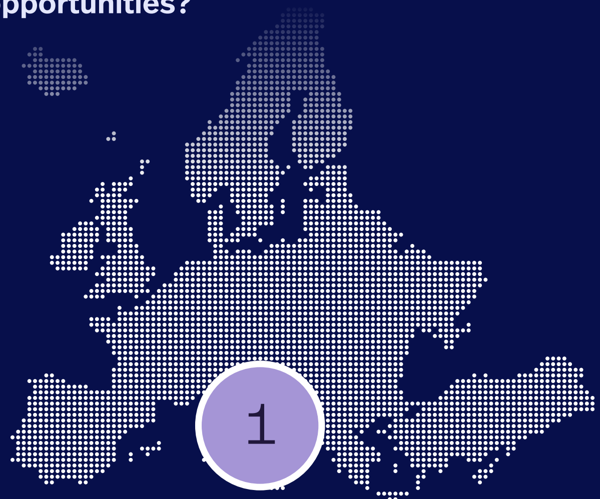
	Corporates	Investors
Acquisition	22%	14%
Merger	20%	14%
Asset transactions	19%	19%
Share acquisitions	18%	16%
Reverse mergers	17%	12%
SPACs	17%	15%

3 Strategic alliances and collaborations

	Corporates	Investors
Corporate venturing	18%	17%
Debt transactions	18%	18%
Minority stake	17%	11%
50/50 joint ventures	15%	16%

The home comfort zone

What regions are attractive to your organisation when considering healthcare and life sciences investment opportunities?



Europe

60% Corporates | 43% Investors

	Region	Corporates	Investors
2	North America	39%	36%
3	Middle East	38%	31%
4	South America	30%	28%
5	Asia pacific	24%	18%
6	Africa	11%	8%

Both European corporates and investors favour HLS investment opportunities on their own doorstep.

> Investors find it extremely difficult to make sizeable deals very far from home as this requires them to master a whole new set of regulations.
>
> **Jérôme Patenotte**

60% of corporates surveyed say Europe is attractive to their organisation when considering HLS investment opportunities, while 43% of investors surveyed say the same.

Various factors can account for Europe's wide appeal, corporate and investors' self-interest being one.

Brangam states that "both corporates and investors can certainly benefit from keeping things local. They are often afforded more flexibility from research and development grants and given preferential treatment by governments as far as possible."

Meanwhile, Patenotte highlights that operating within familiar regulatory frameworks affords a level of safety for investors.

"Investors find it extremely difficult to make sizeable deals very far from home as this requires them to master a whole new set of regulations. This can present a major risk. At the same time, we have seen a rise in increasingly protectionist foreign direct investment (FDI) screening policies that are prompting investors to operate within their own borders."

Ombline Ancelin, partner, antitrust and FDI, notes that this also applies to merger control. "EU investors have a strategic edge in merger control as they are familiar with the expectations and procedures of EU competition authorities.

These investors must pay particularly close attention to antitrust authorities, which have put a stop to various transactions within the HLS sector. This in turn has prompted competition authorities in the EU to review transactions even when relevant turnover thresholds are not met. The recent Ilumina/Grail[11] saga is a prime example of this. However, the CJEU's decision to overturn the EU Commission in this case will not stop national competition authorities reviewing deals below thresholds in the HLS sector, highlighting the need for specialist antitrust guidance."

EU investors' preference for focusing on local markets can however mean that lucrative opportunities elsewhere are often overlooked.

Patenotte notes:
"We have seen many cases in which investors have missed out on opportunities, particularly in Asia or the Middle East, having chosen to focus funds in Europe or even the US where regulatory frameworks are more mature and better understood. However, backed by the right team with the knowledge to help demystify these regulations, this needn't be the case."

Ombline Ancelin
Partner, Antitrust and FDI

> EU investors have a strategic edge in merger control as they are familiar with the expectations and procedures of EU competition authorities.

Investment priorities

For the most part, corporates have a sound understanding of investor priorities.

Our study shows that the top three types of HLS business types **corporates** say are most attractive to investors are:

1. **Healthcare providers**
(including government healthcare institutions, public or private healthcare providers and laboratories.)
2. **Social infrastructure**
(including elderly care, retirement living, intellectual disability care and private hospitals.)
3. **Healthcare payors**
(public or private insurance companies, public funding systems, etc.)

Meanwhile, the top three business areas **investors** surveyed say their organisation is most interested in investing in over the next three years are:

1. **Social infrastructure**
(including elderly care, retirement living, intellectual disability care and private hospitals.)
2. **Healthcare providers**
(including government healthcare institutions, public or private healthcare providers, laboratories, etc.)
3. **Pharma companies / Biotech companies / Contract research organisations.**

Interestingly, neither biotech nor MedTech companies feature in either group's top three business areas of interest.

This is surprising given the significance of the deals in these areas that completed so far in 2024.

For example, in April, Johnson & Johnson acquired Shockwave Medical to the tune of $13 billion. By acquiring this innovative tech business that will now operate as a unit within Johnson & Johnson MedTech, J&J have cemented their position as a leader in one of the highest-growth segments of cardiovascular intervention.[12] Meanwhile, in May, Merck's $3 billion dollar acquisition of EyeBio enabled it to further diversify its pipeline to include treatments for retinal diseases and vision loss.[13]

It may be the case that while corporates and investors are focusing on these types of deals now, thinking ahead to the next three years, future priorities look slightly different.

An area that both groups view as a key growth area for the next three years is social infrastructure. This is to be expected given that the need to support and care for ageing populations is becoming ever more pressing.

The interest in healthcare providers as an investment opportunity also plays into this theme.

> "
> Ageing populations are undoubtedly driving the necessity for governments to reinforce healthcare and social infrastructure.
>
> **David Brangam**

Brangam states:

"Ageing populations are undoubtedly driving the necessity for governments to reinforce healthcare and social infrastructure, although they're not the only factor. For example, our understanding of how certain disabilities are managed has deepened, which also needs to be met by an improved standard of care.

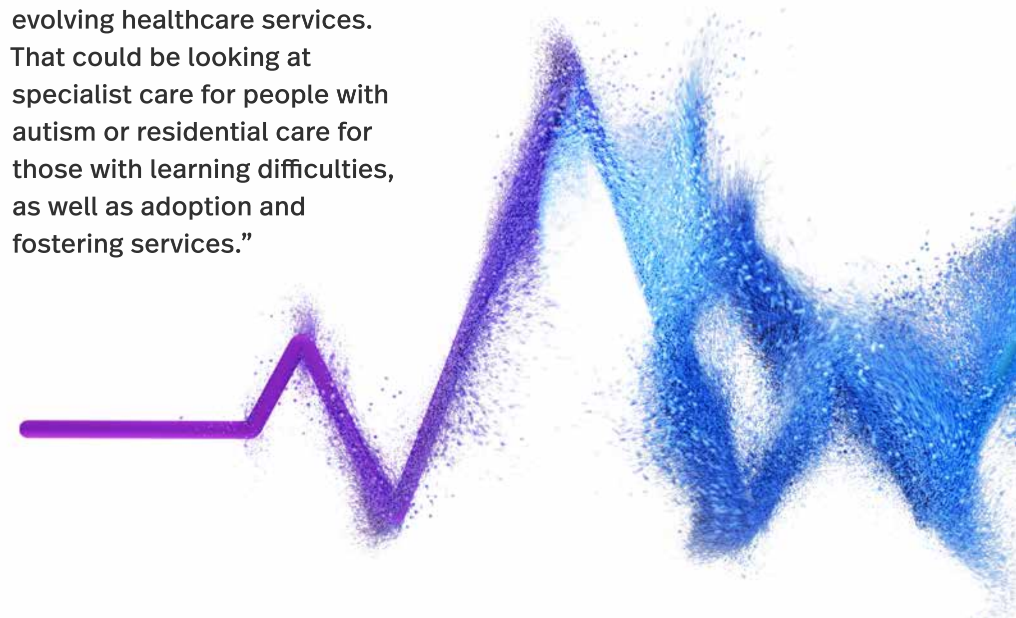
One of the most obvious ways that governments can demonstrate advancements in these areas is by opening a new hospital or treatment facility. Naturally, this requires a big cash injection that governments may not always be able to fund themselves. They are therefore likely to support private investment in these areas, making them an attractive opportunity.

Certainly, my own clients are looking to invest in areas that would traditionally have been state-funded and ways of evolving healthcare services. That could be looking at specialist care for people with autism or residential care for those with learning difficulties, as well as adoption and fostering services."

However, corporates and investors disagree on the subject of healthcare payors (public or private insurance companies, public funding systems).

Corporates view this as being one of the top business areas of interest for investors, yet this was among the least common responses given by investors themselves when asked which business areas their organisation is most interested in investing in over the next three years.

Patenotte believes this difference in opinion can be accounted for not only because the insurance sector is extremely regulated, but also because it can be very difficult for investors to profit in this area. Instead, he suggests that investing in companies that provide products and services to the pharma industry can prove far more lucrative thanks to the excellent margins on offer.



Therapeutic areas of interest

Opinions also differ when it comes to the therapeutic areas corporates and investors are most likely to invest in.

The top three therapeutic areas **corporates** surveyed say their organisation is most likely to invest in over the next three years are:

1. **Ophthalmology**
2. **Gastroenterology**
3. **Oncology**

However, **investors** surveyed favour:

1. **Gastroenterology**
2. **Metabolic/ Obesity/ Diabetes**
3. **Respiratory/ Asthma**

> Investors tend to focus on health conditions that are both mature in terms of investments and are likely to spread to a large proportion of the population.
>
> **Jérôme Patenotte**

The findings highlight a difference in corporate and investor priorities, as Patenotte notes:

"In general, investors tend to focus on health conditions that are both mature in terms of investments and are likely to spread to a large proportion of the population. Diabetes and obesity are good examples of this. Investing in these areas tend to prove less risky and provide better exit strategies."

The intriguing case of Denmark illustrates this point.

The Danish HLS sector is experiencing a surge in interest thanks to the marketing of Novo Nordisk's type 2 diabetes treatment Ozempic as a weight loss drug. The product has shone a spotlight on Denmark as a hub for manufacturers and research and development, making it an attractive option for investors.

This interest is reflected in our research as investors who said Europe is most attractive to their organisation when considering HLS investments were also most likely to say Denmark (27%) is most attractive to them.

Corporates on the other hand have other priorities. Patenotte states that "corporates, and in particular pharma companies, are far more likely to focus on discovering a cure for new or rare diseases. This will enable them to build their reputation and prestige and in turn increase the possibility of securing new streams of funding."

Barriers to making HLS investments

Regulatory risk, limited lab space and infrastructure are most likely to be hindering both corporates' and investors' efforts to invest in healthcare.

According to **corporates** surveyed, the top three main challenges their organisation faces when making or attracting investments are:

1. **Limited availability of laboratories/ infrastructure in their geography**
2. **ESG considerations** (eg waste management, carbon footprints, supply chain)
3. **Crowded marketplace**

Additionally, **corporates** surveyed say that when it comes to deploying growth and investment strategies, the top three things they are concerned about are:

1. **A gap between buyers' and sellers' expectations on valuation**
2. **Health policy, political and geopolitical factors**
3. **Perceived risk/ rewards**

Meanwhile, **investors** surveyed say that the top three main challenges confronting their investment in the HLS sector are:

1. **Limited availability of laboratories/ infrastructure in their geography**
2. **Clinical uncertainty/ high trial failure rate**
3. **Market access and reimbursement rates**

Unsurprisingly, both groups are also feeling held back by regulatory hurdles.

In recent years these have become even more complex as a result of escalating levels of protectionism in Europe taking the form of a patchwork of new rules around FDI. At the same time, increased scrutiny from antitrust authorities, both at a European and local level, is also proving a barrier to investing in the region.

Brangam states:

"In some ways, investors looking to enter the European market now view it as similar to the US and are reluctant to invest time and money into businesses and therapeutic areas that they are not confident they can actually bring to market because of regulatory obstacles."

Patenotte adds that "the quality of any investment cannot be judged by the entry point, but rather the exit. Unfortunately, operating in a regulatory jungle such as Europe makes it very difficult to secure a successful exit and therefore adds a layer of risk".

> Investors are reluctant to invest time and money into businesses and therapeutic areas that they are not confident they can actually bring to market because of regulatory obstacles.
>
> **David Brangam**

Of course, both corporates and investors can take various steps to overcome these challenges.

"Something we're increasingly helping investors to do to successfully mitigate the risk of FDI regulations becoming an issue is to take minority stakes initially and build up their stake over time instead of making an outright acquisition. This more gradual approach means that the initial investment does not trigger an FDI control rule or a merger control requirement. The same can be said for entering into investments via collaborations and partnerships" says Brangam.

Meanwhile, Patenotte highlights the advantages of hiring a professional legal team to help navigate the complex regulatory landscape.

"Working with a legal team, especially one that benefits from the knowledge and experience of pharmacists and medics such as Simmons & Simmons, is one of the most effective ways to mitigate regulatory risks when investing in the HLS sector. Not only can they allow you to demystify the regulatory environment, they can also facilitate discussions with the authorities enforcing these rules with a view to reaching a successful solution."

Expert opinion

Despite uncertainty in global M&A and the wider macro economy, the HLS sector has consistently demonstrated that, to a large degree, it is immune from many cyclical swings that impact on other sectors.

Whilst the lion's share of M&A activity in the sector is presently being driven by corporate players, conditions are now beginning to change.

We anticipate a shift to an environment where institutional investors, many of whom benefit from cheaper and more stable financing opportunities and record amounts of 'dry powder', will become more active.

This will continue to drive M&A activity in the HLS sector, particularly in healthcare services, medical distribution, diagnostics, laboratory services and healthcare logistics.

Get in touch

Our industry experts can assist you in identifying growth opportunities within this thriving sector and successfully navigating its complex regulatory environment. For detailed information on our services and support throughout your investment journey, please don't hesitate to contact us.

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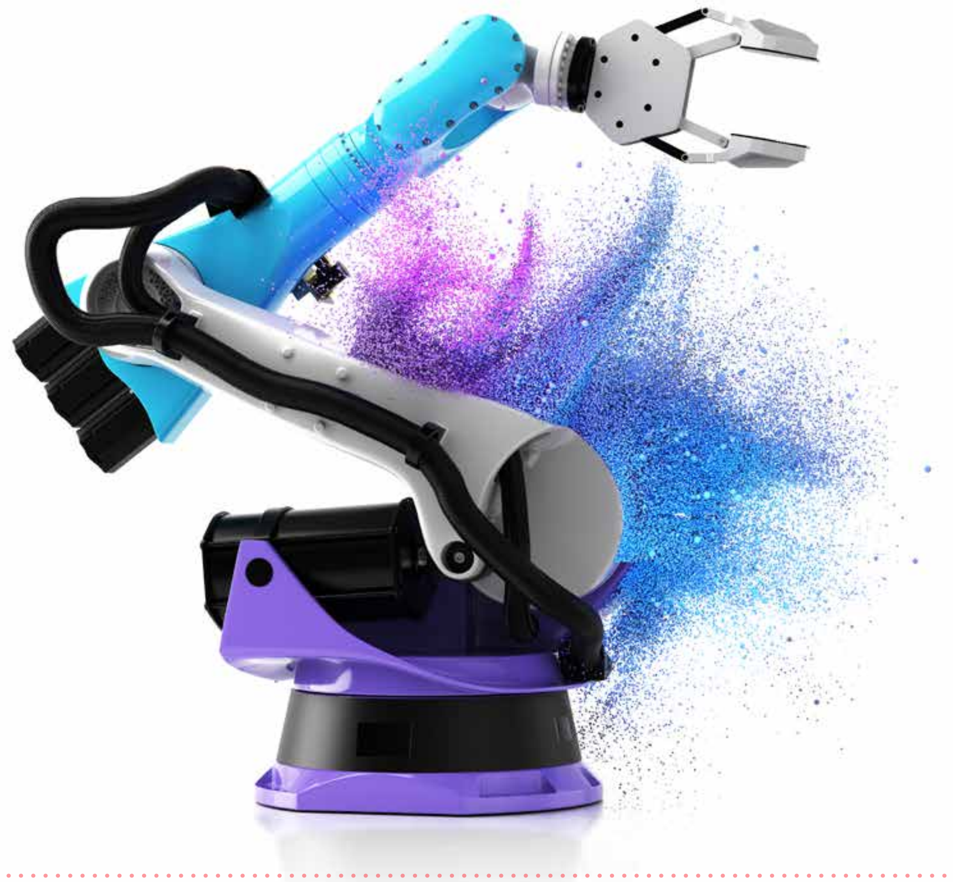
Chapter 2

Data-driven healthcare



Overview

AI, data, and innovation are making the healthcare and life sciences (HLS) industry an attractive market, but adoption and investment flows are hindered by unknowns. Investors must take the lead.

European corporates cite staying ahead of technological innovation as one of the main challenges they experience when making or attracting investments. This can sometimes cause corporates to exercise caution when it comes to the use of technology in healthcare.

Regulatory challenges including uncertainties surrounding the impact of Gen AI in healthcare are also slowing the pace of innovation.

While European investors have their own concerns relating to the use of technology, the findings indicate that they are no less enthusiastic as a result.

Various disconnects in corporate and investor opinions suggest that for healthcare technology to advance, eager investors will need to make the first move.

At a glance

Separate technology agendas

All agree that technology provides an attractive investment opportunity but priorities vary.[3]

Corporates	Investors
1. Cloud platforms	1. Healthcare apps
2. AI/machine learning	2. Blockchain (DLT)
3. Healthcare apps	3. Smart clothing
4. Organs on chips	4. Robotics
5. Smart clothing	5. AI/machine learning

The impact of AI

Top three types of HLS organisations expected to be most positively disrupted:

Corporates

1. Healthcare payors
2. Biotech companies
3. Startup technology/telecommunications companies/software providers

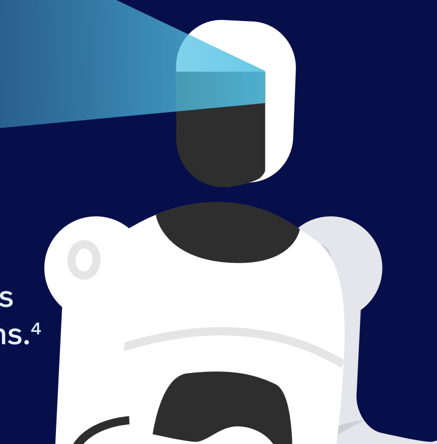
Investors

1. Contract research organisations
2. Biotech companies
3. Medical device companies

100% corporates

99% investors

see AI positively disrupting the full spectrum of the healthcare and life sciences sector in the next 24 months.[4]



Monetising healthcare data

All view healthcare data as being valuable from a monetisation perspective, however they differ on the types that will have the biggest impact.[14]

Top three types of healthcare data seen as being most valuable from a monetisation perspective

Corporates

1. Population health data
2. Alternative and bankable data as a result of zero gravity experiments
3. Patient-generated health data (PGHD)/ Real-world evidence (RWE)

Investors

1. Patient-generated health data (PGHD)/ Real-world evidence (RWE)
2. Healthcare claims/ billing data
3. Advanced healthcare analytics and insights / Alternative and bankable data as a result of zero gravity experiments

Healthcare and technology – pioneering progress?

The convergence of healthcare, technology and data has turned the healthcare and life sciences (HLS) sector into somewhat of a playground for investors.

In fact, all investors surveyed state that technology in the HLS sector provides an attractive investment opportunity for their organisation[15], while all of corporates surveyed believe it is likely to attract investment.[16]

However, technology can be viewed as a double-edged sword. Despite positive attitudes towards technology as an investment opportunity, all corporates and the majority of investors have concerns regarding its use in the HLS space.[17]

Many corporates are also finding it challenging to stay ahead of technological innovation when making or attracting investments, no doubt due to various unknowns and regulatory challenges.

In fact, almost as many corporates (23%) state that this is one of the main challenges they face as those who are experiencing the top three most cited challenges. These include the limited availability of laboratories/ infrastructure in their geography (26%), ESG considerations (25%) and the crowded marketplace (24%).

At the same time, corporates find digital health considerations (eg artificial intelligence (AI), Large language models (LLM), robotics) (17%) to be one of the regulatory/ legal issues that their organisation finds most challenging to navigate when attempting to secure investment.

Corporates also have several concerns surrounding the use of technology in the HLS sector. For example, corporates surveyed say that acceptance and validation from authorities (eg Food and Drug Administration, European Medicines Agency) on the use of technology to speed up drug validation/ supplement clinical trials is a primary concern for their organisation. Meanwhile, they also cite the ethical and social implications related to patient autonomy, informed consent, data ownership and equity of access to care as a primary concern, and the impact of AI regulation (risk assessment) among their main concerns.

That is not to say that investors do not also harbour their own concerns.

Those investors we surveyed cite data privacy and security risks (eg data breaches, unauthorised access, and data misuse), additional regulatory and compliance risks and the over-reliance on technology for development as their top three primary concerns.

The findings highlight a number of issues that could be slowing the pace of innovation within the HLS sector. These often stem from a lack of evidence-based standards and regulatory risks.

On the subject of regulation, Edoardo Tedeschi, partner in our corporate and commercial group, advises that "regulatory frameworks are not put in place to block progress. Rather than viewing regulatory challenges in this way, we always encourage our clients to approach them as an opportunity to adapt and innovate.

For businesses this could mean shaping strategies for anonymising data to meet legal requirements while still enabling monetisation. Or, in the case of investors, we may suggest focusing on technologies that allow for add-ons and vertical expansion that over time leads to increased profitability within regulatory frameworks."

That said, our research points to another factor hindering progress.

Edoardo Tedeschi
Partner, Corporate and Commercial

"

Regulatory frameworks are not put in place to block progress… we always encourage our clients to approach them as an opportunity to adapt and innovate.

Top concern for corporates by their business type.

Pharmaceuticals:

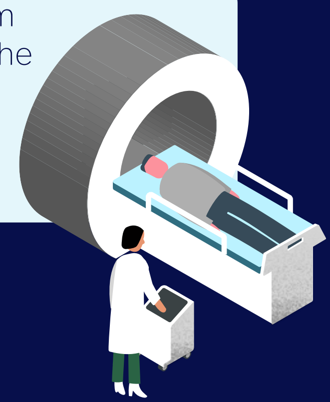
Use of AI in patient facing capacities.

Biotech:
Consumer health products:

Ethical and social implications related to patient autonomy, informed consent, data ownership, and equity of access to care.

MedTech:

Impact of AI regulation (risk assessment).



Healthcare institutions and services:

Acceptance and validation from authorities (eg FDA – EMA) on the use of technology to speed up drug validation/ supplement clinical trials.

Separate agendas

When it comes to technology, corporate and investor priorities are not aligned.

Technology priorities

According to the research, all corporates surveyed are deploying and prioritising technology within the next three years.[18]

The top five types of technology **corporates** surveyed say their organisation is deploying/ prioritising in that timeframe are:

1. **Cloud platforms**
2. **AI/ Machine learning**
3. **Healthcare apps**
4. **Organs on chips**
5. **Smart clothing/ wearables**

However, the data shows that investor priorities lie elsewhere.

The top five types of technology **investors** say are most attractive to their organisation are:

1. **Healthcare apps**
2. **Blockchain/ Distributed ledger technology (DLT)**
3. **Smart clothing/ wearables**
4. **Robotics**
5. **AI/ machine learning**

These results are perhaps unsurprising given the surge in popularity and demand for healthcare apps in recent years. What's more, investment into software providers to the HLS sector offer excellent returns and opportunities for bolt-on acquisition.

For example, August Equity recently announced a significant investment in OneTouch, an end-to-end care management software platform.[19] The funding will not only support OneTouch's ambitious growth plans but will also allow for the strategic acquisition of complementary software services.

Investors were least likely to say that cloud platforms are most attractive to their organisation when it comes to investment opportunities, despite this being the type of technology HLS businesses are most likely to be deploying or prioritising.

Tedeschi notes:

"HLS companies are dealing with vast amounts of data. They are therefore looking to invest in safe environments where they can store and manage this data securely. However, this is not the investors' concern. Instead, their priority is the app or device that generates the data itself, which in turn can be monetised."

Top technology use cases corporates and investors believe are most likely to attract future investments.

1

Corporates	Investors
1 Healthcare treatment design	1 Patient interaction /experience
2 Clinical trials and clinical investigation	2 Predictive analytics
3 Patient/ consumer focused apps	3 Drug discovery

Another example of the disconnect between corporates and investors can be seen when looking at the types of technology use cases that companies believe will attract investment, compared with those investors are most interested in.

These differences can perhaps be put down to timing.

Tedeschi adds that "investors are looking to generate income within a shorter timeframe than corporates who take a more long-term approach with their business and development strategies. Zero gravity investments are a good example of this. As pay off will occur later than more typical investments, this type of technology is perhaps more interesting to HLS businesses than investors. On the other hand, insilico data is viewed by investors as a more immediate target, especially thanks to the boost offered by the US administration as part of the FDA Modernization act 2.0 and the pharma industry's need to cope with a shortage of available patients in clinical trials."

> "Investors are looking to generate income within a shorter timeframe than corporates who take a more long-term approach with their business and development strategies.
>
> **Edoardo Tedeschi**

Business-specific technology priorities

Our study shows that when it comes to technology, corporates' priorities vary according to their business type.

Top three technology priorities for corporates by their business type.

	1	2	3
Pharmaceuticals	Organs on chips	Smart clothing/wearbles	Sensors
Biotech	AI/machine learning	Healthcare apps	Internet of things
MedTech	Sensors	Robotics	Cloud platforms
Consumer health products	Cloud platforms	Healthcare apps	AI/machine learning/ Smart clothing and wearables
Healthcare institutions and services	Organs on chips	Cloud platforms	Healthcare apps

These findings reveal more of the areas that corporates are looking to prioritise in the next three years.

Organs-on-chips

Corporates in both pharmaceutical businesses and healthcare institutions and services cite organs-on-chips as their top priority.

It is likely that within the next decade, sophisticated organs-on-chips that accurately replicate human biological responses will allow pharmaceutical companies to bypass traditional clinical trials for initial drug testing, dramatically reducing the time and cost of drug development.

Biotech company Emulate is demonstrating this technology's potential to transform drug development. The business' current models are already simulating human organ responses to drugs. However, in future the technology may incorporate multiple organ systems (e.g. liver, heart, kidney) on a single chip, providing a holistic, human-like response to treatments.[20]

Robotics

MedTech companies are especially likely to be prioritising robotics.

According to Tedeschi, autonomous surgery and advanced robotics integration is certain to disrupt healthcare systems worldwide.

He states that "the da Vinci Surgical System[21] is already paving the way in this field. However, we predict that by 2030 robotic surgeons will be performing complex surgeries autonomously, with minimal human intervention, albeit supervised. For example, robots that can analyse tumours and perform precise excisions with greater accuracy than human surgeons could revolutionise oncology surgery. At the same time, AI-driven robots will be able to analyse patient data in real-time, adjust procedures mid-surgery, and provide predictive post-operative care."

Wearables

Smart clothing and wearables also feature in some HLS business's top three technology priorities.

Of course, there has already been a proliferation of wearable products over the past two decades. However, the next generation of devices will go a step further.

In fact, by the end of this decade, traditional external wearables will likely be replaced by biometric tattoos or skin-embedded wearables that will be able to continuously monitor key health indicators (eg glucose levels, hydration, or blood oxygenation) and transmit data directly to health professionals in real time.

MC10's BioStamp is a step towards this future. This ultra-thin set of sensors can be applied to the skin like a temporary tattoo and worn constantly to continuously collect health data such as body temperature, heart rate, brain activity and UV exposure.[22]

AI

AI/ Machine Learning is also cited as a top three priority by corporates working in biotech and consumer health products businesses.

This is not surprising given the profound impact AI is set to have on the HLS sector.

Currently, AI tools including Google DeepMind Health AI[23] and Apple Health are providing early examples how AI can assist patients. However, future iterations could become proactive agents, predicting potential health issues before they arise and actively coordinating care across multiple providers.

The pace of development in this space is likely to lead to all patients having a personalised AI health assistant integrated into their daily lives by 2035. These AI companions will monitor health in real-time, schedule appointments, suggest lifestyle changes, and even act as mental health companions.

Monetising healthcare data

As well as diverging technology priorities, corporates and investors have differing views on the types of healthcare data they see as having the biggest potential for generating revenue.

Top three types of healthcare data corporates and investors see as being most valuable from a monetisation perspective.

	1	2	3
Corporates	Population health data	Alternative and bankable data as a result of zero gravity experiments	Patient-generated health data (PGHD)/ Real-world evidence (RWE)
Investors	Patient-generated health data (PGHD)/ Real-world evidence (RWE)	Healthcare claims/ billing data	Advanced healthcare analytics and insights / Alternative and bankable data as a result of zero gravity experiments

> "
> Investors are naturally more inclined to favour investing in data sets that are not at risk of falling into the public domain.
>
> **Edoardo Tedeschi**

Tedeschi accounts for these differences by stating that "when it comes to data, investors are naturally more inclined to favour investing in data sets that are not at risk of falling into the public domain, in which case they lose their grip on their investment. However, it will be interesting to see how the EU Health Data Space (EHDS) will impact ownership of large datasets, as well as the current data capacity of the biobanks."

He adds:

"I'm therefore not surprised, for example, to see that advanced healthcare analytics and insights feature in the top three responses for investors. Any data produced via modelling and simulation, usually using AI, will maintain its proprietary status and will therefore continue to generate revenue in the long term."

The impact of artificial intelligence

Views also differ on the future impact of AI in the HLS sector.

Our research reveals that the top five types of HLS organisation that **corporates** see AI most positively disrupting in the next 24 months are:

1. **Healthcare payors** (public or private insurance companies, public funding systems, etc.)
2. **Biotech companies**
3. **Startup technology/ telecommunications companies/ software providers**
4. **Pharmaceutical companies**
5. **Medical device companies**

Meanwhile, **investors** surveyed are most likely to see AI most positively disrupting the following types of HLS organisations:

1. **Contract research organisations**
2. **Biotech companies**
3. **Medical device companies**
4. **Consumer health companies**
5. **Healthcare providers** (including government healthcare institutions, public or private healthcare providers, laboratories, etc.)

Reflecting on the differences, Tedeschi explains that while corporates have a basic understanding of the need for technology, a deeper technological insight will be crucial for securing meaningful funding from tech-savvy investors.

He states that "corporates can see the need for certain technologies such as cloud platforms. However, they must now improve their understanding of their business benefits to attract investors whose priorities have already moved towards more advanced technologies. The flipside of that is that if investors wish to invest in more groundbreaking technology such as quantum computing or zero gravity experiments (if aimed at short term divestments), they will need to be the ones driving the innovation."

A notable example of investors doing just that is the $305 million investment secured by Axiom Space last year in its Series-C round of growth funding.[24] The investment, received largely from Saudia Arabian firm Aljazira Capital and Korean pharma company Boryung, will enable Axiom Space to utilise the space environment to further innovation on earth.

Expert opinion

Regulation often struggles to evolve in line with the rapid advance of technology. EU legislators have made considerable progress in developing fit-for-purpose regulatory frameworks in a short space of time. While these may not be as robust or as airtight as many corporates and investors would like, it should not deter their interest in the many available technology investment opportunities that are ready and waiting to be picked up.

For example, a huge amount of bankable data generated from pharma experiments, zero gravity experiments and insilico data modelling and simulation is already sitting either in cloud storage or new data centres waiting to be monetised.

Savvy corporates and investors will also be able to generate income from alternative uses for existing assets, such as finding ways to create more value from data that has already served its primary purpose.

Get in touch

Our legal experts and data scientists can help you embrace the future of healthcare. For detailed information on our services and support in navigating the complexities of technological disruption and regulation, please don't hesitate to get in touch.

Edoardo Tedeschi
Partner, Digital Business

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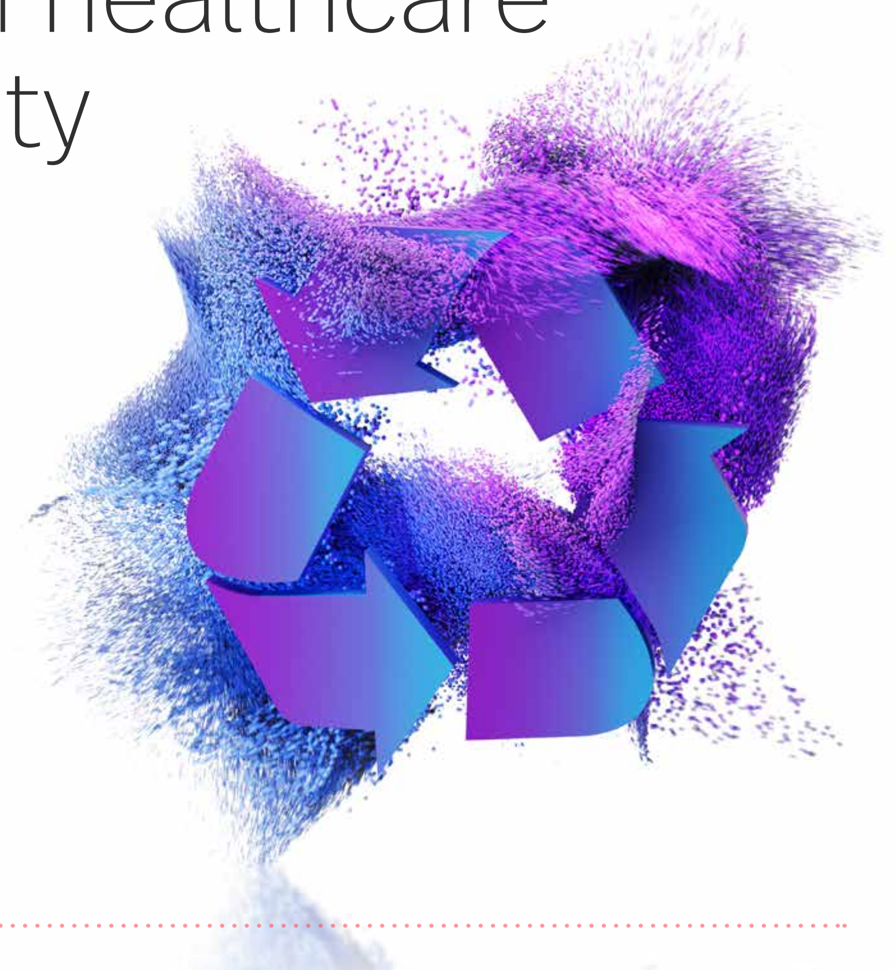
Chapter 3

Investing in healthcare sustainability



Overview

The environmental aspect of environmental, social, and governance (ESG) is often framed as a risk. However, early compliance with new regulations can promote innovation and growth.

European corporates and investors within the healthcare and life sciences (HLS) sector are under increased pressure to address the environmental impact of their activities.

However, in the HLS sector the environmental pillar of ESG is often either overlooked or framed only in terms of the associated risks.

Of course, there are risks aplenty. Regulatory non-compliance, litigation and mitigation to name a few.

But by exhibiting a readiness to comply with maturing ESG regulations, corporates and investors will likely uncover new opportunities for innovation, cost reduction and growth.

At a glance

Navigating the ESG challenges

Regulatory pressure to reduce the environmental impact of industry activities is intensifying.

All corporates are adopting ESG principles to enhance their appeal to investors[5]. But, a quarter identify ESG considerations as a major challenge.

All investors are just as committed to ESG across their portfolio[6], with 40% favouring ESG-focused thematic investing.

Top three ways corporates are attempting to offset their carbon emissions/ footprint:

1. Green building and construction design
2. The use of energy efficient products
3. Utilising renewable energy sources

Reframing environmental responsibility

Records show that greenhouse gas emissions from the healthcare and life sciences (HLS) sector account for almost 5% of all global emissions.

To place that into a different context, if the HLS sector were a country, it would be the fifth-largest greenhouse gas emitter in the world.[25]

The HLS sector therefore has a major responsibility to address the impact of its activities on the environment.

Corporates and investors within the sector are taking this seriously. In fact, all investors surveyed say their organisation is taking steps to balance its HLS investments against requirements for sustainability within its investment strategy[6] and all corporates surveyed are currently integrating environmental, social and governance (ESG) into their business strategies to make their organisation more attractive to investors.[5]

And yet, there has long been a tendency for corporations and investors operating within the sector to prioritise the social pillar of their ESG obligations over the other two.

This is supported by findings from our survey, which show that investors are most likely to say that investing in the HLS sector factors into their organisation's ESG investment goals and ambitions because it improves healthcare access and affordability/ promoting social equity and inclusivity (28%) and creates positive social impact (27%).

According to Sonali Siriwardena, partner and global head of ESG, "the environmental aspect of investing in HLS is often framed as a risk while the social elements of ESG are seen as being where the opportunities lie. However, working towards reducing the HLS sector's environmental footprint, as well as complying with the various environmental regulations and reporting initiatives can in fact spark opportunities to innovate, improve efficiencies and reduce costs."

Here, we explore the reasons why it's important for businesses and investors to take their environmental responsibilities seriously, as well as opportunities that could arise from an increased focus in this area.

Sonali Siriwardena
Partner, Global Head of ESG

> Working towards reducing the HLS sector's environmental footprint, as well as complying with the various environmental regulations and reporting initiatives can in fact spark opportunities to innovate.

Intensifying focus on ESG

A quarter (25%) of corporates surveyed say ESG considerations (eg waste management, carbon footprints, supply chain) is one of the main challenges their organisation faces in making or attracting investments. This was the second most cited challenge after the limited availability of laboratories/ infrastructure in their geography (26%).

Meanwhile, investors said that ESG considerations are a main challenge confronting their investments in the HLS sector (20%).

For Siriwardena, this is to be expected given the pressure both corporates and investors are under to demonstrate their commitment to ESG.

"Nowadays, regulatory frameworks pertaining to ESG require companies to continually assess their value chains, but also to disclose more than ever before. This greater level of transparency gives savvy investors, stakeholders and consumers access to further information that allows them to compare companies against their competitors. For that reason, corporates are now being held to a much higher standard.

At the same time, investors are under pressure to ensure that any investee company sitting within their ESG product portfolios demonstrates strong ESG credentials. This in turn puts corporates under more pressure to show their commitment to ESG, as well as the action they are taking."

The environmental aspects of the EU pharma package are a good example of how regulation is holding both corporates and investors accountable.

One of the aims of the legislation is to reduce the environmental impact of the pharmaceutical product lifecycle while promoting innovation within the industry.

To do this, the pharma package proposes a broader environmental risk assessment which would have a reinforced role before granting marketing authorisation. Concrete measures for post-marketing authorisation are also included, such as the possibility to suspend or revoke a marketing authorisation if a serious risk to the environment or public health is identified for a medicine and not sufficiently addressed by the marketing authorisation holder.

> Investors are under pressure to ensure that any investee company sitting within their ESG product portfolios demonstrates strong ESG credentials.
>
> **Sonali Siriwardena**

Environmental risks

1

Regulatory non-compliance

The risks of not properly addressing the environmental aspects of ESG have become better understood in the past 18 months.

Firstly, both corporates and investors are now faced with a raft of new regulations.

The European Union's Corporate Sustainability Reporting Directive (CSRD) and Corporate Sustainability Due Diligence Directive (CSDDD) are two of the most significant ESG regulations shaping the ESG and regulatory risk landscape on the continent and beyond.

Non-compliance with either one of these new regulations carries with it the risk of financial and reputational damage through enforcement as well as litigation.

2

Litigation

There has been a notable rise in climate litigation in the past decade.

Records from the Grantham Research Institute on Climate Change and the Environment currently contain 2,666 climate litigation cases, around 70% of which have been filed since the Paris Agreement was adopted in 2015.[26]

When considering the potential impact of these trends on corporates, it is interesting to note that there were three new cases challenging corporate climate frameworks filed in 2023. On top of that, 47 new climate washing cases were filed in that year alone, making this one of the most rapidly expanding areas of climate litigation.

Julien Moiroux, partner in our dispute resolution practice comments:

"Recent developments in France have seen a notable rise in climate-related litigation before administrative courts. This trend reflects growing public and judicial recognition of the urgency to address climate change.

Noteworthy cases, such as the 'Affaire du Siècle'[27] where the French government was held accountable for insufficient climate action, underscore the courts' increasing role in enforcing environmental obligations. This shift not only highlights the judiciary's pivotal role in climate governance but also signals a broader societal demand for robust climate policies and accountability".

Julien Moiroux
Partner, Dispute Resolution

"

Recent developments in France have seen a notable rise in climate-related litigation before administrative courts. This trend reflects growing public and judicial recognition of the urgency to address climate change.

3

Missed opportunities

Another key risk companies run by not actively focusing on embedding ESG into their core business strategies is a loss of competitive advantage.

Siriwardena points out that "we are seeing high levels of innovation pertaining to ESG within the HLS space, with many market leaders proactively seeking ways to adapt their products and investing in R&D."

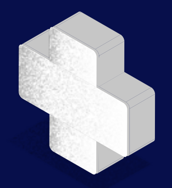
For example, in 2020 pharmaceutical giant Johnson & Johnson stated that by 2025 its brands would use 100% recyclable, reusable or compostable plastic packaging and certified/post-consumer recycled paper and pulp-based packaging as part of an $800m sustainability initiative.[28]

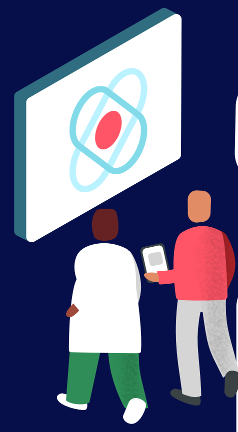
Meanwhile, Medtronic has increased the wear-time of its insulin infusion sets from three to seven days, reducing plastic waste by 1.9kg per user per year.[29]

Siemens Healthineers has also been working to improve the energy efficiency of their existing products at the same time as refurbishing old medical equipment for use in developing countries, maximising product use.[30]

Top ways corporates are attempting to offset their carbon emissions/ footprint by business type.

Business type	↑ Top response
Pharmaceuticals:	The use of energy efficient products/ measures (eg energy-efficient lighting systems, HVAC systems, and appliances).
Biotech:	Blue economy measures.
MedTech:	Carbon offsetting projects to support environmental conservation, reforestation, afforestation, and renewable energy development.
Consumer health products:	Utilising renewable energy sources.
Healthcare institutions and services:	Utilising renewable energy sources/ Carbon capture measures.





Top five ways **corporates** are attempting to offset their carbon emissions/ footprint.

1. Green building/ construction design and certification.
2. The use of energy efficient products/ measures (eg energy-efficient lighting systems, HVAC systems, and appliances).
3. Utilising renewable energy sources.
4. Carbon offsetting projects to support environmental conservation, reforestation, afforestation, and renewable energy development.
5. Employee engagement and education.

Top three ways **corporates** are primarily integrating ESG into business strategies to attract investors:

1. ESG Integration (eg identifying material ESG risks and opportunities, setting ESG goals and targets, and aligning business operations and investment decisions with ESG priorities to create long-term value for shareholders and stakeholders).
2. Sustainable product innovation/ development.
3. Absorbing higher costs associated with personalised medicine to ensure better access.

Top three main ways **corporates** are using technology to meet ESG goals:

1. Using waste tracking software, RFID tagging, and IoT sensors to monitor waste generation, segregate recyclable materials, and optimise waste disposal processes.
2. Using energy monitoring tools/ IoT-enabled devices to optimise energy consumption/ reduce greenhouse gas emissions.
3. Investing in onsite renewable energy generation, such as solar panels or wind turbines.

These examples highlight that considerable innovation is taking place which is embedded in how corporates are looking to reduce their footprint, make themselves attractive to investors, and meet their ESG goals.

Businesses that fail to take steps such as this, risk missing an opportunity to strengthen their reputations and brand image.

Adopting these ESG best practices can prove an effective way for companies to build public trust and customer loyalty. However, there are also clear financial benefits as carbon reduction has been found to go hand in hand with cost reduction. Not only can 60-80% of emissions be reduced at zero cost, but approximately 20-30% of emissions reductions result in cost savings.[31]

> “
> We are seeing high levels of innovation pertaining to ESG within the HLS space.
>
> **Sonali Siriwardena**

Sustainable healthcare investment opportunities

1

Recognise the link between climate and health

At the World Economic Forum in Davos earlier this year, Bill Gates exclaimed that "if you want to care about climate impact, health spending should go up not down".[32]

Siriwardena concurs, stating that "given the criticality of the sector for the well-being and resilience of communities in the face of climate change, there is a growing awareness that investing in HLS *is* investing in sustainability".

The top three ways **investors** surveyed are currently balancing their investment in HLS against the requirements for sustainability within their investment strategy are:

1. ESG focused thematic investing (eg companies which develop sustainable healthcare solutions, promote access to essential medicines, address global health challenges, or advance environmental sustainability within healthcare operations).
2. Collaboration and partnerships (eg with industry stakeholders, regulatory authorities, and non-governmental organisations (NGOs)).
3. Prioritising ESG-focused investment products.

> There is a growing awareness that investing in HLS *is* investing in sustainability.
>
> **Sonali Siriwardena**

However, as Siriwardena points out, current levels of investment are barely scratching the surface.

She states, that "just 47 funds that invest globally in healthcare and allied industries had more than 50% alignment with the UN's Sustainable Development Goal 3 which focuses on good health and wellbeing. This equates to just 0.51% of all healthcare funds and 15% of total healthcare fund assets. The opportunity to do more is vast."[33]

2

Early adoption of ESG best practice

There is currently a significant opportunity for businesses to set themselves up for success by pre-empting future environmental regulations.

For example, 400+ companies and financial institutions including the likes of GSK and AstraZeneca have already committed to disclose against the new Taskforce for Nature Related Financial Disclosure (TNFD) framework.[34]

This voluntary approach to reporting encourages organisations to report specifically on nature-related risks and impacts arising from their operations, rather than focusing solely on climate metrics.

Our research demonstrates the necessity of the new framework. Corporates surveyed say that natural resource constraints posing risks to the availability and affordability of raw materials, active pharmaceutical ingredients (APIs) and critical components used in healthcare products and medical device manufacturing (33%) are the main way their organisation is impacted by double materiality/ external natural factors.

Early adoption may therefore be in companies' best interests.

Siriwardena believes that the introduction of the TNFD framework is a big step in the right direction.

> It's so encouraging to see so many organisations embracing the TNFD framework, which we believe will reveal and promote investment opportunities.
>
> **Sonali Siriwardena**

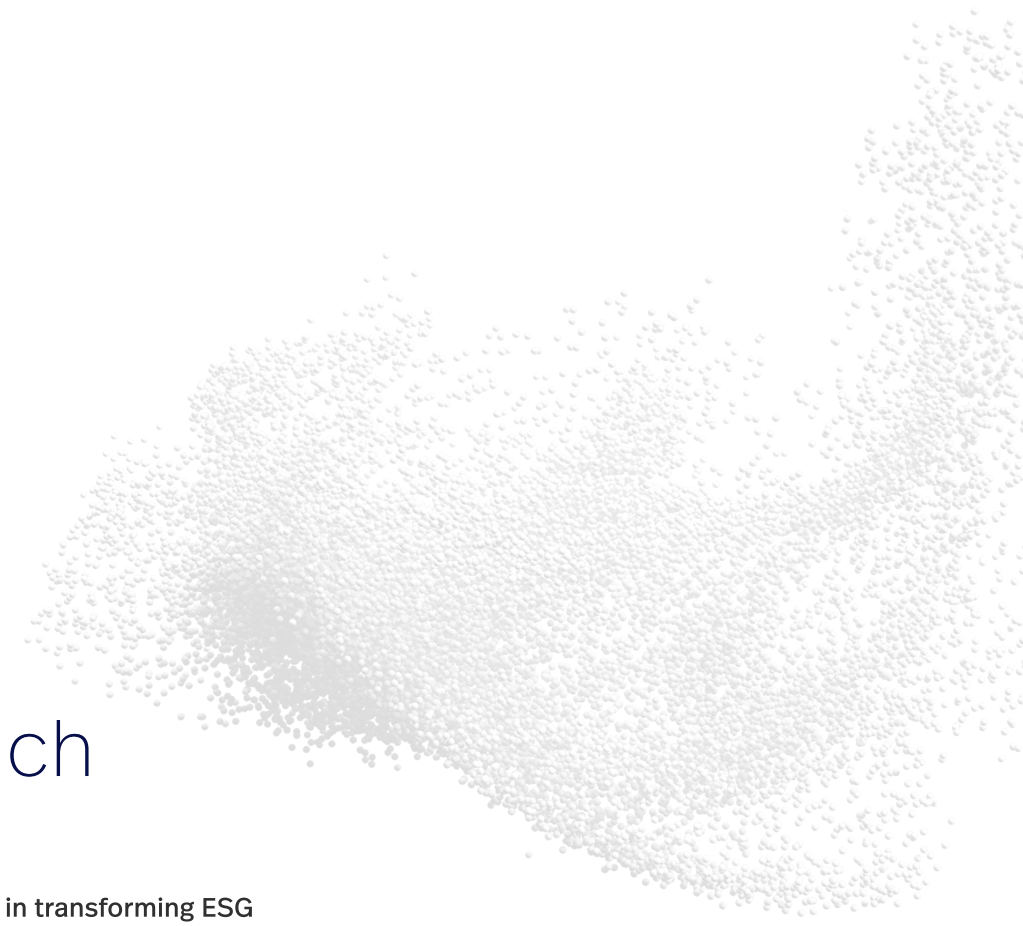
"Our appreciation for nature's role in healthcare has deepened in recent years. Not only do we have a better understanding of the positive impact nature can have on human health and wellbeing, but the World Health Organisation (WHO) has estimated that 80% of the world's population use traditional, herbal medicines as their primary form of healthcare. It is an invaluable resource that requires protection and support. That's why it's so encouraging to see so many organisations embracing the TNFD framework, which we believe will reveal and promote investment opportunities in this area. By adopting these practices now, corporates and investors are also putting themselves in a great position for when this voluntary reporting framework eventually becomes mandatory."[35]

Expert opinion

Despite the risks of regulatory non-compliance and litigation, a proactive approach to ESG can uncover many opportunities for both corporates and investors.

For example, where the environmental aspect of ESG is often seen as a risk within the HLS sector, early compliance with new regulations can drive innovation and growth.

Those that engage with legal teams on ESG advising across five key aspects – transactional, regulatory, governance, risk management, and reputational management – can effectively integrate ESG into their core business strategies, gain competitive advantages, build their sustainability credentials, and achieve cost savings.



Get in touch

Our legal experts specialise in transforming ESG challenges into opportunities for growth and innovation. For detailed information on our services and to find out how early compliance can revolutionise your business, please don't hesitate to contact us.

Sonali Siriwardena
Partner, Global Head of ESG

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Chapter 4

Middle East and Asia perspective

Overview

Opportunities to invest in technological innovation are abundant in the Middle East and Asia Pacific. Maturing regulations will attract more corporates and investors to the region.

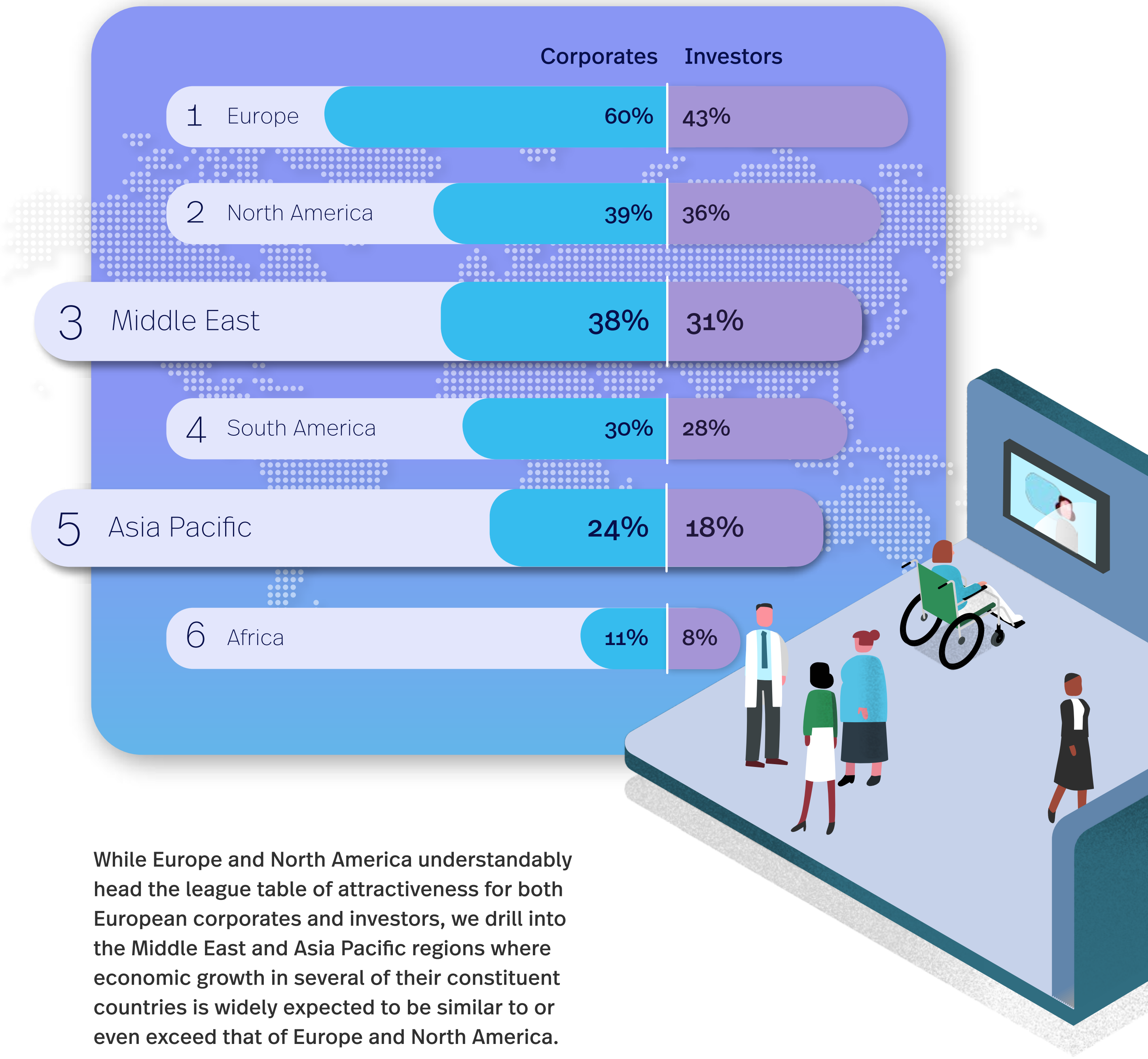
Both the Middle East and Asia Pacific represent major growth areas within the healthcare and life sciences (HLS) sector.

However, fear of the unknown when it comes to the regulatory landscape in these markets can often mean European corporates and investors miss out on significant HLS investment opportunities within the regions.

In some cases, bold investors can profit from this uncertainty and current freedoms around technological innovation.

Meanwhile, more cautious businesses and investors will be pleased to know that regulatory frameworks are maturing and beginning to offer more clarity on investments.

What regions are attractive to your organisation when considering healthcare and life sciences investment opportunities?



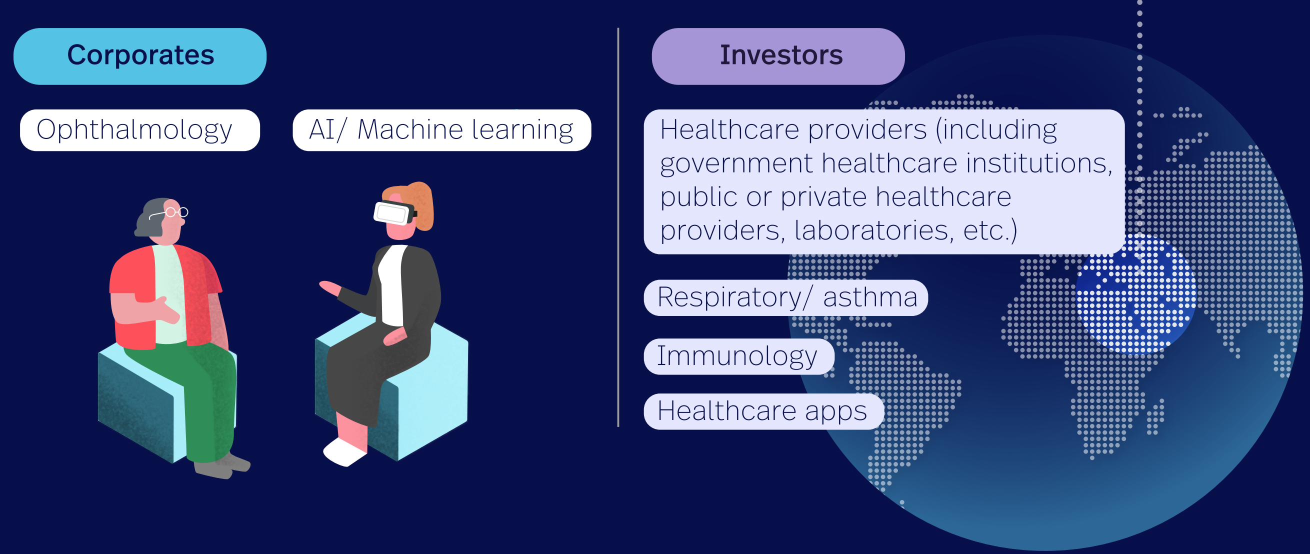
While Europe and North America understandably head the league table of attractiveness for both European corporates and investors, we drill into the Middle East and Asia Pacific regions where economic growth in several of their constituent countries is widely expected to be similar to or even exceed that of Europe and North America.

Rivals to Europe?

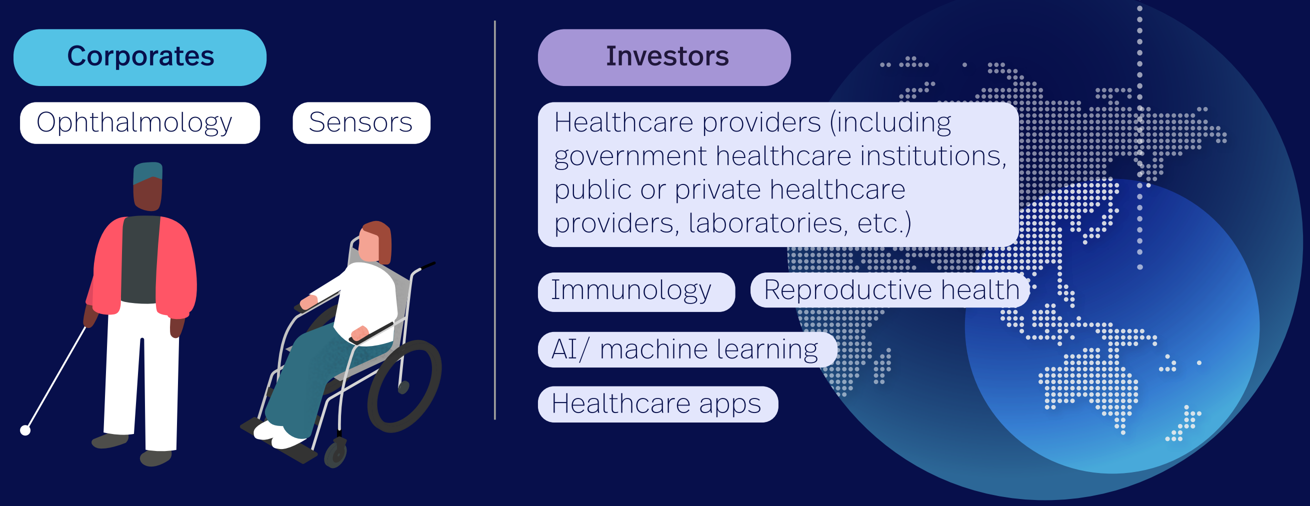
While European markets tend to take centre stage when considering healthcare and life sciences (HLS) investments, numerous prospects for innovation and growth exist outside of the European Union (EU).

Two regions growing in popularity among adventurous businesses and investors are the Middle East and Asia Pacific. Here, experts from our Middle East and Asia Pacific teams discuss the HLS investment landscape in the regions.

Top priorities/ areas of interest among corporates and investors who say the **Middle East** is attractive to their organisation:



Top priorities/ areas of interest among corporates and investors who say the **Asia Pacific** is attractive to their organisation:



Setting up shop in the Middle East

Alexandra Harmer
Managing Associate,
Digital Business

"The region is currently experiencing huge growth and is home to a rapidly expanding population with increasing healthcare needs and a rising demand for pharmaceuticals and medical services."

Does the Middle East's popularity shown by the data reflect the level of excitement you're seeing surrounding HLS in the region?

"I do think there is a real buzz surrounding the level of HLS investment opportunity in the Middle East, and in particular the richer Gulf states which each have their own approaches to encouraging foreign investment. The region is currently experiencing huge growth and is home to a rapidly expanding population with increasing healthcare needs and a rising demand for pharmaceuticals and medical services.

What's more, certain segments of the population in this region boast high levels of disposable income leading to a demand for advanced healthcare services and premium health products. There's also more fundamental appetite for alternative/ cutting edge treatment when compared to other markets.

All of these factors make an investment play in the region very attractive, especially when we also consider the region's ambitious digitalisation plan, AI agenda and sizeable government budgets."

What do you see as being the main challenges of investing in HLS within the region?

"International businesses often think they can enter the Middle East and easily scale out across jurisdictions. However, that's not how it works. In fact, the region is very fragmented in terms of the healthcare infrastructure, regulatory frameworks and models around foreign direct investment. Businesses therefore need to tailor their strategies to enter the different markets.

This is especially relevant when it comes to intellectual property or patent protection as unfortunately obtaining a patent in one jurisdiction, won't protect you in another. Of course, this increases the complexity and cost of entering into these markets and can be a dealbreaker for many corporates and investors. However, there's no reason that this can't be achieved by working with an experienced legal team with specialist knowledge of the region and aligning on the key areas of protection ahead of market entry.

On the subject of regulation, in general, frameworks are also less mature and not as transparent as in more developed markets. That does create a level of uncertainty that some businesses and investors find uncomfortable and therefore attracts extra diligence and risk mitigation."

Could this also be viewed as an opportunity for those looking to enter the region?

"In many ways, yes. Middle Eastern legislators are currently looking to EU laws to shape their own regulatory frameworks. However, they will do it in such a way that it benefits those looking to enter the market. Some clients in the sector regard the EU and the US in some respects as "over-regulated" – and for such clients, the Middle East is well-perceived.

There's also currently a big push to attract global companies to the region and in particular to the HLS sector and one of the ways governments are doing this is to relax certain laws. For example, while conversations in Europe are focusing on responsible artificial intelligence (AI) and AI safety, this is not as much of an inhibiting feature in the case of the more pro-innovation laws in the Middle East. We're seeing companies in the region being given more space to really push boundaries on what can be achieved with data and AI, compared with those in Europe who are grappling with the EU AI Act and related compliance.

For now, Middle Eastern governments are happy to let businesses explore, and innovate."

Do you think regulation in the Middle East will catch up with the EU?

"No, from a regulatory and legislative perspective the EU is an entirely different proposition to the Middle East and is often difficult to overstate. However, I think things are moving in a direction which masks these differences. For example, in Saudi Arabia we've seen a real shift towards greater legal certainty with the enactment of the Civil Transactions Law. This has changed the legal landscape of the country by codifying and centralising certain laws and I believe this helps make the region more attractive to businesses and investors. On aspects of sector regulation, we also see local regulators paying greater attention to their equivalent bodies in the EU and US.

Certainly, it has already made many of our clients breathe a sigh of relief and given them the nudge they needed to enter the region with clarity and confidence."

"There's also currently a big push to attract global companies to the region and in particular to the HLS sector and one of the ways governments are doing this is to relax certain laws."

Uncertainties lead to missed opportunities in the Asia Pacific HLS market

Richard Li
Partner, Head of Healthcare and Life Sciences in Greater China

Overall, our research has shown that both corporates and investors have a very positive attitude towards the future of HLS investing. Do you think this extends to the Asia Pacific HLS market?

"Yes, I believe so. If you look at the different industries operating in the Asia Pacific region, many have been affected by geopolitical tensions between the US and China. However, that doesn't appear to be the case for the HLS sector, which has proven itself to be more resilient, much as it did during the pandemic."

With that in mind, are you surprised to see that relatively few European corporates and investors from our survey stated that Asia Pacific is the most attractive region for them when it comes to HLS investing?

"My observation is that numerous companies and investors find the region extremely attractive, especially when it comes to opportunities to innovate. I recently attended an industry conference held by BioCentury, where McKinsey reported that for the year 2023, Asia contributed more than a third of global innovative drug products in the development pipeline. So, for that reason, I find it surprising that the Asia Pacific region ranks lower than the Middle East for example".

Why do you suspect this is the case?

"I think there are obviously a number of risks that are potentially putting corporates and investors off, the first of which is to do with uncertainties surrounding regulatory policies within the region.

Secondly, I believe corporate governance is also viewed as a potential risk, especially for investors that don't have much control over how companies are run. And lastly, I think geopolitical tensions are also affecting sentiment towards the region."

Does all this mean that many European corporates and investors are overlooking opportunities within the region?

"Absolutely. Specifically, I think investors are missing out on opportunities in the development of innovative new drugs and MedTech. But overall, I think it's widely understood that Greater China, Singapore, Japan and Korea are highly advanced when it comes to technology. However, opportunities to invest in these areas can often be overlooked because the IP protection system in the region is not as robust as in the western world. That said, the situation is improving.

Similarly, major markets in the region have also all issued data privacy rules which has provided much more clarity for corporates on how to keep their activities compliant. However, there are still concerns, particularly among Big Pharma companies, around transferring know-how to the region."

Have there been many instances of cross border deals or value exchange in technology/ innovation and supply chains in the region?

"We're certainly seeing a trend towards more international collaboration and value exchange, especially in the manufacturing and innovation sectors.

Some companies in the region are engaging in outbound investments, particularly in the western markets, for the purpose of supply chain allocation and minimising geopolitical risks.

Cross-border licensing transactions are also common. For example, in 2023 SystImmune and Bristol Myers Squibb announced a global strategic collaboration agreement for the co-development and commercialisation of the antibody-drug conjugate (ADC) BL-B01D1. Under the agreement, SystImmune would retain exclusive rights to the drug in mainland China, while Bristol Myers Squibb would gain exclusive license in the rest of the world. It is noteworthy that SystImmune is entitled to USD800 million in an upfront payment and the total potential consideration is up to USD8.4 billion.[36]

More recently, we have seen a market trend of "NewCo" deals where Chinese biotech companies license out the ex-China rights to their pipelines to a US-based NewCo established by a number of top tier US investors, in exchange for typical economics under the license (upfront, milestone and royalties) as well as certain equity interest in the NewCo. For example, in July 2024 Chinese biotech company KeyMed Biosciences entered into an out-license agreement with US NewCo Belenos Biosciences, which was founded by US investors such as OrbiMed, granting the latter exclusive rights to manufacture and commercialise KeyMed's antibody drugs globally outside of Greater China. In return, KeyMed is entitled to receive upfront and milestone payments and tiered royalties as well as approximately 30.01% of the equity interest in Belenos."[37]

International M&A deals involving companies in the Asia Pacific region have also taken place recently. In April 2024, we advised the Denmark based international biotech company Genmab A/S on its $1.8 billion acquisition of the Chinese biotech company ProFound Bio, which specialises in the development of next-generation ADCs and ADC technologies for the treatment of certain cancers.[38]

> "We're certainly seeing a trend towards more international collaboration and value exchange, especially in the manufacturing and innovation sectors."

Get in touch

Unlock growth in the HLS sector across the Middle East and Asia Pacific with our guidance on evolving regulations. Contact us to confidently seize the investment opportunities.

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Chapter 5

Unlocking healthcare and life sciences investment transactions

Overview

Regulatory frameworks are stifling innovation and investment in healthcare and life sciences (HLS), but a proactive approach to regulation can prove rewarding.

Regulation is undoubtedly viewed by European corporates and investors as a barrier to making and attracting investments.

The findings indicate that in the case of investors, gaps in their understanding of future regulatory change may be putting them at risk.

It's vital that both businesses and investors work closely with their legal teams to ensure they have the right support and advice in place to navigate regulatory changes and fulfil their obligations.

At a glance

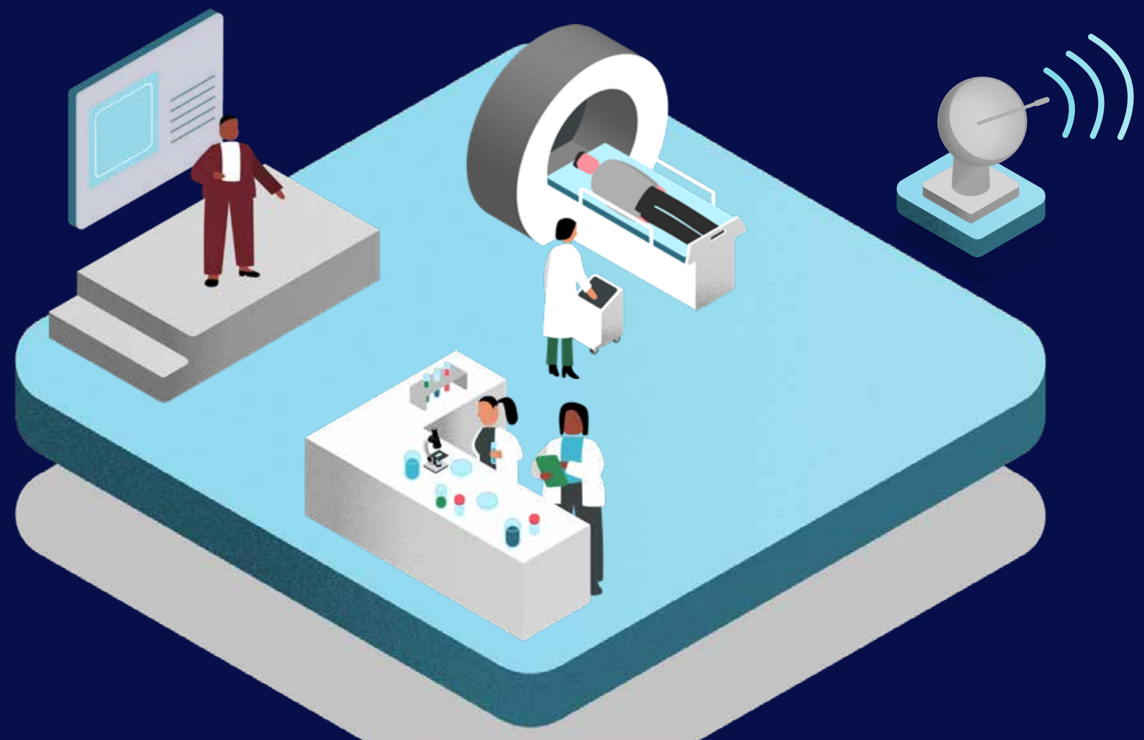
Challenging regulation

Complex regulatory frameworks are hindering investment flows and future changes to regulation are expected to have a major impact.

All investors and corporates surveyed think future regulations will significantly impact their organisation's growth and investment strategies.[39]

Top five future regulations that will most significantly impact growth and investment strategies:

Corporates	Investors
1. EU pharma package	1. ESG related regulations
2. Amendments to MDR and IDVR regulations	2. European Health Data Space Regulation
3. European Health Data Space Regulation	3. Amendments to MDR and IDVR regulations
4. US Biosecure Act	4. Local pricing and reimbursement issues
5. ESG related regulation	5. Regulation on Health Technology Assessment



A complex regulatory landscape

The European healthcare and life sciences (HLS) sector's robust regulatory framework is one of the many factors that make investing in this field a safe and attractive option for investors.

However, complying with such demanding regulations, which can be subject to rapid change, is often considered a barrier to progress.

In fact, 99% of corporates and 100% of investors find regulatory/ legal issues challenging to navigate.[40]

At the same time, almost a quarter (23%) of corporates surveyed say regulatory hurdles are one of the main challenges their organisation faces in making or attracting investments and almost 1 in 5 (17%) investors surveyed say these are one of the main challenges confronting their investment in the HLS sector.

Looking more specifically at the regulatory challenges faced, corporates surveyed say that compliance of interactions with healthcare professionals, healthcare organisations, patients, and patient organisations in local and cross-border contexts (21%) are the regulatory/ legal issue their organisation finds the most challenging to navigate when attempting to secure investment.

Meanwhile, just over 1 in 5 (21%) say this is product liability considerations, litigation and recall (21%) and almost 1 in 5 (18%) say they struggle with regulatory contracts including manufacturing, supply chain and distribution, promotion/ non-promotional activities arrangements from raw material sourcing to import and distribution of finished products.

Investors on the other hand state that their organisation finds regulatory contracts including manufacturing, supply chain and distribution, promotion/ non-promotional activities arrangements from raw material sourcing to import and distribution of finished products (20%) the most challenging to navigate when investing in the HLS sector. Furthermore, almost 1 in 5 (17%) say their organisation has the most difficulty interacting with health authorities regarding non-contentious or contentious matters.

Annabelle Bruyndonckx
Partner, Dispute Resolution

"Revisions to the EU pharmaceutical package regulations will have wide-reaching implications and affects everyone investing in the HLS sector.

Understanding future regulation

Both corporates and investors expect to be impacted by future changes to the regulatory landscape.

In fact, 100% of corporates think future regulations will significantly impact their organisation's strategy to secure growth and investment, while 100% of investors think these will significantly impact their organisation's investment strategy into HLS companies.[41]

However, the findings highlight a possible gap in investors' understanding of the regulations that are set to impact investments in the future.

Corporate respondents cite the European Union (EU) pharmaceutical package as a future regulation that will significantly impact growth and investment strategies. However, this does not feature in investors' top five most impactful future regulations.

Annabelle Bruyndonckx, partner in our HLS practice, explains that "revisions to the EU pharmaceutical package regulations will have wide-reaching implications and affects everyone investing in the HLS sector. Everything from R&D, data and patent protection, shortage management obligations and even marketing and advertising will be impacted. This makes understanding the planned changes considerably more important than amendments that could be made to the MDR and IDVR regulations or new MDCG guidance for example."

Top five future regulations corporates and investors believe will most significantly impact growth and investment strategies

	Corporates	Investors
1	**EU pharma package**	**ESG related regulations** (eg EU Supply Chain Directive)
2	**Amendments to the MDR and IDVR regulations**	**European Health Data Space Regulation**
3	**European Health Data Space Regulation**	**Amendments to the MDR and IDVR regulations**
4	**US Biosecure Act**	**Local pricing and reimbursement issues**
5	**ESG related regulations** (eg EU Supply Chain Directive)	**Regulation on Health Technology Assessment** (on reimbursement)

Ignacio Domínguez, partner in our corporate and commercial group adds, "the findings certainly point to a gap in understanding on the investors' part when it comes to the EU pharma package. It also highlights the need for investors to work closely with legal teams who do have expertise in this area to ensure that they are not caught out by the regulatory changes."

Of course, amendments to the EU pharma package are not the only regulatory change affecting corporates and investors in the HLS sector. The Medical Device Regulation (MDR) and In Vitro Diagnostic Regulation (IVDR) amendments, along with the European Health Data Space (EHDS) regulation, will also significantly impact HLS corporates and investors in the following ways:

Portfolio adjustments

The amendments to the MDR & IVDR regulations are often prompting companies in the HLS sector to navigate stricter product qualification and classification rules, leading to portfolio adjustments and product discontinuations. This regulatory shift is influencing market dynamics and investment priorities, as companies and investors focus on compliance and innovation within the new framework.

Increased compliance costs

Corporates may face higher costs related to compliance, including the need for more extensive clinical data, quality management systems, and post-market surveillance.

Innovation and investment

While the regulations aim to enhance patient safety and ensure high-quality products, they may also slow down innovation and affect investment decisions due to increased regulatory burdens.

Data Sharing and Privacy

The EHDS regulation will facilitate easier sharing of health data across EU borders, benefiting research and development. However, companies will need to navigate complex data protection requirements, which will impact how they collect, store, and use health data.

Ignacio Domínguez
Partner, Corporate and Commercial

The findings certainly point to a gap in understanding on the investors' part when it comes to the EU pharma package.

Given the changing regulatory landscape, it is understandable that many corporates and investors find that regulation hinders their efforts to make and attract investments, especially considering the legal and financial consequences of non-compliance.

Navigating regulatory challenges

While robust regulatory frameworks are often viewed as a barrier to investment in the HLS sector, there are a number of things businesses and investors can be doing to overcome this obstacle.

Regulatory intelligence and lobbying for change

Bruyndonckx states "we highly recommend investing in regulatory intelligence that will provide a detailed understanding of the regulatory framework that businesses, investors and stakeholders are operating in, and how this is set to evolve over time. Once they are equipped with this knowledge and are aware of any regulatory changes on the horizon, corporates and investors can not only achieve early compliance, but are in fact in a position to comment on the changes and potentially impact the upcoming legislation itself so that it works to their advantage. In fact, amendments to the MDR that allowed for a more gradual phase-in period for certain compliance requirements are the result of lobbying by the medical devices industry, demonstrating how industry stakeholders can influence regulatory timelines and requirements."

Stakeholder involvement

Stakeholders also have a key role to play in developing fit-for-purpose regulatory frameworks.

Legislative changes at the EU level, including the ongoing developments with the EU Pharma Package, often involve comprehensive engagement with stakeholders. This process includes organised calls and consultations with industry representatives, healthcare professionals, patient advocacy groups, and other relevant parties.

Such interactions are crucial for ensuring that the legislative framework is both effective and reflective of the needs and insights of those directly impacted by the changes. This collaborative approach aims to foster a regulatory environment that supports innovation, access, and sustainability within the pharmaceutical and healthcare sectors.

Legal expertise

On the issue of regulatory change, Domínguez adds that "legal teams have a crucial role to play when it comes to anticipating future changes in the regulatory environment and enabling corporates and investors to act before these become an issue. For example, having once carried out due diligence for a client, we were able to advise that a product they planned to invest in, and would come to comprise 80% of their portfolio, was set to be banned in the EU in the next 18 months. This became a major deal breaker that put an end to the transaction but also saved our client from experiencing major losses further down the line."

Legal teams have a crucial role to play when it comes to anticipating future changes in the regulatory environment.

Ignacio Domínguez

Taking advantage of regulatory frameworks

Understanding and adapting to regulatory frameworks can also uncover new business opportunities for HLS companies and investors.

For example, the push for digital health solutions and interoperability under the EHDS can open up new markets for companies offering compliant digital health applications, data analytics, and patient monitoring technologies.

Meanwhile, companies that excel in regulatory compliance can differentiate themselves in the market, appealing to consumers and partners who prioritise safety and quality.

According to Simonetta Giordano, partner in our corporate and commercial group “heavily regulated sectors such as HLS present a major opportunity for investors willing to make the extra effort to understand the complex regulatory environment. Because many investors will be put off by the regulatory hurdles, those who do gain access can quickly lay their claim to territory in what is essentially a very stable market.”

Simonetta Giordano
Partner, Corporate and Commercial

> heavily regulated sectors such as HLS present a major opportunity for investors willing to make the extra effort to understand the complex regulatory environment.

Expert opinion

While the robust regulatory frameworks in the European HLS sector can pose significant challenges for both corporates and investors, they also offer unique opportunities.

A proactive approach to understanding and navigating these regulations is essential. Engaging closely with legal teams and investing in regulatory intelligence at all stages of the product life cycle can help businesses and investors to not only achieve compliance but also influence and adapt to regulatory changes. This strategic approach can uncover new business opportunities and ensure long-term success in a complex and evolving landscape.

Get in touch

Overcome regulatory barriers with proactive legal advice to unlock investment rewards. For detailed information on our services and regulatory horizon scanning, please don't hesitate to get in touch.

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Conclusion

Opportunity lurks within the regulatory jungle.

Our research reveals that the healthcare and life sciences (HLS) sector remains one of the most stable sectors when it comes to investment, offering a wealth of opportunity for growth despite challenging macroeconomic conditions.

However, while the strength and resilience of the HLS sector have made it an exciting prospect for investors, perceptions of the complex regulatory environment can hinder progress.

Our experts have shown that equipped with the right knowledge, regulation can prove to be a catalyst for enhancing business practices and achieving successful investment outcomes.

Key actions

Know your regulations
Invest in regulatory intelligence to anticipate and manage future regulatory change.

Have your say
Affect regulatory change by initiating discussions with legislators to put forward your views on new regulations and changes to existing laws.

Embrace regulatory change
Gain a competitive advantage and reveal new opportunities by embedding voluntary reporting frameworks into your business practices before they become mandatory.

Be bold in your investments
Technology and AI have the power to revolutionise the HLS sector. But investors will need to take the lead if these are to realise their true potential.

Look outside of Europe
Both the Middle East and Asia Pacific regions offer favourable conditions for innovation, which are beginning to be supported by more mature regulations.

Champion ESG
Uncover opportunities for innovation, cost reduction and growth by embracing ESG across your value chain.

Seek out opportunities for sector convergence
Investing in businesses that deliver products and services to the HLS sector can prove lucrative thanks to high margins and scope for bolt-on acquisitions.

Assemble the right team to manage risk
Whether you believe the biggest risk to your investment is regulation or the competition, it's important to surround yourself with the right talent and expertise. Input from HLS innovators, scientists, doctors, ESG experts and legal professionals can all help to maximise the chances of a successful investment outcome.

Get in touch

Working with a legal team, especially one that benefits from the knowledge and experience of pharmacists and medics such as Simmons & Simmons, is one of the most effective ways to mitigate regulatory risks when investing in the healthcare and life sciences (HLS) sector.

To find out how our legal experts can help to demystify the regulatory environment and facilitate growth and investments, please do not hesitate to contact us.

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About the research

The insights provided in this report are based on findings from both qualitative and quantitative research conducted by independent market research consultancy Censuswide.

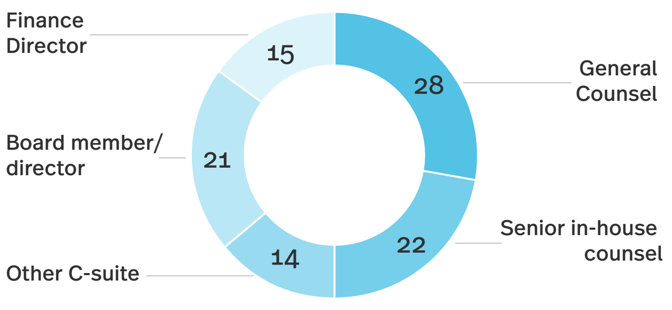
During the quantitative phase of the research, Censuswide polled 351 legal professionals and C-suites working in healthcare and life sciences (HLS) businesses, and 361 investors with portfolios in the HLS sector across the UK, France, Germany, Italy, Spain, Ireland, Belgium, the Netherlands and Luxembourg. Both surveys were conducted anonymously via an online survey link in June 2024.

The qualitative phase included 14 in-depth interviews with experts from Simmons & Simmons and were carried out in July 2024.

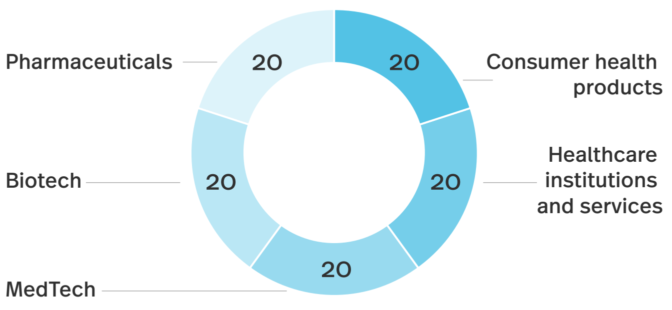
Censuswide abides by and employs members of the Market Research Society, which is based on the ESOMAR principles, and is a member of the British Polling Council.

Corporate survey sample

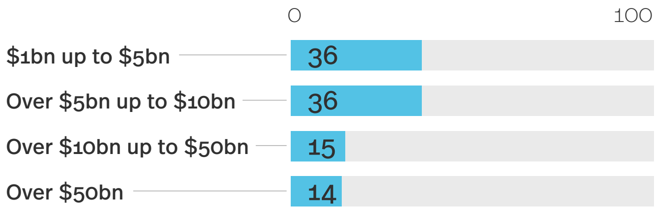
Job title (%)



Sub sector (%)

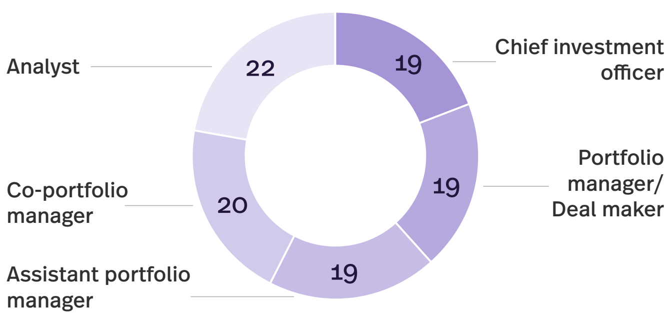


Turnover (%)

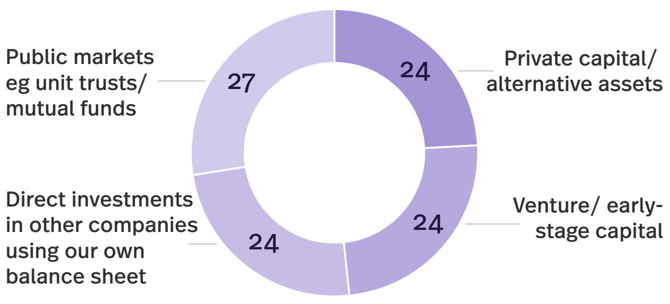


Investor survey sample

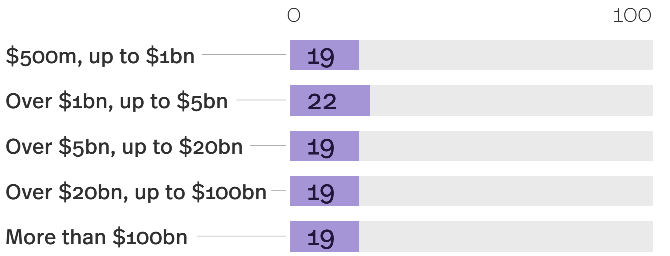
Job title (%)



Investor type (%)



Assets Under Management (%)



Note: Some percentages do not add up to 100% due to rounding.

Appendix

1 "Biotech megadeals: Exploring the surge in $100M+ deals", Labiotech, June 2024
2 'Significant increase' and 'Slight increase' responses combined
3 Reverse of 'No types of technology are most attractive to my organisation' (Investor survey) and reverse of 'No technology use cases are most likely to attract future investments' (Corporate survey)
4 Reverse of 'I don't see any healthcare and life science organisations being disrupted positively by AI in the next 24 months'
5 Reverse of 'We are not integrating ESG into our business strategies currently'
6 Reverse of 'Investing in the healthcare and life sciences sector does not factor into my organisation's ESG investment goals/ambitions'
7 Mean:(% increase)
8 "Exponent announces investment in Kingsbridge Healthcare Group", Exponent, July 2024
9 "Apotex completes acquisition of searchlight, a leading Canadian-based specialty innovative branded pharmaceutical company", Apotex, June 2024
10 "Private equity exits pacing for 5-year low after slow H1", S&P Global, July 2024
11 'Illumina completes the divestiture of GRAIL', Illumina, June 2024
12 "Johnson & Johnson completes acquisition of Shockwave Medical", Johnson & Johnson, May 2024
13 "Merck to Acquire EyeBio", Merck, May 2024
14 Reverse of 'No healthcare data is most valuable from a monetisation perspective'
15 Reverse of 'No types of technology are most attractive to my organisation'
16 Reverse of 'No technology use cases are most likely to attract future investments'
17 Reverse of 'No concerns'
18 Reverse of 'No types of technology are being deployed/prioritised in the next three years'
19 "August Equity announces significant investment in OneTouch, including acquisition of tri.x", August Equity, October 2022
20 Emulate, emulatebio.com
21 Intuitive, intuitive.com
22 MC10 BioStamp, Cargo Collective
23 "Scaling Streams with Google", Google, November 2018
24 "Axiom Space raises $350M at Series-C close with $2.2B+ in customer contracts", Axiom, August 2023
25 "The hidden advantages for MedTech in Europe's ESG rules", BCG, July 2024
26 Grantham Research Institute on Climate Change and the Environment
27 L'Affaire du Siécle
28 "Johnson & Johnson Consumer Health commits $800 million through 2030 to make its products more sustainable for a healthier planet", Johnson & Johnson, September 2020
29 "The first insulin infusion set that can be worn up to 7 days", BETTER, July 2023
30 "A new lease on life for medical imaging systems", Siemens Healthineers, August 2021
31 "Decarbonize and create value: How incumbents can tackle the steep challenge", McKinsey, October 2023
32 "Bill Gates says global health spending key to halting climate change", Bloomberg, January 2024
33 "MSCI ESG Healthcare Funds and SDG 3", MSCI, June 2021
34 "TNFD adoption now over 400 organisations and new sector guidance released", Taskforce on Nature-related Financial Disclosure, June 2024

35 "Herbal Medicine, N. Chattopadhyay, R. Maurya, Reference Module in Biomedical Sciences, 2015

36 "SystImmune and Bristol Myers Squibb Announce a Global Strategic Collaboration Agreement for the Development and Commercialization of BL-B01D1", Bristol Myers Squibb, November 2023

37 "Exclusive License Agreement for CM512 and CM536, KeyMed Biosciences Inc., July 2024

38 "Simmons & Simmons advises in Genmab's acquisition of ProfoundBio", Simmons & Simmons, April 2024

39 Reverse of 'No future regulations will most significantly impact my organisation's investment strategy' (Investor survey) and 'No future regulations will significantly impact my organisation's strategy' (Corporate survey)

40 Reverse of 'My organisation does not find any regulatory/legal issues challenging to navigate when attempting to secure investment'

41 Reverse of 'No future regulations will significantly impact my organisation's strategy'

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