

## Aldrich Capital Backs Rhythm Management Group

The firm is investing \$34 million in the provider of remote monitoring services for cardiac patients



Rhythm founder Rhonda Bray is seated at left, with Aldrich Capital's Mirza Baig, left rear, and colleagues Matt Lowen, center, Andrea Clark, front right, and Edward Chung.

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By Preeti Singh

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Growth-investor Aldrich Capital Partners is betting on the expanding use of remote monitoring as patients and doctors explore options beyond in-person appointments after the Covid-19 pandemic.

Aldrich is investing \$34 million in Rhythm Management Group Corp., a provider of remote monitoring services for cardiac patients, according to Mirza Baig, a managing partner of the firm. The deal represents the first institutional investment in the company.

Founded in 2011 by Chief Executive Rhonda Bray, the Brooklyn, N.Y.-based company supports hospital systems and large group practices of physicians with technicians who remotely monitor critical alerts and data transmissions from cardiac implants such as pacemakers.

The services include contacting patients when their devices disconnect from the monitoring network and providing data collected from devices and patients to their care providers. Ms. Bray started the

business after spending 15 years as a registered nurse and working in the cardiac device industry and in cardiology clinics.

According to Ms. Bray, Rhythm's services help doctors respond to detected abnormalities quickly, reducing the risk of hospitalization for patients. Remote heart monitoring began to catch on around 2005 and became a standard part of cardiac care in 2015, despite resistance from some patients who preferred in-person attention from their doctors, Ms. Bray said.

But the pandemic "legitimized what we do," Ms. Bray said. "The paradigm shifted for patients and physicians who became more open to the idea of remote treatment."

Vienna, Va.-based Aldrich Capital, which developed an investment thesis around remote patient monitoring in 2019, met with more than 25 companies before finding what they wanted in Rhythm, according to Mr. Baig.

"We were looking for someone who came from a perspective of healing, had been on the front line with patients, understood the cardiology practices and hospital systems, and also saw the bigger picture," Mr. Baig said.

Aldrich typically invests in companies with revenue of more than \$10 million in the software, healthcare information, financial technology and tech-enabled services sectors.

So far Rhythm has served about 50,000 patients and over 200 physicians with its remote monitoring systems and employs around 125 people, Ms. Bray said. Mr. Baig said that with the firm's backing, the company hopes to increase its team and reach more hospitals, doctors and patients in new markets as well as expand services to current clients.

Ms. Bray said that remote monitoring remains a relatively new practice and her company aims to take a pioneering role in its evolution. "For lack of a better word, [it is] a land grab and we need to get there as quickly as possible," Ms. Bray said of the broadening market.

Rhythm courted four other growth investors but its decision to accept an investment from Aldrich stemmed from the firm's knowledge of remote monitoring practices, Ms. Bray said.

"It was clear that they had done their homework and they had experience in the space," she said. "The others may have some healthcare experience, but they didn't have the understanding. They didn't do their homework."

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