

Support for growth-stage digital health companies in Europe, a profile of KELES

With #QVCs, Maddyne UK profiles different funds to give founders and entrepreneurs the information they need to choose the right investor. This week, we speak to Laurent van Lerberghe and David Buller of KELES.

Temps de lecture : minute

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Can you tell our readers where and how it all began and talk about where you are today?

[David] In 2015, the digital health startup that I founded - Avantec Healthcare - was acquired by Omnicell. At this point, I felt very strongly about using my experiences as a founder, and my knowledge of the digital health sector, to help other startups in the sector to scale. Dividing my time between the US West Coast and the UK, I began investing in digital health, deeptech and AI companies. In the following years, my network, investment portfolio and market knowledge continued to grow, and I joined Ascension - a leading UK VC fund - where, with experienced venture investors and pharma industry experts, I went on to start the Ascension Life Fund, focusing exclusively on digital health.

I met Laurent, just after he had left his position at Sanofi two years ago to become a digital health entrepreneur and investor. At the time, he had a long career in the pharma sector under his belt, including stints as Sanofi Chief Strategy Officer and as a Commercial VP at Abbott. He had also led

launches, investments, and partnership deals for multiple ventures across many continents, developing deep expertise across healthcare, R&D, AI and digital health in the process.

We discovered that we both shared a commitment to unlocking innovation in the digital health space, and the goal of driving improved health outcomes on a global scale. Our investment ambitions were so closely aligned we felt that we had to collaborate!

We decided to unite our networks, business-building and investment experiences to found KELES, and we then spent over a year rigorously testing our investment thesis with European entrepreneurs and investors. During this period, we received a great deal of interest and positive feedback, confirming the appetite for growth-stage funding and expertise in the European healthcare market.

Excitingly, we're now in a position to officially launch KELES, with a view to closing our first fund in early 2025. As a sign of our commitment to connecting the European ecosystem, KELES has bases in London, Paris, Brussels and Luxembourg.

Which industries are you working in?

[Laurent] Whilst Europe is brimming with innovation, access to the capital needed for digital health companies to scale at speed and succeed on a global scale remains limited. KELES is uniquely committed to addressing this problem, by investing in proven technology solutions across drug research and development (R&D), diagnostics, and patient care.

With technology and AI transforming health - improving efficiency, quality, and speed - our investments will align emerging European digital health innovations with the growing needs of global healthcare.

KELES will focus on making digital health growth-stage investments across Europe. We will back the best AI technologies with proven use-cases, technologies to accelerate drug discovery, those that are tackling inefficiencies in healthcare, and those that are transforming diagnostics.

We're confident that the digital health sector presents unparalleled opportunities for social impact and for value creation. This is down to a combination of large pharma and healthcare budgets, diverse payors, a variety of exit options, and both global and regional scale opportunities. We have extensively tested our investment thesis and are now ready to launch KELES, filling a significant funding gap in the European investment landscape.

What do you look for in a founder?

[David] We're looking for founders who share our vision to shape the future of healthcare, not just in their home countries, but internationally. They need to embrace collaboration, be hungry for the opportunities, and be keen to learn from our network of advisors. We don't look for founders from certain schools or with a defined set of credentials, as we believe in the value of diverse backgrounds and experiences in the startup world. However, they should have deep technical knowledge, an appetite for growth, a commitment to improving outcomes for patients, and robust data to evidence the impact (and potential future impact) of their solution.

Can you talk about your current portfolio?

[Laurent] KELES will back European digital health at the growth stage, focusing primarily on France, the UK, Benelux, Germany and the Nordics. In these regions, digital health innovation and talent are plentiful, but scaling capital is scarce. This means that truly game-changing technologies are not getting into the hands of the clinicians and patients

who could benefit from them, and R&D pipelines and clinical trials are not accelerated as much as they could be. KELES is going to help bridge that gap. We're particularly looking for companies with demonstrated profitability and approaching a scale-up inflection point. Our investment tickets will range from €8M-€30M.

What does the future look like? New trends/technologies, changes in the global/local economic landscape?

[David] Huge healthcare challenges lie just around the corner. Ageing populations, a rise in complex and chronic disease, and the unique threat posed by climate change are going to dominate the agenda of governments and healthcare organisations. Meanwhile, from a technology perspective, we're on the brink of a major inflection point. We know that AI and other incredibly advanced technologies are going to fundamentally change everything from drug discovery to patient care delivery, opening up myriad new opportunities to manage our health more effectively. However, we need to rapidly accelerate innovation and adoption if we are going to get ahead of the crises of the future.

[Laurent] With healthcare costs mounting, preventative healthcare will become an increasing priority. This will include providers making use of AI-powered diagnostic technologies, wearables and virtual health coaches to ensure that people are staying healthier for longer. Healthcare professionals will use emerging technologies to compensate for staff shortages and colleague retirement, aiming to maintain - and even increase - the high quality of care we all expect.

Within the digital health sector, Europe is well-positioned to emerge as a dominant area, and as the home of globally-successful companies. During our own KELES deep dive, we have identified 3,000+ digital health

companies across Europe, of which 1,000+ are already at the growth stage. Technologies developed by these companies are impacting the day-to-day care of millions of patients, and are revolutionising disease diagnostics, drug discovery and clinical trials. Ordinary people can see, try, and benefit from them. Over the years to come, KELES will play a role in accelerating the expansion of these technologies across Europe, into the US and into the East.

What makes KELES different?

[Laurent] Our laser-focus on selecting the technologies and teams that will provide the solutions to the healthcare challenges of the future. We don't make decisions based on trends or hype, but based on data, evidence, and our own extensive experience.

This experience is very unique, which sets us apart from fellow investors: we've built and exited startups, developed and grown ventures around the globe, sold to hospital and national healthcare systems, managed R&D programs and strategic investments in big pharma.

KELES will offer portfolio companies access to a vast network of global advisors, partners, and industry insiders from pharma, healthcare, venture capital, and startups. This will be crucial in ensuring market access, product-market fit, and scalability, as well as in driving growth and leading to successful exit.

What one piece of advice would you give founders?

[David] It's never too early to start exploring partnership and collaboration opportunities. Delivering lasting, impactful change at scale in the healthcare sector cannot be done in a silo, nor can growing a business across multiple countries. Look to academic institutions,

research organisations, healthcare providers and pharmaceutical companies to build valuable, mutually-beneficial relationships.

Laurent van Lerberghe is the Founder and Managing Partner and David Buller is Managing Partner of KELES.

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