



Truffle insiders

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EDITORIAL

After two years of an unprecedented economic crisis, the stock market window opens again, thereby marking the return of growth. Businesses supported by Truffle Capital overcame this difficult period and are ready to take advantage of improving market conditions.



Neovacs (biotech company specialized in the development of active immunotherapies for the treatment of autoimmune diseases, inflammatory diseases and cancer) and Deinove (global specialist in green technologies applied to biofuels and green chemistry) recently announced the success of their initial public offerings on the Alternext. Carmat, a company developing a totally implantable artificial heart, is in the starting blocks and plans an IPO for the summer.

With the economic recovery, Truffle Capital has successfully negotiated a new exit, by selling its shares of Photon Power Technologies to EDF Energies Nouvelles, a subsidiary of the EDF Group. Truffle Capital shows an ROI of 350% on this transaction which confirms our investment strategy implementation.

Discover the news of our portfolios in the following Letter of Innovation.

Enjoy the reading!

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HIGHLIGHT

Truffle Capital unveiled the 6th edition of the Truffle 100 France

Truffle Capital, in partnership with the analysts of CXP (Firmware Expertise Center) and the support of Syntec Informatique, has published the 6th edition of the Truffle 100 France, a ranking of the country's top software companies.

"2009 was a particularly difficult year. However, in the midst of this major crisis, the French software industry demonstrated that it was surprisingly resilient. Turnover grew slightly and the industry remained profitable while innovating, preparing for the future and continuing to invest heavily in R&D. The 100 software companies of the Truffle 100 announced the net creation of 500 skilled jobs", commented Bernard-Louis Roques, Managing Partner for IT at Truffle Capital. *"The software industry continues to innovate and is resolutely turned towards the future, creating new jobs in the midst of the crisis and investing more in R&D in 2009 than in 2008. Rather than giving way to short-termism, software companies are pragmatic optimists and 45% believe that they will do well as the economy recovers",* added Bernard-Louis Roques.

According to Syntec Informatique, these R&D jobs confirm the research tax credit positive impact on employment within the software industry.

Industry turnover increased from €3.8 billion in 2008 to €4 billion in 2009, although profits fell from 7.6% to 4.3% of total turnover. The economic crisis hit large companies harder than it did SMEs, since only 60% of the top 50 companies maintained or grew their sales, versus 76% of the 50 smallest.



PORTFOLIO NEWS

• Information Technology

In brief

New investment for Truffle Capital which now supports BoosterMedia, a company specialized in *mobile casual gaming*. BoosterMedia creates and monetizes user-friendly games to mobile phone users.



NetBooster increased its stake to 68.26% of Guava's capital

NetBooster (FR0000079683 - ALNBT), European interactive agency and online marketing specialist, has increased its stake to the capital of its industrial partner Guava (DK0060074144 - GUAVA.CO), a Danish interactive communication company, from about 30% to 68.26%. The total cost of the operation for NetBooster is 2 million Euros. In May 2009 Netbooster had increased its stake to about 30% of the agency's capital, listed on the OMX First North Copenhagen market. With this operation, NetBooster

continues its development and strengthens its position as industry leader in online marketing.

Netbooster has also concluded an agreement with Mr. Raphael Zier, former founder and head of the agency North Pole (interactive agency sold to Publicis) and interactive marketing specialist. This collaboration aims to strengthen the group's development with the entry of Mr. Zier from Netbooster for a total capital of approximately 4 million Euros. Given the shares already held by Mr. Zier, his total participation now represents approximately 21% of the total capital and voting rights of the company.

FCPI: Europe Innovation 2002, 2003, 2004, 2006 and Fortune FCPI



GoAdv welcomes its new acquisition: Blogsfere

GoAdv, a European specialist in the generation of qualified traffic on the Internet that publishes and develops a network of 80 websites, has acquired Blogsfere, one of the most important blog networks in Italy. Launched in 2005, Blogsfere now counts more than 210 professional blogs across its network and attracts more than three million users each month (Source: AudiWeb October 2009).

This acquisition will support the international development strategy of GoAdv. It follows the

purchase, in June 2009, the network of the Nanopublishing sites, a platform that manages and publishes dozens of blogs across the world in 5 different languages.

Blogsfere fits perfectly inside the Group's core media brands of specialized vertical websites, delivering high quality editorial to passionate communities. Blogsfere has a strong development potential and promises to rival with its gained success of Excite or Better Deals (16 million unique visitors in June 2009 for all sites Better Deals).

FCPI: Europe Innovation 2006 and Fortune FCPI



• Life Sciences

In brief

Biomedical Diagnostics (BMD), an *in vitro* diagnostics company specializing in the diagnosis of auto-immune diseases, today announced the appointment of Hugues Le Choismier as its International Sales Director.



Neovacs raises €10 million in its initial public offering on Alternext by NYSE Euronext Paris

Neovacs, a biotechnology company developing proprietary immunotherapies for autoimmune and chronic diseases, announced the successful completion of its listing on Alternext - NYSE Euronext Paris.

Neovacs decided to set the admission and issue price of its shares on Alternext - NYSE Euronext Paris at €4.80 per share.

The final allotment is as follows:

Global Placing: 1,645,861 shares allocated to institutional shareholders (79,8% of the total number of shares offered);

Public Offering: 438,775 shares to individual shareholders.

For the Public Offering, A1 and A2 orders will be satisfied in full. The total number of shares issued is 2,084,636 shares, i.e. 16.2% of the capital after the capital increase on a fully-diluted basis.

The gross proceeds of the IPO are €10,006,252.80.

FCPI: Europe Innovation 2002, 2003, 2004 and 2006



Deinove raises €12 million in its initial public offering on Alternext by NYSE Euronext Paris

Deinove, the world's leading specialist in the application of deinococci bacteria to biofuels and green chemistry, announced the success of its initial

public offering on the Alternext market of NYSE Euronext Paris and has raised €12 million.

Deinove designs and develops breakthrough technologies by leveraging the exceptional natural biodiversity and robustness of Deinococcus bacteria (which appeared on Earth over 3 billion years ago) to elaborate innovative industrial processes, including the production of bioethanol from all types of biomass and biomass waste.



The final allotment is as follows:

- Global Placement: 912.102 shares allocated to institutional shareholders (63% of the total number of shares offered);
- Public Offering: 536.765 shares to individual shareholders (37%).

For the Public Offering, A1 and A2 orders are 100% will be satisfied in full.

The total number of shares is 1 448 867 shares, i.e. 29.88% of the new capital after the capital increase. The gross proceeds of the IPO are €12 069 062.

Truffle Capital, Deinove's founding investor, has re-endorsed the company and its management team by investing €2 million in the IPO.

FCPI: Europe Innovation 2004, 2006 and Fortune FCPI

• Energy

In brief

Watteco, a French company supported by Truffle, specialized in innovative communications solutions dedicated to the energy management of the environment, and **Coronis**, a provider of OEM solutions for data transmission by radio, ultra low-power consumption and a long-range for the sensor/actuators networks, announced their collaboration for the design of a compact, ultra low power consumption Radio / Powerline gateway, for the living comfort and energy management.



Seventh successful exit for Truffle Capital Energy with the sale of Photon Power Technologies to EDF Energies Nouvelles

Truffle Capital has sold its shares of Photon Power Technologies to EDF Energies Nouvelles, a subsidiary of the EDF Group, specialized in the production of electricity from renewable sources. After escalating from 20% to 51% of the capital, in early 2009, EDF ENR now owns 100% of the company. Truffle Capital Energy shows an ROI of 350% on this seventh successful exit, which reinforces our investment strategy.

Founded in late 2006 by four experts of photovoltaic processes including Roland Barthez, founder and former CEO of Teneosol, Photon Power Technologies, headquartered in Lyon, sells and installs solutions for

the production of electricity from photovoltaic panels for residential customers, businesses and local authorities. In September 2008, jointly with EDF-Energies Nouvelles, Truffle Capital invested €1 million in Photon Power Technologies. Led by Truffle Capital, the company has quickly established itself as the leader in the French photovoltaic Industry. Today, it represents 80% of the French market with more than 3100 solar installations in 2009. It creates value as well as job opportunities, has 300 employees and expects a turnover in 2009 of €90 million, up sharply compared to 2008 (€35M) and 2007 (€ 8M).



Photon Technologies

FCPI : Europe Innovation 2006 et Fortune FCPI



Truffle Capital invests €2.5 million in SP3H

Truffle Capital has recently invested €2.5 million in SP3H, a young innovative company, leader in fuel profiling (identification of the fuel's molecular composition).

SP3H was founded in August 2005 by Alain Lunati, PhD in chemistry with over ten years of experience in petroleum refining. The company, based in Aix-en-Provence in southern France, has developed a miniaturized optical « **Fuel Quality Sensor** » onboard system for real-time measurement of the quality of a vehicle's fuel. The information is then sent to the engine control unit (ECU) allowing for optimization of the engine's performance and reduction of pollutant levels. After 4 prototypes in 4 years, this latest generation of new devices enables a 5 to 10% reduction in both CO2 emissions and fuel consumption. It also limits other pollutant emissions and improves engine reliability and performance.

SP3H's technology is protected by 9 international patents covering over 40 countries.

Concluded on January 26th 2010, the financing by Truffle Capital will allow SP3H to meet the growing demands of interested manufacturers in its technology and develop new markets, with the aim to install the first onboard devices by 2012-2013. In 2006, SP3H received the "Génération Entreprendre" award from the Provence-Alpes-Côte d'Azur Regional council and, in 2009, the prestigious Innovation Trophy from INPI, the National Institute for Industrial Property. These awards confirm the great potential of SP3H's technology.

« This company is our latest investment but could be among the early exits and has a good chance of being one of our quickest exits », added Jean-François Fourt, Co-Founder and Managing Partner, Truffle Capital.

FCPI : Fortune FCPI

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