



La lettre d'innovation

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Truffle Capital - 5, rue de la Baume 75008 Paris - Tel: +33 1 47 20 22 20 - www.truffle.com

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EDITORIAL

Success for Truffle Capital's Holdings Series I and II

The Truffle Capital team was delighted with the success of its Series I and II Incubator Holding offerings, which raised a total of €40 million. Series I (with subscriptions to the share capital of nine different holdings) obtained approval from the French financial market authority (AMF) on March 2nd, 2010, and each of the 9 holdings are now being established, having exceeded the threshold amount of €20 million. In light of the excellent results obtained, Truffle Capital launched its Incubator Holding Series II on 1st June, after having obtained AMF approval on 25th May, 2010, on the same basis as Series I. Here again, the offering met with success and a total of €17 million was raised for seven different holdings. Since its creation in 2002, Truffle Capital's funds have shown unflinching growth, with the same objective constantly in mind: to identify and support tomorrow's technology stars and to generate shareholder value for investors who place their trust in Truffle's expertise.



After the successful NYSE Euronext IPOs by Neovacs and Deinove (raising €10 million and €12 million, respectively), Truffle Capital is now backing the EADS spin-off Carmat, with a view to stock market listing. The stock market environment for European biotech companies is improving and continues to benefit from ever-increasing levels of healthcare expenditure and a proven ability to generate new therapeutics. As Carmat's lead investor, we are confident that the company's stock market listing will be a success. You will find more news from our portfolio companies below, in the following pages of this issue of Truffle Insiders.

We hope that you will enjoy reading this issue of our newsletter.

Henri Moulard, Jean-François Fourt, Dr Philippe Pouletty, Bernard-Louis Roques.



HIGHLIGHT

Carmat launches its IPO on Alternext of NYSE-Euronext Paris

Carmat, an innovative medtech firm developing the world's most advanced total artificial heart, announced that on the 15 of June 2010, the Prospectus relating to its IPO on Alternext of NYSE-Euronext Paris received AMF, visa n°10-180.

The Offering and the listing of the Company's shares on Alternext of NYSE-Euronext Paris market aim at providing the Company with additional means to finance the development of its total artificial heart, and in particular:

- the finalisation of pre-clinical testing of the total artificial heart (in vitro validation tests and biological tests) including the manufacturing and assembly of some forty devices;
- the first clinical trials of the Carmat total artificial heart in humans, which should take place from the fourth quarter of 2011.

Carmat's aim is to be able to provide a response to a major public health issue associated with heart disease, the world's leading cause of death: chronic

and acute heart failure. Indeed, this disease currently affects over 100 million patients in developed countries. By pursuing the development of its total artificial heart, Carmat intends to overcome the well-known shortfall in heart transplants for the tens of thousands of people suffering from heart failure.

The result of the combination of two types of expertise which are unique in the world: the medical expertise of Professor Carpentier, known throughout the world for inventing the Carpentier-Edwards® heart valves, which are the most used in the world, and the technological expertise of EADS, the world aerospace leader.



Artificial heart of Carmat.



PORTFOLIO NEWS

• Information Technology

In brief

- ✓ Keyyo, France's leading VoIP e-operator, has successfully concluded an IPO on the Paris Alternext, raising a total of € 1,671,423,00 over the period ending May 20, 2010 in an oversubscribed offer.
- ✓ MoMac, a company specializing in the development of mobile services (mobile Internet, SMS, mobile video, etc.) has just published a White Paper on the use of HTML5. MoMac has also won additional blue-chip customers: the French magazine *L'Express*, the French Ministry of the Economy, Lebara MVNO (established in 5 countries), Rabobank (for its cycling team's web site), FIFA 2010 (for Dutch sport-focused media) and MTV Netherlands.
- ✓ In early June, Lead Media Group opened its Brazilian subsidiary and launched its "Boomerang Interactiv" Internet solution for generating leads and recruiting qualified, prospective customers. The low-cost, minimized-risk launch (because most of the investment relates to cloning the technology platform developed for the French market) could generate a high potential ROI in a market of 200 million inhabitants with a rapidly increasing proportion of Internet users. Bernard-Louis Roques and Stephane Darracq, founder and CEO of Lead Media Group, were in Sao Paulo to inaugurate Lead Media's new offices and sign up the first customers.

GoAdv, Lead Media group and BoosterMedia have been named as finalists in the prestigious "Red Herring 100" awards for Europe's most innovative privately-held technology firms

Truffle Capital, the leading European private equity firm, today announced that three of its Information Technology portfolio companies are amongst the finalists for the prestigious Red Herring 100 awards for Europe's top unlisted technology companies. GoAdv (Italy/Ireland), Lead Media Group (France) and BoosterMedia (the Netherlands) were selected to present their respective business strategies at the Red Herring seminar held in Paris, from May 25-27, 2010.

The Red Herring 100 finalists are evaluated in terms of their technology innovation, quality of management, market size, commercial success and financial health. In the months leading up to the

announcement of the finalists, Red Herring analyzed hundreds of candidate companies from a wide variety of hi-tech sectors (such as telecommunications, security, Web 2.0, software, IT equipment, biotech and clean tech).

"The fact that three of our ICT portfolio companies have been listed for the Red Herring 100 awards is a great source of satisfaction for Truffle Capital. This confirms our expertise as a business builder - our ability to identify companies with a future, provide them with business support and take them through to maturity", commented Bernard-Louis Roques, a Truffle Capital founder and Managing Partner of the firm's IT division.



Truffle Capital: GoAdv delists with a 50% premium on the IPO price

Truffle Capital and GoAdv's other core shareholders (Genius SA and the company's two founders, Luca Ascani and Salvatore Esposito) hold over 95% of the voting rights and recently announced a tender for minority shareholders at a share price of €8.00, i.e. a premium of 28% on the closing share price on May 18th, 2010. This share price per action of €8.00 corresponds to a 50% premium over the company's IPO, i.e. an annual return of over 15% for investors involved in the listing of GoAdv shares on Alternext in August 2007 on the basis of a listing price of €5.35 per share. This tender will be followed by a request to delist shares and bonds on price Alternext market of NYSE Euronext Paris. GoAdv is a leading European specialist in the generation of qualified Internet traffic.

"We wanted GoAdv's delisting to be an upbeat transaction by offering shareholders a significant premium (around 50%, whereas France's CAC40 index fell by about a third over the same period). Truffle Capital has again demonstrated its long-term commitment to monitoring the price profiles of its listed investments and how their shareholders are treated", commented Bernard-Louis Roques, founder and Managing Partner, Truffle Capital, in charge of the firm's IT division.

The stars of Truffle Capital's IT portfolio (Keyyo, NetBooster, Nexeya and GoAdv) have proved their ability to ride out the economic crisis by posting steady rises in their stock market capitalizations:

- The share price for the Keyyo group (FR0000185621- KEYYO, ex-Phone Systems & Network), France's leading e-operator for VOIP solutions, has risen by 68.57 % since January 2010 and by 78.25% since May 2009;
- NetBooster's share price (000079683- ALNBT) has risen by 79.09% since January 2010 and by 58.23% since May 2009;
- The Nexeya group (FR0010414961- ALEUR, ex-Groupe Eurilogic), with business activities in the defence, aeronautic and transportation markets, has seen its share price rise by 86.47% since May 2009;
- GoAdv (FR0010500975- ALGOA), a leading European specialist in the generation of qualified Internet traffic, boasts a 20.30% increase in its share price since January 2010. **With the positive projections of growth and result, GoAdv was able to distribute the first dividend since its creation.**



• Life Sciences

In brief

Biomedical Diagnostics (BMD), an *in vitro* diagnostics company specializing in the diagnosis of autoimmune diseases, announced in May that its LISA TRACKER Premium kits had obtained CE mark approval.



Pharnext raises €4.8 Million

Pharnext SAS, a biopharmaceutical company specializing in the development of innovative treatments based on Pleotherapy™ for severe neurological diseases, announced that it had closed a €4.8 million Series A funding on June 3rd (corresponding to a company valuation of €45 million). Part of the fresh investment was provided by Pharnext's co-founding investor Truffle Capital, which remains the majority shareholder. The remaining were contributed by Aurinvest Capital 2, Financière Boscary and a group of some of France's best-known entrepreneurs - Charles Beigbeder (founder of Selftrade, Poweo, Audacia and AgroGeneration), Claude Darmon (former President of the CEGELEC group) and Olivier Fulconis (former Executive VP and Chief Marketing Officer at Converteam).

This round of fundraising will enable Pharnext to consider launching the first-in-man clinical trials of its Pleodrug™ in the treatment of Charcot-Marie-Tooth disease before the end of 2010. Charcot-Marie-Tooth disease is a chronic, severe, invalidating neuromuscular disease which affects 3 million people worldwide and for which there is no cure at present. The fundraising will also help initiate and/or continue *in vitro* and *in vivo* research programmes on the use of Pleodrugs™ in other serious pathologies:

Alzheimer's disease, chemotherapy-induced peripheral neuropathy, polycystic kidney disease, amyotrophic lateral sclerosis, hyperlipidaemia and diabetes.

Founded in Paris, France, in April, 2007, by Professor Daniel Cohen, MD, PhD, his research group (composed of pioneers in genome science and technology) and Truffle Capital, Pharnext has particularly solid financials:



Professor Daniel Cohen.

- a €2.5-million round of seed funding with Truffle Capital (December 2007);
- two agreements with the pharmaceutical group Ipsen, potentially worth up to €94 million in upfront and milestone payments (June 2009);
- an initial grant for work on Charcot-Marie-Tooth disease from Oséo, the French state innovation agency (2007);
- a grant from the French Muscular Dystrophy Association (AFM, 2009).



Neovacs achieves significant milestones in two clinical trials

Neovacs (Alternext Paris: ALNEV), a biotech company focused on an active immunotherapy technology platform (Kinoids™) with applications in the treatment of autoimmune diseases, inflammatory diseases and cancer, today announced that it has recruited the last two patients into its Phase I/II clinical trial of anti-TNF α Kinoid™ (TNF-K) in Crohn's disease and has administered Interferon-alpha Kinoid™ (IFN-K) to the first patient in its Phase I/II trial in lupus.

About the Phase I/II trial of TNF-K in Crohn's disease: The trial is an open-label, non-controlled, dose-escalation Phase I/II study with 3 dose levels of TNF-K (60, 180 and 360 mcg) administered at 0,7 and 28 days or 0, 7, 28 and 168 days in patients with moderate-to-severe Crohn's disease. Two patients have received three 60 mcg doses, one has received four 60 mcg doses, seven have received three 180 mcg doses, two have received four 180 mcg doses, two have received four 360 mcg doses and seven have received three 360 mcg doses. The last 2 patients recruited will both receive three 360 mcg doses. No product-related serious adverse effects have been reported and none of the patients has withdrawn from the study for tolerability or safety reasons. The study's primary objective is to assess the Kinoid™'s safety and its ability to induce an immune response to tumor necrosis factor alpha (TNF α). A secondary objective is to look at the therapeutic effect, as measured by the clinical disease score and markers of disease activity.



Laboratory facilities of Neovacs.

About the Phase I/II trial of INF-K in lupus: This double-blind, dose-escalation Phase I/II study will recruit up to 28 patients, with randomization by dose level. Study subjects must present moderate disease symptoms. The study's primary objective is to gather information on the treatment's safety and tolerability. Secondary objectives include measurement of the immune response to the Kinoid™, the disease activity index and disease markers related to interferon-alpha (IFN α). Depending on patient recruitment, the study's preliminary results (after the blinding codes have been broken) may be available in early 2011. Neovacs has already obtained approval for the trial from the regulatory authorities in France, Belgium and Bulgaria and clinical trial applications have been filed in other European countries.



- **Energy**

In brief

Dietswell, an independent specialist in drilling services, informed Euronext Paris SA that its listing sponsor will be Portzamparc Société de Bourse as of June 1st, 2010 onwards. Portzamparc Société de Bourse is a specialist in the Small & Mid Caps segment, which includes Dietswell, covering a universe of 80 different companies.

The French mining company Osead announces the creation of a subsidiary in Mauritania, in collaboration with Groupe Azizi (Mauritania) and the Compagnie Minière de Touissit (Morocco) for uranium exploration and extraction.

Osead, a French mining company developing a breakthrough technology in oil shale and sand processing, announced in June the establishment of a subsidiary in Mauritania, in collaboration with Groupe Azizi (a Mauritanian group with business interests in many strategic sectors) and OSEAD's Moroccan subsidiary Compagnie Minière de Touissit (CMT). Groupe AZIZI is a partner of choice because it holds (via its subsidiaries Macoba and ID-Geoservices) the largest number of mining permits (for uranium, gold and iron) in Mauritania.

Osead was established in 2006 and specializes in the exploration and extraction of mineral deposits (lead, zinc, copper, uranium, etc.). It has also developed a unique technology for extracting hydrocarbons from tar sands and schists, which enables energy savings

while protecting the environment. In addition to its activities in Mauritania, Osead is currently exploring opportunities in Ivory Coast and plans to prospect in Algeria. Osead produces over 27kt of lead/silver concentrate and almost 5000 tons of zinc concentrate via its Moroccan subsidiary CMT. With a focus on shareholder value, the company has worked with a group of experts to develop an innovative hedging strategy for its metal concentrate sales.

A partnership with Groupe Azizi is a great advantage because, in addition to being one of Mauritania's largest companies, its mining subsidiaries (ID-Geoservices) can count on the strategic support of its subsidiaries specialized in complementary fields such as logistics, construction, road & air transport and goods handling



Watteco launches its new software enPowerMe™

Watteco, a leading System on Chip (SoC) manufacturer of Ultra Low Power Line Communication (PLC) for energy efficiency and intelligent home control applications, today announced in May the world's first software solution enPowerMe that enables users to monitor the energy usage of a home's water heaters, HVAC systems and other major appliances, using a non-intrusive energy-analysis algorithm. The software requires only a single hardware connection at the smart meter or breaker box to provide access to information on a home's major electrical loads.

enPowerMe is ideal for smart meters, home displays and home area networks (HANs). It is the only solution that uses active, rather than both active and reactive, power measurement, which reduces costs. It combines a robust inference engine with statistical

time analysis and a probability index that was created from the energy-usage profiles of an exhaustive list of thousands of appliances. The profiles were generated over five years of real-life residential surveys. It can be used to generate information at the meter or in a home display about cost and savings opportunities which can be used to trigger early warning alerts. It can also supply HAN gateway systems in command-and-control applications with activity monitoring.

According to the international research firm Parks Associates, over 80% of U.S. consumers are interested in learning about how to cut their energy costs, 50% of U.S. households are very interested in an energy-monitoring device, and 80-85% of households are willing to pay \$80-\$100 for cost-saving equipment if they are guaranteed to save 10-30% of their monthly electricity bill.

CONTACTS

Investor Relations

Sneha HIREMATH
Truffle Capital
5 rue de la Baume
75008 Paris

Email:
sneha@truffle.com
Web : www.truffle.com



Press Relations

Caroline CARMAGNOL
Alize RP
33, rue de Surène
75008 Paris

Tel: +33 42 68 86 43

Mob: + 33 6 64 18 99 59
Fax. : +33 1 42 68 06 51

Email: caroline@alizerp.com

