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Truffle Capital Gathers \$102 Million Toward Biomedical Venture Fund

Paris-based firm launches companies to develop technologies from U.S. and European universities

Truffle Capital is participating in a revival of early-stage venture-capital fundraising in Europe.

Paris-based Truffle has raised 85 million euros (\$102 million) in the first closing of a medical-device and biotechnology venture fund that it aims to close at €200 million later this year. The firm identifies university innovations in North America and Europe and launches startups in France to develop these technologies.

Investment into European early-stage venture-capital funds jumped last year to \$5.9 billion from \$5.17 in 2016, according to market tracker Dow Jones VentureSource.

Last year's early-stage fundraising was the third-highest in the past decade. The peak came in 2010 when early-stage firms rounded up \$6.83 billion.

Overall, European venture-capital fundraising held steady in 2017, rising to \$10.17 billion from \$9.95 billion the prior year, according to VentureSource.

"European countries have realized slowly but surely that the future of European economy and industry lies in innovation," said Truffle co-founder and Chief Executive Philippe Pouletty.

In France, government grants and other non-dilutive funds have encouraged creation and funding of startups, according to Dr. Pouletty, who heads Truffle's medical practice. This helps the firm, which creates startups instead of funding existing companies.

By launching companies Truffle starts off with large equity positions. As a result, it doesn't need giant exits to make a good return. But some recent exits have been sizeable.

In May Boston Scientific Corp. acquired Symetis SA, a developer of transcatheter aortic-valve implantation devices, for \$435 million. And late last year Vexim, developer of a minimally invasive treatment for vertebral fractures that went public in 2012, merged with StrykerCorp. in a €183 million deal.

Truffle began raising this fund, Truffle BioMedTech, in early 2017 and held the first closing in December. Limited partners include European and Asian institutions and corporations as well as family offices. The firm expects to back 12 companies through the fund.

Other European medical investors raising new funds include Hadean Ventures, which last month said it had secured €40 million toward a €100 million vehicle aimed mostly at startups in Nordic countries.

By **Brian Gormley**