

## Truffle Capital collects €390m across two venture funds

French venture firm Truffle Capital has closed its BioMedTech fund on €250m and Fintech-Insurtech vehicle on €140m, having launched the vehicles in Q3 2017.

[BioMedTech](#) fund, which held a first close on €85m in Q1 2018, had a target size of €200m. [Fintech-Insurtech](#) held a first close in Q4 2017 on €70m, and its target and hard-cap were respectively set at €130m and €150m.

The two latest funds are significantly larger than their predecessors – Truffle Venture closed on €38m in 2009 and UFF Innovation 8 was a €20m fund closed in 2010.

The VC started out in 2001 and historically raised retail funds backed by high-net-worth individuals, who invested between €10,000-15,000 each. With these two latest efforts, Truffle Capital has switched to sector-specific funds, while it previously managed more generalist funds targeting the technology, energy and life-sciences sectors across a single vehicle.

Terms of the two vehicles will follow the 2-8-20 standard. The VC is expecting the vehicles to generate money multiples in the 2.5-3.5x range and an IRR of around 20%, Truffle's co-founder and CEO Philippe Pouletty told *Unquote*.

To date, the GP has successfully undertaken 13 IPOs and 17 other exits for its portfolio companies.

In terms of the next fundraising strategy, Truffle is reflecting on whether to raise a growth fund in the coming years, to support its portfolio companies in later growth stages, Pouletty added.

### Investors

LPs have invested an average ticket of around €5m in the two funds, with commitments ranging from €1m to €30m. The vehicles have attracted pension funds, family offices and corporates, with about 60% of the amount raised for the funds coming from French investors and 40% from international investors. Some of the backers from outside France are based in the US and Asia.

Corporates backing the fund include Obratori (L'Occitane Group), Guerbet, Agrica, BPCE, Caisse Centrale de Réassurances (CCR), ProBTP and Sopra Steria. French pension fund Fonds de Réserve pour les Retraites (FRR) is the only LP invested in both vehicles, *Unquote* understands.

### Investments

The BioMedTech fund will create and fund a dozen companies, mainly in France, developing medical devices and medications aiming to innovate in mini-invasive medicine and health. The companies will build on research from US and European universities. Truffle expects to look at around 1,000 companies each year and back 20 of them. "Our LPs appreciate the fact that technically our sourcing is unlimited and that we create the investment opportunity and build our companies," Pouletty said. The vehicle will commit a minimum of €1m to start off and invest on average €10-15m per company, and up to €35m in some cases.

Truffle Capital's BioMedTech follows a similar business-building model. The VC is the main shareholder in its companies, often founds the business in the first place and then holds a majority during several years. For example, Truffle owned 52% of Euronext Paris-listed Abivax prior to a €12m capital raise completed this summer. The VC now owns 46% of the business.

BioMedTech has already created five startups that rely on exclusive and global licensing agreements negotiated with research centres and universities: HoliStick Medical, aiming to treat cardiac pathologies (PFO) without open-heart surgery; Skinosive, which develops dermo-cosmetic technologies to prevent skin cancer; Artedrone, whose autonomous microrobots are designed to prevent and treat cerebrovascular pathologies; PKMed, which develops smart bioactive implants; and Bariatek, which works on non-invasive medical devices to treat obesity and diabetes.

The new Fintech-Insurtech fund will create and fund 12-15 companies designing and building services and products for the banking and insurance industries, which will be developed around AI and blockchain technologies. The VC has already done investments in these sectors via its UFF Innovation Fund 8. For the investments of Fintech-Insurtec, Truffle is likely to be the lead investor rather than the founder of the business. Fintech-Insurtech fund is currently invested in five startups: MoneyTrack, RollingFunds, IPaidThat, Monisnap and Sharegroop.

#### People

Truffle Capital – Patrick Kron (*chairman*); Philippe Pouletty, Bernard-Louis Roques (*co-founders, CEOs*).