

Investing in the Future Programme
As part of a French State Programme (called *Investissements d'Avenir*),
AFM-Téléthon and the National Seed Fund (called *Fonds National d'Amorçage* or
FNA) have joined forces to create
the first seed fund exclusively for innovative biotherapies and rare diseases. It will
be managed by CDC Entreprises, part of a public investment bank.



Paris, 21 May 2013 - CDC Entreprises, a subsidiary of Caisse des Dépôts and a future bpifrance¹ entity, has been mandated by the French government to manage the FNA as part of the Investing in the Future Programme (*Programme d'Investissements d'Avenir*). It is collaborating with AFM-Téléthon (French muscular dystrophy association organising French Téléthon), an association of patients and parents of patients, to help introduce new biotherapies and provide access to groundbreaking treatments for people with rare diseases. The partners are announcing that a new €50 million fund has been set up and will be overseen by CDC Entreprises.

The *Fonds National d'Amorçage* (National Seed Fund - FNA) was set up as part of the Investing in the Future initiatives to support companies that are developing innovative technologies by providing them capital in the very early stages of development.

This is FNA's first fund dedicated to innovative biotherapies and rare diseases. It is designed to inject capital into new companies working to:

- Promote medical research projects that can give patients with rare diseases access to the latest treatment methods;
- Help bring treatments for common pathologies based on the therapeutic innovations developed for these rare diseases.

Its main focus is on innovative therapies for rare diseases, most of which do not currently have any cure. This includes new therapeutic approaches and some of them are mature enough to begin industrial development, such as gene therapy, cell therapy, pharmacological modulation of gene expression, monoclonal antibodies, therapeutic proteins and immunotherapies.

The fund's initial investment is €50 million and it plans to eventually reach €120 million. Its ultimate goal is to build a portfolio of 12-15 emerging biotechnology companies and invest between €3-5 million in each venture. AFM-Téléthon is putting €30 million into the fund and, through FNA, CDC Entreprises is contributing €20 million. Most of the investments will be made in France but there is talk of also including other parts of Europe. It plans to target innovative SMEs with high growth potential that are under eight years old.

The fund subscribes to the Environmental, Social and Governance (ESG) approach of socially responsible investment. As such, it is ensuring the companies aim to expand their activities with a

¹ Once all the administrative and legal formalities have been finalised, CDC Entreprises and its subsidiary FSI Régions will be asked to join Oseo and FSI to form a bpifrance (a public investment bank).

view to providing patients suffering from rare diseases medication at a "fair price." When companies practice "fair prices," medication is priced (accounting for the medical reimbursement system) so it does not become an obstacle for patients in obtaining treatment.

"For our association, the purpose of creating this fund is to further intensify the acceleration, production and availability of these innovative therapies – whose development we have been advocating for over 25 years – by relentlessly supporting donors, volunteers and partners of the Telethon. It gives great hope to the 3 million French people and 30 million Europeans who are afflicted with a rare disease," says Laurence Tiennot-Herment, President of AFM-Téléthon.

"Through direct investments and its partner funds, bpifrance is one of the largest funders of biotechnology companies in France. Setting up this new fund underwritten by FNA and AFM-Téléthon is perfectly aligned with the bpifrance strategy of going where there is not enough market support. We are proud to be working with AFM-Téléthon," asserts Nicolas Dufourcq, Managing Director of bpifrance.

"After already having supported AFM-Téléthon by becoming a major funder of a pre-industrial biotechnologies pilot programme through the Généthron, the Investing in the Future Programme is extremely pleased to be supporting AFM-Téléthon's wonderful initiative through the FNA," points out Pascal Werner, Director of Funding, Investments and Seed Funding for France's General Investment Commission (*Commissariat Général à l'Investissement*).

"The fund will benefit from the legacy partnership with AFM-Téléthon to help create new companies with strong growth potential doing treatment-based research to address medical needs that have sadly been left unanswered. The fund's goal will be to finance these companies and guide them until they have a viable product by giving them the resources needed to provide evidence it is effective in humans," explains Laurent Arthaud, Deputy Director of CDC Entreprises and Manger of Life Sciences Investments.

Laurent Arthaud's life sciences team at CDC Entreprises manages the fund, which relies on investors with extensive experience in the sector.

The *Fonds National d'Amorçage* (National Seed Fund - FNA) has been granted €600 million by the French government for the Investing in the Future Programme and is managed by CDC Entreprises. FNA does not fund companies directly. It will eventually invest in 20-30 seed funds run by professional management teams who are themselves investors in new innovative companies in the start-up phase. Underwritten by FNA, these funds mostly focus on companies in the technology sectors as defined by France's National Research and Innovation Strategy, which includes health, food and biotechnologies, information and communications technologies, nanotechnologies and environmental technologies.

Learn more at:

http://www.cdcentreprises.fr/portefeuille/fiche/fonds_de_fonds/F22/fonds_national_d_amorçage_fna.php

CDC Entreprises, a future **bpifrance** entity (public investment bank) is owned by Caisse des Dépôts and managed by AMF. It is tasked with managing the public capital funding programme for high-growth SMEs, *FSI France Investissement* and general interest projects for the Caisse des Dépôts Group in capital investment for SMEs. In this capacity, CDC Entreprises oversees investments for Caisse des Dépôts and FSI, its largest underwriter. It also manages capital from public or private, financial and industrial partnerships. On behalf of the French government as part of the Investing in the Future Programme, CDC Entreprises manages the *Fonds National d'Amorçage*, the *Fonds Ecotechnologies* and the SME division of the *Fonds national pour la Société Numérique* (National Fund for the Digital Society - FSN PME).

Learn more at: www.cdcentreprises.fr

About the AFM-Telethon

The French Muscular Dystrophy Association (AFM) federates patients with neuromuscular diseases (genetic diseases that causing progressive irreversible muscle atrophy lead to death)

and their parents. Thanks in great part to donations from France's annual Telethon (€94.1 million in 2011), the AFM-Telethon has become a major player in biomedical research for rare diseases in France and worldwide. It currently funds 36 clinical trials for about 30 different genetic diseases affecting the eye, the blood, the brain, the immune system, and muscles... Thanks to its Genethon research lab, the AFM-Telethon stands out through its unique ability to produce and test its own gene-based medicines.

More information can be found at www.afm-telethon.fr

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