

Truffle Capital hopes to create a leader in AI applied to cardiology

ANALYSIS - The investment fund behind the creation of biotech company Abivax, now valued at €7 billion.

Repeating the Abivax success. The Truffle Capital fund has just merged three companies operating in the medical device sector, as it did in 2013 when it created Abivax, a biotech company now valued at €7 billion. Affluent Medical, a company majority-owned by Truffle Capital, has just acquired Artedrone and Caranx Medical to create Carvolix.

"We have too many small start-ups in France that offer only one product or one technology," explains Philippe Pouletty, CEO of Truffle Capital.

"If the product in question fails, as often happens in the world of biotech and medtech, the company is dead. On top of what, it is also particularly difficult for a small company to attract qualified management."

Truffle Capital's strategy is therefore to create highly specialized companies first, before merging them to diversify risk and achieve synergies in R&D or marketing. *"In 2015, Abivax's most advanced product was a product that ultimately failed,"* recalls Philippe Pouletty. *"In contrast, his most valuable drug today was only in the early stages of development. We will try to replicate Abivax's success with Carvolix."* Carvolix is positioned in the unfortunately lucrative market of heart valve replacement and stroke treatment. Its addressable market is estimated at 23 billion euros. *"Replacing a heart valve is a very difficult and stressful procedure for cardiologists, comparable to a pilot having to land an Airbus manually in foggy weather,"* explains Philippe Pouletty. Carvolix hopes to make these procedures easier with the help of autonomous mini-robots guided by artificial intelligence. The Tavipilot software has already been cleared by the FDA, the US Food and Drug Administration, and will soon be commercialized in the United States.

Improving stroke treatment

Carvolix will continue to work on reducing the impact of strokes. In 2022, more than 120,000 people were hospitalized in France for a stroke, according to Santé Publique France, and 30,000 died.

"Variations in the causes of stroke onset and treatment are observed. A very small proportion of patients currently benefit from mechanical thrombectomy, a procedure that involves removing the clot from the blocked cerebral artery using a catheter."

Dissolving the clot only works if it is small. *"Only a few doctors, in a very small number of hospitals, are able to reach the clot,"* explains Philippe Pouletty. *"The arteries are often very small and winding. Our autonomous robot will democratize this procedure making it available by many more interventional cardiology centers, and save more lives."*

To kick off its new life, Carvolix will receive €30 million in funding, of which the first €10 million has just been paid out. Truffle Capital remains the majority shareholder with two-thirds of the capital, but the American giant Edwards Lifesciences, a leader in heart valves, has also contributed to this fundraising and now owns 9.2% of Carvolix. On the stock market, the company is valued at just over €110 million.

French gems

Cardiology is a strong point for French medtech companies. Although Carmat was only acquired at the last minute, several companies form a dynamic ecosystem. In 2009, CoreValve, founded by cardiac surgery professor Jacques Séguin and financed by Sofinnova, was sold to Medtronic for €700 million. CoreValve co-founder Georg Börtlein is also behind High-Life, a company that caters to patients suffering from mitral regurgitation. Its mitral valve replacement system has just obtained CE marking, the key to starting commercialization.

The Bordeaux-based medtech company FineHeart, which is working on the treatment of heart failure, recently raised €83 million. As for the medtech company CoreWave, last summer it performed the first cardiac implantation of its undulating membrane in an Australian hospital.

The success of Abivax, which no longer counts Truffle Capital among its shareholders, is something for young companies to dream about. Despite a slump between 2020 and 2022, the biotech company is now valued at over €7 billion on the stock market. Its share price rose 1,600% last year after the publication of positive results in the treatment of ulcerative colitis (UC), a chronic inflammatory bowel disease. Market rumors in recent weeks have suggested that Eli Lilly intends to acquire Abivax 15 billion euros.

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