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Seventure, a leading European venture capital firm, invites the functional food industry to the first roundtable on “Innovation in Nutrition”

Paris – March 14th, 2008 – Seventure Partners, a leading European venture capital firm, with more than 500 million euros under management, announces the first roundtable on “Innovation in Nutrition”, organized by its Life Sciences investment team, during the Vitafoods conference, on May 7th, 2008, in Geneva.

Seventure, a pioneer and committed investor in nutrition

In Life Sciences, Seventure started investing in 2001 in biopharmaceuticals and medical devices companies, before adding industrial biotechnology to its focus. More recently, supported by a strong belief in the transition from prescription drugs to consumer/patient-driven prevention through a supplemented diet, Seventure decided to focus a significant part of its resources towards innovation in value-added nutrition.

Isabelle de Cremoux, General Partner & Director, Head of the Life Sciences investment team at Seventure highlights: “Since more than thirty years, biotechnologies are revolutionizing therapeutics, and Seventure has been, and will stay deeply involved in that process, through our investments. However, we believe that we recently entered a new era, during which biotechnologies will benefit to health through nutrition: the era of disease prevention by functional food ingredients. Most of the puzzle pieces are already into place. Since not long ago, consumers, already careful about their diet, are now expecting their food intake to actively keep them healthy. Food processing leaders, realizing their margin contraction on food commodities, are looking for new growth opportunities, and have all announced their appetite for innovative ingredients. At last, nutrition research labs seethe with new ideas and proof of concepts... The missing step is the one we are participating in: the emergence and growth of innovation-oriented companies, developing these new functional ingredients, frequently called nutraceuticals*. These new companies require significant funding to sustain their strategy, and it is the first thing we provide. But more than funds, we bring to our companies our experience of high growth enterprises, as well as our long term strategic vision.”

In the functional food ingredient/dietary supplement industry and from an eagle's eye perspective, innovation has three main sources:

* Nutraceuticals is the result of the condensation of the words nutrition and pharmaceuticals. It is a synonym to functional food ingredient.



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- large (and mid-size) established and integrated food conglomerates (e.g. Nestlé, Danone, Arla Foods...), crop transformation companies (e.g. Archer Daniels Midland) or large service providers;
- young innovative start-ups, usually built around a single technology (e.g. a new production process) or a single ingredient;
- academic labs.

While large companies hold both access to market and financial power, and though they might invest heavily on internal “innovation”, they often lack the flexibility and agility inherent to smaller companies. Moreover, though Nestlé, Danone, Unilever and the like often fund academic lab research when they see some strategic fit, they would never reach the tightness of the relationship with the scientific community only achieved when a young start-up spins out from a university lab.

Therefore, and similarly to what have been observed in the pharmaceutical industry with the emergence of biotech start-ups, the development of high tech nutraceuticals will benefit from the emergence of small innovative companies, and from their successful partnership with larger established players. However, this will need support from the financing community, through the attraction of venture capital firms, that do not consider the nutraceutical industry as a possible territory for venture capital investment – apart from a handful of pioneers, among them Seventure emerges as a leader.

“We believe that most of the conditions that were in place at the biopharmaceutical venture capital industry launch 30 years ago are now met around the nutraceutical world: disrupting technology innovations, bright and ambitious entrepreneurs, market growth, and industry leaders in a desperate search for new products to renew their product ranges”, added Mrs de Crémoux.

Seventure first investment in nutrition

In July 2005, Seventure made its first investment in the nutraceutical arena, in Fluxome Sciences. This Danish company was founded three years earlier with very limited funding, and this equity investment since proved being instrumental to their current takeoff. Fluxome edge over the competition in a highly specialized biotechnology field, called metabolic engineering, consists in reproducing Mother Nature processes in a bio-reactor and thus in obtaining, with a high purity and at low cost, specific nutraceutical ingredients usually expensive, difficult to extract or poorly stable due to the presence of impurities. Asserting their technology reliability, Fluxome first product, the highly-promising ingredient resveratrol[†], will be

[†] Resveratrol, a well-known active compound first isolated from red wine, is responsible for several of the health benefits known as the French paradox: longer life, healthier arteries and cancer prevention. As biological mechanisms of action of this long-dreamt “fountain of youth” ingredient are being deciphered, interest from the community in this product undergoes a strong growth, and demand for

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commercially launched in the USA in late 2008. It will be followed on the market by "Fluxome-grade" omega-3 fatty acids EPA and DHA, for which their inherent low stability, low purity and bad tasting problems would be at last solved, thanks to Fluxome.

The first roundtable on "Innovation in Nutrition"

On this wing of its investment policy, and besides to its pure venture capital activity, Seventure tries to get involved in the animation of a wide community gathering together any party sharing its desire to see the emergence of innovative nutritional products. To that end, Seventure is organizing the first roundtable on "Innovation in Nutrition", during the upcoming Vitafoods conference, in Geneva, on May 7th, 2008.

The main objective for this session is to illustrate through case studies and stakeholder insights the following facts:

- product innovation does not occur only in large established companies;
- interactions between blue chip players, small start-ups and academic lab should be increased;
- specialized investors support to start-up companies is a key element in the innovation-to-market chain.

This session will be of interest to most of the participants to the nutraceutical, dietary supplement and food industries stakeholders, as well as participants to the innovation to market chain, with an emphasis on:

- innovative start-ups managers;
- academic labs and tech transfer agencies delegates;
- large integrated companies executives;
- investment company executives...

"We believe that this session will participate to a wider attention on this fast-growing industry, and will be especially beneficial to innovative company managers, giving them a unique opportunity to develop their network both on commercial and financing aspects", adds Dr Jerome Samson, Associate with Seventure and coordinator for this session at Vitafoods.

Roundtable agenda

The session will be held during the Vitafoods Conference & Exhibition, in Geneva, on May 7th, 2008, from 9.30 to 11.00am.

high quality supplies of resveratrol is not matched, due to its low availability from plant extracts. In its bio-reactors, Fluxome mimics natural processes at work in plants to provide the market with a high purity resveratrol, on a business-to-business basis. As Fluxome first product, resveratrol will hit the USA market by end of 2008, after a well-rehearsed scale-up phase starting in early February 2008.



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Introduction & Chairmanship

Larry Drumm, Experienced biotech & nutrition consultant, USA

Case Studies: young, innovative and successful nutraceutical companies

- Fluxome Sciences: from genomic science to nutraceutical ingredients
Steen Andersen, CEO, Fluxome Sciences, Denmark
- Polaris: adding value to nutritional lipids
Stéphane Lozachmeur, CEO, Polaris, France

Sourcing innovation for the European market

Bruno Le Mer, CEO, Ideactifs, France

Financing innovation in nutrition

Isabelle de Cremoux, General Partner, Seventure Partners

Registration

Registration to this session can be done on the Vitafoods website www.vitafoods.eu.com or by contacting Annick Aubert, assistant to Seventure Partners Life Sciences team: annick.aubert@seventure.fr

About Seventure Partners

Seventure is an active investor in Europe managing over 500 M EUR. In life sciences, our 4 preferred sectors are biotech & pharmaceuticals, medical devices, chemical & industrial biotech and nutrition & nutraceuticals. But we also consider investments in skin care, diagnostics, drug delivery systems, environment, bio-energy, wellness and services.

In Life Sciences, Seventure started investing in 2001 in biopharmaceuticals and medical devices companies, before adding industrial biotechnology to its focus. More recently, supported by a strong belief in the transition from Rx drugs to consumer/patient-driven prevention through a supplemented diet, Seventure decided to focus a significant part of its resources towards innovation in value-added nutrition. Seventure professionals are unique in their capacity to bring the right financing, expertise and long-lasting support to entrepreneurs involved in the development of innovative nutraceutical companies with an exponential success potential.

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