01
Innovation supports in France
1. Public support to innovation is mainly brought through Research Tax Credit

Research Tax Credit: 6.4 Billion € in 2014
60% of the public support
74% of government support

Public support to innovation
- Government funding: 87%
- Regional funding: 3%
- Others local public funding: 5%
- Europe: 5%

Public support to innovation (excluding tax credit)
- Government funding: 64%
- Regional funding: 15%
- Others local public funding: 13%
- Europe: 8%
1. Main increases in Tax Credit, but also through Loans and Equity

Financial instruments
Evolution 2000-2015

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Credit</td>
<td>6341</td>
</tr>
<tr>
<td>Grants</td>
<td>2854</td>
</tr>
<tr>
<td>Loans</td>
<td>0</td>
</tr>
<tr>
<td>Equity</td>
<td>91</td>
</tr>
<tr>
<td>Total</td>
<td>8551</td>
</tr>
</tbody>
</table>

X 11
-43%
X 3
1. **Five main objectives**

<table>
<thead>
<tr>
<th>Objective</th>
<th>Budget</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase private R&amp;D capacities</td>
<td>6 B€</td>
<td>70 %</td>
</tr>
<tr>
<td>Increase Public Research Economic Impact</td>
<td>255 M€</td>
<td>2.6 %</td>
</tr>
<tr>
<td>Develop Collaborative projects between actors</td>
<td>706 M€</td>
<td>7.2 %</td>
</tr>
<tr>
<td>Promote Innovative Entrepreneurship</td>
<td>353 M€</td>
<td>3.6 %</td>
</tr>
<tr>
<td>Sustain Development of Innovative Companies / Start ups</td>
<td>1618 M€</td>
<td>16.4 %</td>
</tr>
</tbody>
</table>
1. **Strategic SWOT**

**Strengths (S)**
- Research and education quality
- Attractivity for entrepreneurship (JEI, CIR, Bpifrance)
- Strong Regional support

**Weaknesses (W)**
- Weak business culture
- Weak international openness
- Global innovation support complexity
- Lack of impact assessment
- Insufficient private investment

**Opportunities (O)**
- Shared diagnosis of the challenges of innovation as a growth factor / crisis
- Competitiveness cluster role
- Implementation of strategies / development priorities

**Threats (T)**
- Slow change decisions
- Confusion between R & D and Innovation
- Insufficient consideration of the international dimension in R & D activities
- Lack of support for non technological innovation (design, marketing, commerce...)

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*bpifrance*
1. French Start up at CES Las Vegas

Nombre de startups de la French Tech exposantes (Eureka Park)

Provenance géographique des startups françaises exposantes au CES :

bpi france
Bpifrance in brief
Bpifrance, a public investment bank, is the trusted partner for entrepreneurs

Bpifrance finances businesses from the seed phase to transfer to stock exchange listing, through loans, guarantees and equity. Bpifrance accompanies firms developing export activities, in partnership with Business France and Coface, and provides support for their innovation projects.

Bpifrance offers businesses the benefit of a powerful contact, on hand and able to respond efficiently.

**87 000 BUSINESSES RECEIVED SUPPORT**

**23 BILLION EUROS ALLOCATED TO BUSINESSES**

**€ 13.3 BN FINANCING**

**€ 8 BN BANK LOANS GUARANTEED**

**€ 1.8 BN CAPITAL INVESTMENT**

**en 2015**

01. Who are we?
Our mission: SERVIR L’AVENIR

With 2,300 employees ready to serve entrepreneurs, Bpifrance has three goals:

- accompany businesses in their growth;
- prepare tomorrow’s competitiveness;
- develop an ecosystem that favours entrepreneurship.
01. Who we are?

Our values

PROXIMITY
90% of all decisions are taken regionally, where entrepreneurs are located.

DRIVE
Personalised support to entrepreneurs, providing them with the means to succeed.

SIMPLICITY
The implementation of a financing continuum, simpler and more accessible than before.

OPTIMISM
Motivated and enthusiastic teams, striving to make entrepreneurship a positive experience.
The regional office: a single contact with many solutions

- 25 regional managers representing all the group’s business lines.

- In each region:
  - an innovation officer;
  - a guarantee and loan officer;
  - one or more Business France;
  - an equity investment officer.

- A bank that is part of a network of private and public partners, that searches for backers.
- A network that seeks out entrepreneurs
01. Who are we?

All the public financing tools come together

Created by law on the 31 December 2012, Bpifrance is owned by the Caisse des dépôts and the French State. Bpifrance is organised around two separate primary business activities: Bpifrance Financement and Bpifrance Investissement.
A financing continuum, present in every key phase of business development

We support individual and collaborative innovative projects, through R&D aid, financing for industrial and commercial launch, or even via equity acquisition:

- Innovation aid: grants, recoupable advances, interest-free loans
- Seed loans in preparation of fundraising
- Innovation loans to facilitate the launch of innovative products and services
- Equity investment, either directly or through partner funds

We intervene by investing in businesses of all sizes, through co-financing with banks:

- Mid-term and long-term loans
- Property leasing contracts
- Equipment leasing contracts

We propose long term guarantee-free development loans, to finance intangible assets and working capital:

- Growth loan, 10 years loan
- Subsidised Green and Digital loans
- Profit-sharing loans

We strengthen firms’ cash flow:

- Refinancing publicly or privately-held receivables.
- Pre-financing of the Tax Credit for Competitiveness and Employment (CICE) or the Research Tax Credit (CIR)

We take minor stakes in growth businesses, from the seed phase to transfer, often alongside national or regional local funds:

- Equity acquisition, irrespective of company size
- Convertible bonds

We are investing alongside private and public actors, in capital investment funds, which are investing in SMEs:

- More than 260 partner funds, of which 95 regional funds

We provide banks with a guarantee of 40% to 60%*, to encourage them to finance SMEs in the riskiest phases:

- Creation
- Transfer
- Innovation
- International Expansion
- Development
- Strengthen cash flow*

We support export projects with the help of Business France and Coface, our partners at Bpifrance Export:

- Development or establishment support (Business France)
- Prospecting, credit and currency exchange insurance (Bpifrance)*
- International growth loan (Bpifrance)
- Equity investment (Bpifrance)
- Guarantees on bank financing devoted to international activity (Bpifrance)

* Products offered by Bpifrance Assurance Export, who insures, on behalf of the State and under its control, your business overseas.

* Up to 70% with the Regions
Bpifrance, closer to entrepreneurs

47 regional offices

90% of all decisions are taken regionally

1 Specialised contact reaching out to businesses
03. Bpifrance to date

5 joint actions with the Regions

- 21 framework conventions of finalised partnerships

Regional guarantee funds

Regional and interregional investment funds

Regional innovation funds

111 réunions de comités régionaux d’orientation

€ 246 M in guaranteed risks for € 748 M de crédits accordés

100 subscribed by the end of 2015

€ 68 M allocated to 1004 businesses in 2015
A strong partnership with regional authorities

**Bpifrance** works in collaboration with regional authorities, to develop financial solutions adapted to territorial specificities.

- Regional authorities are present in **Bpifrance**’s governing bodies: Board of Directors, National Orientation Committee (NOC) and Regional Orientation Committees (ROC).
- Regional authorities provide many financial tools for businesses (guarantee, financing, innovation regional investment funds…).
- **Bpifrance** participation in industrial welcome and support platforms that Regional authorities would like to implement.
03. Bpifrance à date

Bilan de l’activité 2015

<table>
<thead>
<tr>
<th>Allocated financing</th>
<th>€ 14,9 BN</th>
</tr>
</thead>
<tbody>
<tr>
<td>in guaranteed bank loans</td>
<td>€ 8,6 BN</td>
</tr>
<tr>
<td>Capital investment</td>
<td>€ 1,8 BN</td>
</tr>
</tbody>
</table>

| € 7,5 BN in short term loans (+3 %) |
| € 4,1 BN in co-financing investment loans (+9 %) |
| € 2 BN in development loans (+15 %) |
| € 1,3 BN in innovation financing (+20 %) |

*investis en direct dans le capital Innovation (+ 33 %)*
*investis en direct dans les PME* (+31 %)*
*investis en direct Mid & Large Cap* (+37 %)*
*investis dans les fonds partenaires (+ 6%)*

*proforma 2015*
Businesses receiving support by Bpifrance...
... grow faster and provide more employment.

- Turnover growth*: +5.3%
- Workforce growth*: +1.9%

* AAGR on 3 years – Bpifrance: trend in 2013 actions
2014, a record year of activity

- **MEDIUM AND LONG-TERM LOANS**
  - Development loans (in € billion)
  - 2014: 1.7, 2015: 2, +15%

- **SHORT TERM LOANS**
  - CICE pre-financing** (outstandings in € billion)
  - 2014: 7.3, 2015: 7.5, +3%

- **INTERNATIONAL**
  - Export loans (in €m)
  - 2014: 404, 2015: 487, +21%

- **INNOVATION**
  - Financing (in €m)
  - 2014: 1.1, 2015: 1.3, +20%

- **INTERNATIONAL EXPORT LOANS**
  - Capital investment: mid-caps/large-caps
  - 2014: 567, 2015: 777, +37%

- **FONDS DIRECTS**
  - Innovation
  - 2014: 127, 2015: 169, +33%

- **DIRECT EQUITY**
  - Capital investment: SMEs
  - 2014: 101, 2015: 132, +31%

- **FUND OF FUNDS**
  - Subscriptions
  - 2014: 645, 2015: 685, +6%
We accompany your innovation projects, to encourage their success

The different financial solutions proposed by our teams can be provided in the form of grants, recoupable advances, interest-free loans, profit-sharing loans, share acquisition and guarantees on bank intervention, depending on the risk and the state of advancement of your project.
You want to expand your business **internationally**

In each phase of your company’s development, we provide financing, guarantee, insurance, investment and support solutions that are complementary and adapt to your plans for conquering new markets.
Innovation at Bpifrance
Bpifrance Innovation provides financing and investing to growth companies

**EUROPE**

- **Bpifrance INNOVATION FINANCING**
  - Financial Support: 470 M€
  - Collaborative Projects: 530 M€
  - Loans without Guarantee: 300 M€
  - ~ 5000 Companies, ~ 1 300 M€ financed in 2015

**REGIONS**

- **Bpifrance INNOVATION INVESTING**
  - Life Sciences
  - Green technologies
  - Digital Ambition
  - Large Venture
  - French Tech Acceleration
  - 8 direct Funds, 1,1 Md€ en gestion
    - 170 M€ invested en 2015

- **Bpifrance INNOVATION FUNDS OF FUNDS**
  - Technological Funds
  - Seed Funds of Funds
    - • 40 active Funds: 2,5 Md€
    - • 16 active Funds: 600 M€
    - 100 partner Funds, 3,1 Md€ for Innovation Capital

January 2017
Taiwan Visit
Bpifrance Innovation covers financing needs during the entire growth cycle

- **Clusters projets**
- **Grants**
- **Innovation loans**
- **Digital Ambition Fund**
- **Green Technologies Fund**
- **Innovation Collaborative projects**
- **Interest free loan / Repayable Advances**
- **InnoBio**
- **Seed Loans**
- **Innovative Biotherapies and rare Diseases**
- **Venture Capital Funds of Funds**
- **Seed Funds of Funds**
- **Large Venture**

**Funds Garantée**

1. **Direct investment in Large Caps and SMEs**
2. **Equity investing**
3. **Financing**
4. **Out of the Innovation Division of Bpifrance**

**January 2017 Taiwan Visit**
THE CONTINUUM OF INNOVATION FUNDING
A range of solutions office by regional branch with a €910 M budget in 2016

**€490 M**
Repayable advances
Loans
Subsidies

- **Repayable Advance in case of success**
  - SME & Middle-Market Companies < 2000 pers.
- **Interest-free loan for innovation**
  - SME Middle-Market Companies < 2000 pers.
- **FUI subsidies & Collaborative projects**
  - SME, Middle-Market Companies, labs
  - €80 M / 15 projects

**€100 M**
Seed funding

- **Early stage innovation loans**
  - Round table planning
  - SME < 5 years
  - Loan from €50 to €300 K
  - €30 M / 250 loans

**€100 M**
Grants & Subsidies

- **Bourse French Tech**
  - Entrepreneurs & start-up < 1 year
  - €20 M / 650 projects
- **Feasibility study grant**
  - SME > 1 year

**€220 M**
Financing Business Development

- **Innovation Loan**
  - Industrial & commercial launching
  - Innovative SME & Small-Mid Caps < 499 pers.
  - Loans from €50 K to €5 M
  - €220 M / 600 loans
- **Advisory & support**
  - « Big Data Diagnostic »
  - « Design Diagnostic »
  - International Immersion & Acceleration
  - Hub Start-up

**€100 M**
Loans for investment

- Fundraising support
- SME < 5 years
- Loan from €100 to €500 K
- €70 M / 200 loans

**Certification « FCPI »**

- 200 certifications
  - « Innovative Company » as part of the French Innovation Funds

**Pitch and Win**

- Pitch training

**January 2017**
Taiwan Visit

Measures financed and/or assured by Bpifrance Financement on State budgets, CGI, Regions, Partners and European Investment Funds