

**The Financing of the European Structural and Investment Funds and the
link between these and other investment funds**
CAP 3ème Révolution Industrielle “CAP 3RI”
25 April 2017 – European Parliament

Background: the Third Industrial Revolution

- Regional ambition: a new economic model for a carbon zero Region by 2050 with an efficient and sustainable use of resources and job creation
- An investment fund dedicated to the Third Industrial Revolution and focusing on supporting the low carbon economy
- With European Structural and Investment Funds and the 2014-2020 programming period, the opportunity to develop a financial instrument

Early requirements

- Identification of the financial instrument in the Operational Programme (Axe 3: Energy transition, objective 4: low carbon economy)
- Ex ante evaluation before the decision to implement the financial instrument, showing market failure, value added of the instrument and assessing volume and type of funding needed
- Demonstration of the need for a dedicated financial instrument investing equity in SMEs, Mid-Caps and SPVs
- Strong requirement for a Technical Assistance programme included in the instrument

Fund manager selection

- Open and transparent procedure to select the Fund manager in July 2015
- Requirement for a co-investment of EUR 5m at the level of the financial instrument.
- Selection based on article 7 from regulation 480/2014
- Successful candidate: Nord Capital Partenaires, in partnership with FINORPA, and the private investor Crédit Agricole Nord de France.

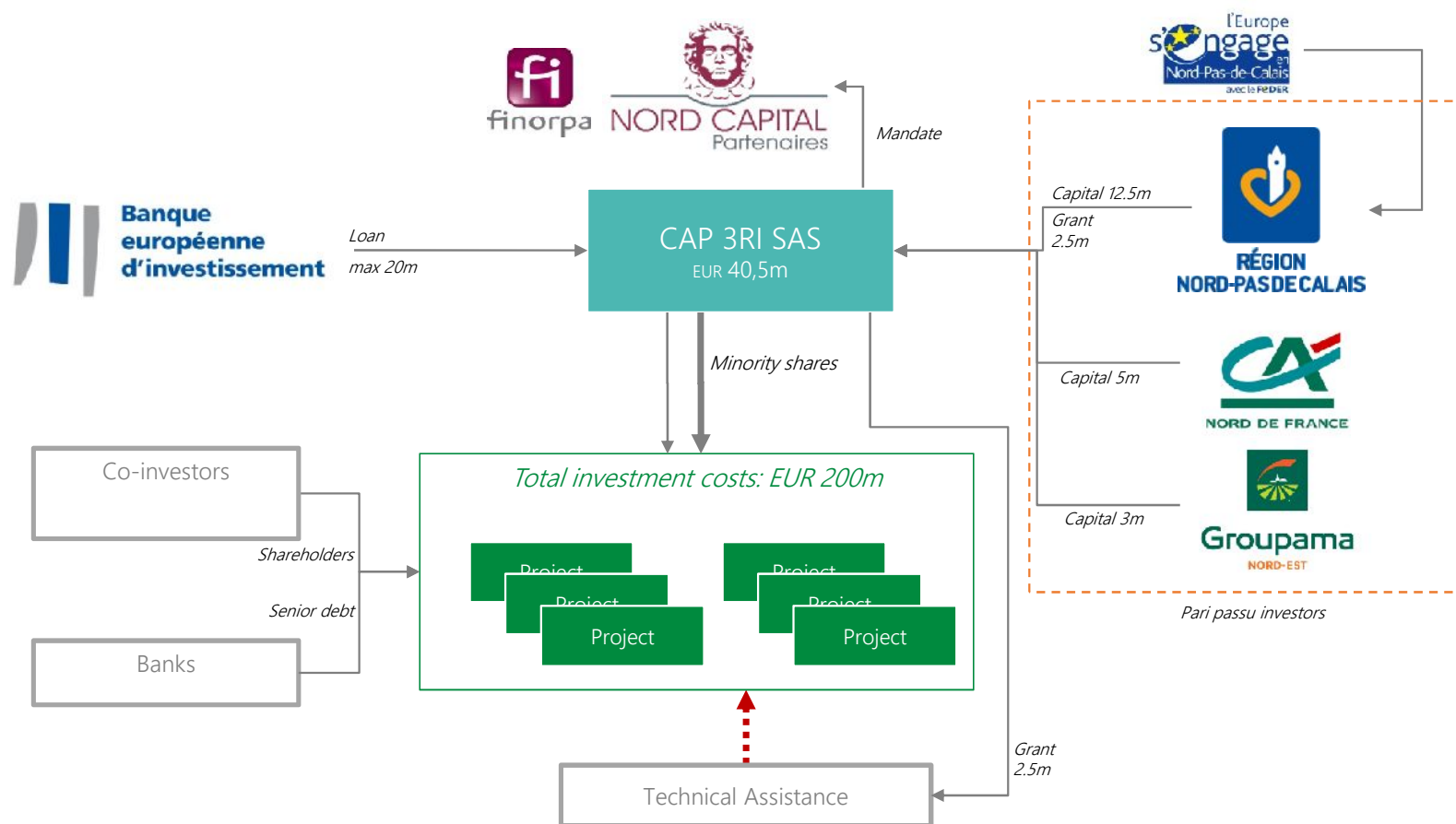
- Partnership with EIB Advisory Service :
 - Structuring assistance for the design and implementation of the Fund,
 - Funding agreement under EFSI for up to EUR 20m in the Fund.
- Regional approval in October 2015 :
 - Creation of CAP 3ème Révolution Industrielle,
 - Fund manager selection and private co-investor,
 - ERDF for EUR 15m.
- Regional approval in November 2015 :
 - Final authorisation for EUR 15m ERDF: 12,5m as financial instrument and 2,5m as technical assistance grant
 - Becomes shareholder of CAP 3RI

Creation of CAP 3^{ème} Révolution Industrielle

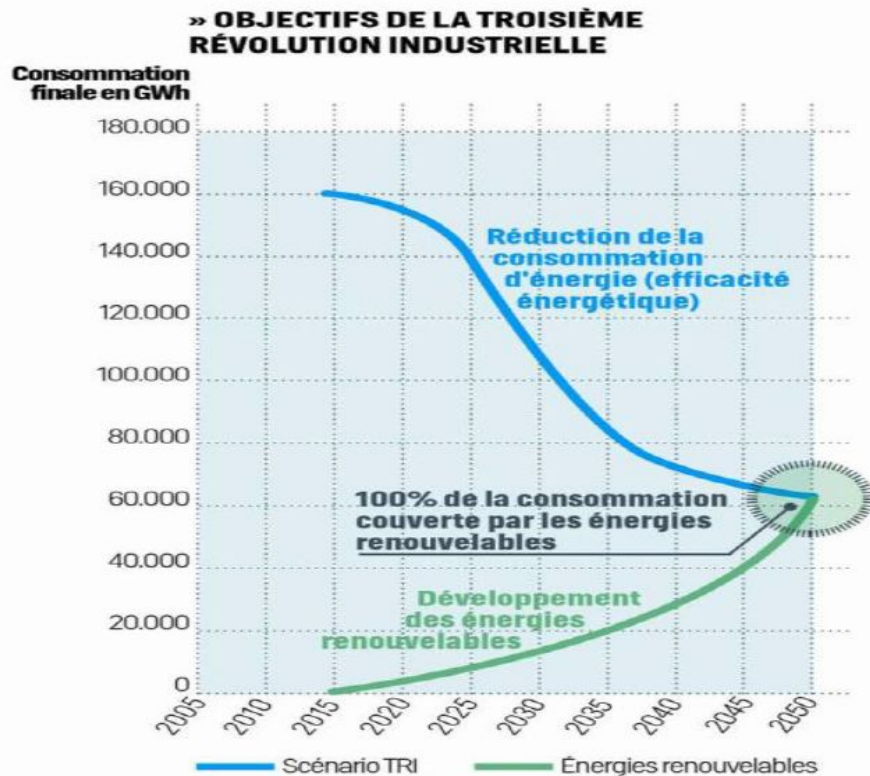
- An investment fund with an initial capacity of EUR 40,5m seeking already new partners to grow up to EUR 50m.



Fund design



Objectives and key performance indicators



By 2050:

- 60 % more efficient
- 100% of renewable energies
- Factor 4 reduction of greenhouse gas

« Ce n'est pas la première fois que cette région est en avance sur son temps et qu'elle dessine une nouvelle voie économique, qui modifie profondément le paradigme économique en France, en Europe et, en réalité, dans le Monde. Jeremy Rifkin »

Investment priorities

1

RENEWABLE ENERGY

2

ENERGY MANAGEMENT

3

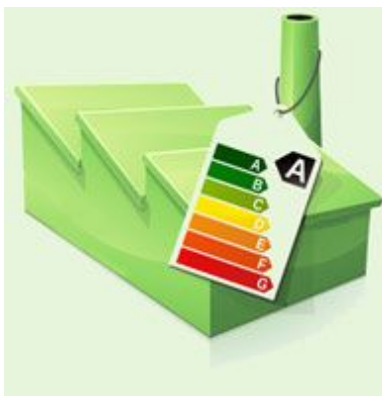
SMART MOBILITY

4

ENERGY EFFICIENCY

5

CIRCULAR ECONOMY



Investment criteria

1

Project within
the Third
Industrial
Revolution

2

Growth capital

3

SMEs, Mid-
Caps, SPVs

4

Region Hauts-
de-France

5

Job creation

Main characteristics

Maturity

Growth capital

Positioning

Minority interest

Horizon

7 years

Investment size

above
EUR 1,0 m*

Type of funding

Ordinary shares
Preference shares
Convertible bonds

Technical Assistance

EUR **2,5 m**

** Up to EUR 10m through co-investment*

ERDF grant EUR 2.5m

Technical, environmental or economic studies

1

Support

Helping projects' promoters to
implement their projects, increase
innovation and economic viability

2

Evaluation

Third party assessment of the
performance (financial and non
financial)

General objectives of the Fund

GROWTH

Increase development and competitiveness of companies, by growing their capital (equity)

LONG TERM

Being a long term shareholder and take part in the decision making of companies

LOCAL

Close relationship between the team (based in the Region) and the companies' directors

Deal Flow

Potential projects

110

Projects analysed

45

Investments
supported

7

Investments
made

2



Club
Waste



Investment: Drekan

First investment of CAP3RI: 1,5m€ invested

DREKAN group :

- Motor winding and reconditioning of wind turbines
- Turnover of 10 m€
- Important growth rate
- 10 sites in France

The project in Hauts-de-France :

- Creation of **60 jobs**
- A project of wind turbines reconditioning related to the circular economy
- Sites that will be open in Hauts-de-France



Drekan, votre partenaire en **motorisation électrique** et machines tournantes

Second investment of CAP3RI: 2,0m€ invested

ASTRADEC group :

- Collection of waste and waste recovery
- Turnover of 15 m€
- Lots of acquisitions to develop the company
- Settled in the region

The project in Hauts-de-France :

- SME with more than 100 employees
- Business related to the circular economy
- 5 sites in the region and 2 sites outside the region
- Some innovative projects



Contacts



Guillaume THOME

guillaume@cap3ri.com

T. 06.69.77.47.00



Elise DE CALUWE

elise@cap3ri.com

T. 07.77.48.85.13



Julien WATRY

julien@cap3ri.com

T. 06.88.20.04.86