



**Experience with equity instruments supporting research, innovation and development (TO1) in Brittany Region: BreizhUp Fund, France**

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 #ficompass



# BREIZH UP DNA:

*a public fund with a public-private partnership strategy  
to finance seed & early stage innovative companies in Brittany*

## **Breizh Up was founded in December 2015 to:**

- Stimulate public-private partnerships in Seed & Early financing stage for innovative companies in Brittany
- Strengthen shareholder's equity at the initial financing stage

- Private company fully owned (100%) by the region of Brittany
- Financing from European Regional Development Fund (80%) and Brittany region (20%)
- Shareholder's Equity: from a total amount under management of 10 M€ in 2016 to 20 M€ scheduled in 2019 due to the good performance of the fund
- Portfolio target: our objective is to invest in 25-30 innovative start-up's registered in Brittany till 2020.

# BREIZH UP: Organization

## CEO of Breizh Up:

Daniel Gallou (founder of Cité Marine: a leading company in prepared fish with sales of more than 200 M€)

## Breizh Up manager: Sofimac Innovation – Private Fund Manager

### 2 Investment Committees

- **Sofimac Innovation** Investment Committee composed of Sofimac Innovation fund managers
- **Breizh Up** Investment Committee (consultative committee) composed of 5 local CEO's with solid expertise in technology and a representative of the Brittany region

**Strategic board** consisting of local representatives from the public and private sectors

**Role:** definition and orientation of the fund's strategy / verification that its development is in line with the defined strategy

# *Sofimac Innovation: a private and experienced team to manage Breizh Up*

1

Experienced Team with an innovative spirit, entrepreneurial DNA and solid expertise

3

Business segments: deep technologies (digital & cleantech) and life science

8

Offices in France: historical deep roots in the French regions: Rennes, Lyon, Clermont, Limoges, Aix-en-Provence, Orléans, Caen, Paris

7

Senior Investors and 35 people on the Sofimac innovation team

750

M€ money raised and 333 M€ in Sofimac Innovation

# Sofimac Innovation: a private and experienced team to manage Breizh Up



SOFIMAC Innovation

## A very experienced and diversified team



### Pascal VOULTON

President  
ENSTA & IEP Paris

- Sofimac Partners
- Equitis
- CDP Capital Technologies
- Thomson-CSF Ventures



### François MICELI

Managing partner  
Biochemist & INSEAD

- Sofimac Partners
- ERYtech Pharm
- Imaxio
- IDEXX Laboratories



### Jean-Philippe ZOGHBI

Managing partner  
Master in law

- iSource Gestion
- Brokers Interactive



### Philippe VUAGNAT

Investment Partner  
Phd in geology

- Sofimac Partners
- Axone
- BRGM



### Nicolas LANDRIN

Senior partner  
MS degree from ENST & Harvard

- iSource Gestion
- AT&T
- Lucent



### Nicolas BOULAY

Senior partner  
Graduate from business school & DESCF & Master Dauphine - CEA - Mines ParisTech

- iSource Gestion
- Linktech Ventures



### Stéphane LEFEVRE-SAULI

Investment Director  
Graduate from business school & CIAA

- iSource Gestion
- Sodero Gestion
- Global Equities



### Pierre JOUBERT

Investment Director  
Engineer

- CEA
- Bpifrance (OSEO)



### Jean-Briac LESNE

Senior Associate  
Pharm.D & master of ESCP

- INSERM Transfert Initiative
- Omnes Capital



L'Europe s'engage / Avec le Fonds européen de développement régional

# BreizhUp

LE FONDS RÉGIONAL DE CO-INVESTISSEMENT EN BRETAGNE

# Breizh Up: How we co-invest in innovation ?

- **Only co-investment with private partners: “pari passu” rules** (same risks, same ROI)
- **Active minority investments: 4 meetings per year at least as “permanent guest” or a board member.**
- **We are not a member of the board systematically (Investment Committees approval) but we can activate this option at our hand.**
- **We invest the majority of our funds in Equity (90% of our investments) & in some case in convertibles bonds (10%)**
- **Ticket size:**

First investment of Breizh Up: between 100.000 euros and 400.000 euros in order to limit our risk in our first round and to build a diversified portfolio.

**A capacity to reinvest between 1 M€ and 2 M€ to accelerate growth with co-investors and new investors in our best in class investments.**

# Breizh Up targets

- **«early stage» companies based or who aim at being located, in the long term in Brittany:** from seed (main focus) to venture stage
- **Innovative DNA start-ups** from deep technologies to social impact business
- **7 innovative sectors: from digital to life sciences**  
Which have been identified by the Brittany region as long term growth drivers in wealth and employment



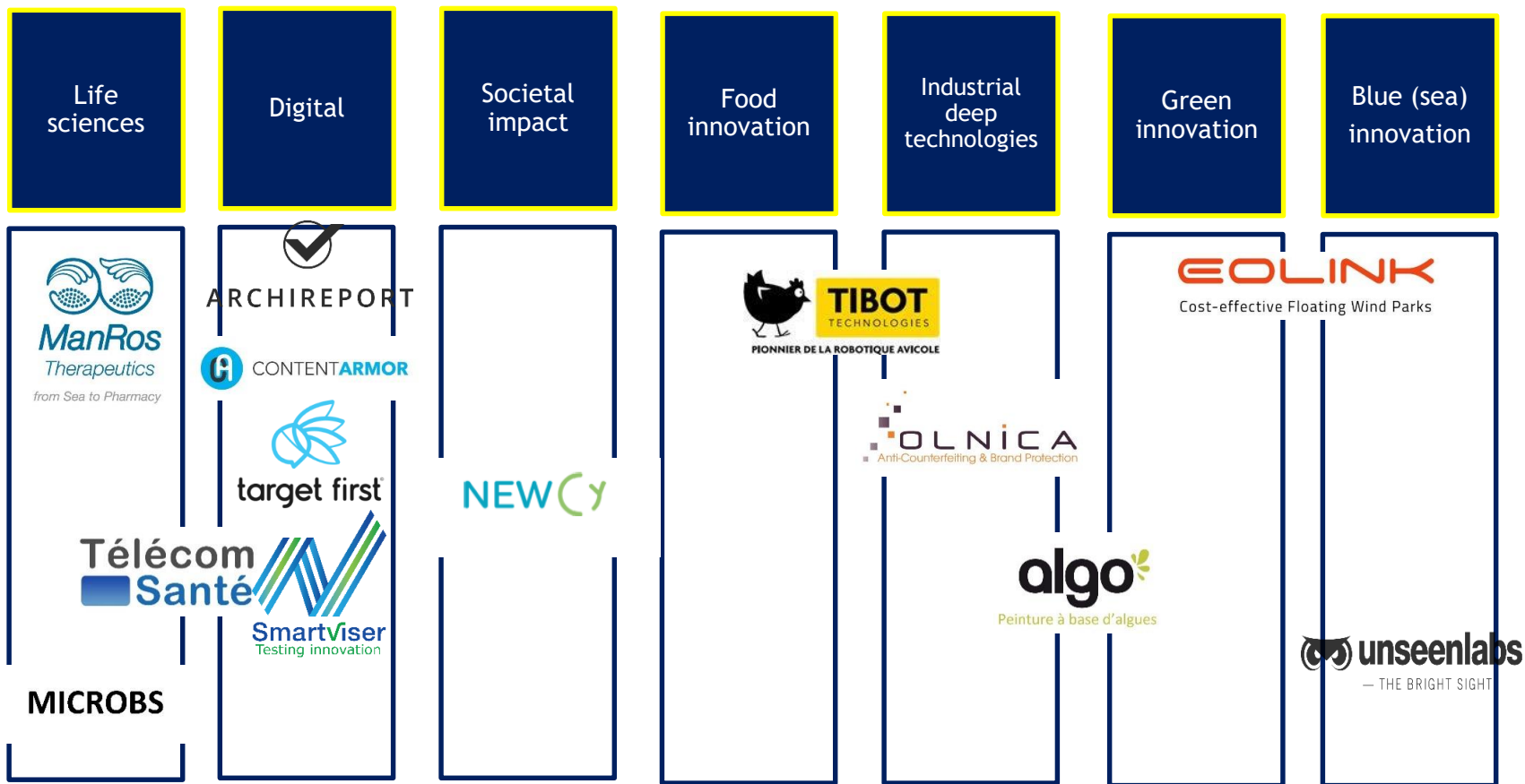
## BREIZH UP: key metrics

- **13 Investments at end of September 2018 and 2 deals in a closing stage**
- **3,5 M€ invested since 2016 in innovative start-ups in Brittany**  
(at the end of September 2018)
- **10 M€ invested in Equity with Breizh Up in start-ups in Brittany, meaning that Breizh Up gearing is above 3x and 2x with co-investors**
- **Job creation: + 61 employees mainly R&D, but also commercial job creation**
- **16 diversified co-investors certified up to now: institutional funds, Family Offices, Business Angels, industrial companies.**

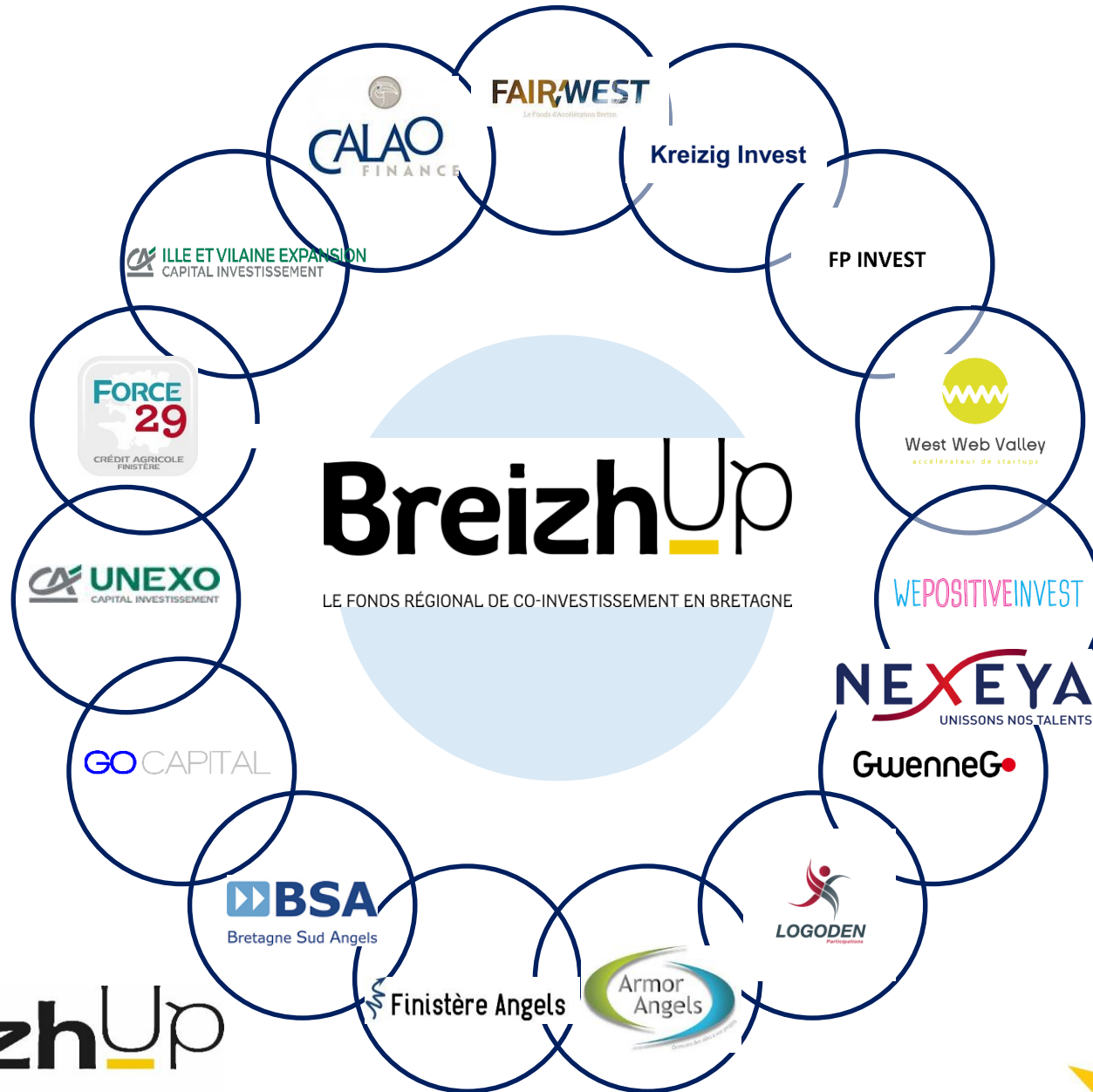
*In the coming months, we are going to reinforce our co-investors network with national and international VC investors in order to have the best choice for creating value for our investments and future investments.*



# Breizh Up: a diversified portfolio of 13 investments



# 16 co-investors certified at end of September 2018



# Breizh Up: a selective funnel

**A very severe selection process: 13 investments & 168 no go for more than 270 applications received at end of September 2018.**

We are looking for:

- Growth oriented start-ups and founders
- Deep technologies and/or deep markets
- Strong founder team and ability to recruit talents and manage a team
- business model with solid profitability outlook

**Sofimac Innovation invests public money with the same requirement as for private money... we don't award a public grant**

# Breizh Up: sourcing

- **Pro active scouting in order to have first choice start-ups (66% of deal flow comes from direct channel and Sofimac actions)**

Channels of deal flows:

- Direct: meeting with companies screened in local press and events
- Breizh Up road show in Brittany in order to increase direct deal flow and notoriety
- Regular meetings with the 7 Science & Technology parks based in Brittany & Technology Transfer Acceleration company (SATT Ouest), local incubators, ...
- Regular meetings with local investors
- Meetings with academics and Universities in order to identify future targets and new technology trends (technology and prospects monitoring)

# Main challenges of R&D start-ups

## Main challenges of innovative start-ups:

Most technology start-ups in Brittany are founded by very innovative engineers or academic teams with a strong expertise in technology but a real weakness in business development (market analysis, time to market, pricing analysis, competitors business model and strategy, ...).

Deep Technology main challenges are to:

- *Come down from the academics Research ivory tower and to become an “entrepreneur”*
- *Quickly meet the market in order to develop the product and not an only an innovation*
- *Underestimate the go to market (GTM Strategy) process, and more particularly to overestimate the time to market and competitors (direct or alternative competitors)*
- *Attract and managed diversified high potential experts (engineers, commercials, administrative, investors, ...)*
- *Change French Academics - engineer mindset to recruit, pay and retain senior commercials managers*

# Breizh Up: UNSEENLABS

Sector : New space & cybersecurity	Identified as a Growth drivers for the Region
- Founded in 2015 in Rennes by 3 brothers	Young start-up with Brittany roots
- First round of equity financing	Yes
- Private co-investor of Breizh Up	Nexeya : a French and innovative SME with sales of 128 M€ and specialized in Telecommunications and Space
- Other Investor	DefInvest: the DGA (Direction General des Armées) fund
- Investment thesis :	<ul style="list-style-type: none"><li>- Strong team with a solid expertise</li><li>- Strategic deep technology</li><li>- Deep market potential</li><li>- Development of a new space industry in Brittany</li><li>- Investment with solid investors (expert, deep pocket, ...)</li></ul>



UNSEENLABS PROVIDES CIVIL AND MILITARY ACTORS IN THE MARITIME SURVEILLANCE SECTOR THE LOCALISATION OF SHIPS BY LISTENING AND CHARACTERIZING THEIR PASSIVE ELECTROMAGNETIC SIGNATURE.

The UNSEENLABS' service is based on the launching in orbit and the operation of a **Cubesatellite** fleet (satellite of less than 10 kg), equipped with a **radically new radiofrequency observation** instrument from the UNSEENLABS R&D.

DATA FROM THE UNSEENLABS SATELLITE NETWORK ARE DIRECTLY USABLE :

- Degree of analysis adapted to the customer (ship position card format).  
Efficiency guaranteed, even for non-cooperating vessels (no AIS).  
Easy to merge with other data sources.  
Systematic monitoring of areas of interest.



UNSEENLABS' SERVICE :

Passive and unfalsifiable detection of ship.

- Location and characterization of non-cooperating vessels.
- Technology not affected by weather conditions.
- Complementary technology to current maritime surveillance data.

Wide areas :  
90 000 km<sup>2</sup>

Worldwide  
coverage

Detection level:  
> 95%

Time between two satellite passes over a same geographical area:

- 1st phase (2019), **1 system in orbit : 1 to 2 days**
- 2d phase (2020), **5 systems in orbit : de 6 to 12h**
- 3rd phase (2022+), **20 systems in orbit : 30 min to 1h**



BreizhUp

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