



CAP 3RI
Investment fund of the 3rd
Industrial Revolution

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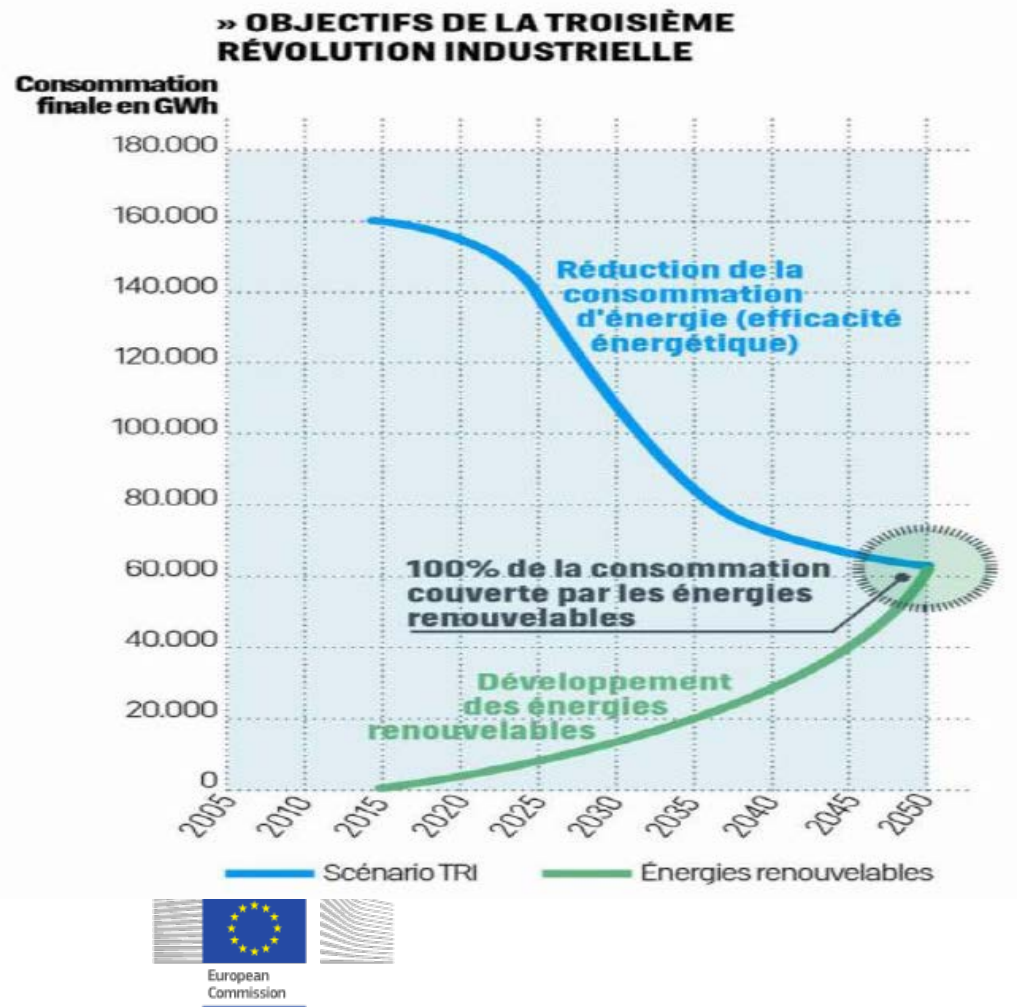
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The context and the stakes: the Third Industrial Revolution



- A regional ambition: To invent a new economic model to make Nord-Pas de Calais, by 2050, one of the most efficient, productive and sustainable regions in terms of resource use, thus favouring job creation.
- The desire to create and implement an investment fund dedicated to the Third Industrial Revolution that helps support the energy and economic transformation of Nord-Pas de Calais.
- Within the programming period of the European Funds 2014-2020, a unique opportunity to develop dedicated financial instruments and to mobilise the European Structural and Investment Funds ("ESI Funds") awarded to Nord-Pas de Calais.



Three objectives for 2050:

- 60% reduction in energy consumption
- 100% renewable energy production
- Division by 4 of greenhouse gas emissions

« 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 »

Prerequisites for implementation



- Inclusion of the use of financial instruments in the Operational Program (Axis 3: Driving the Energy Transition in the Nord-Pas de Calais Region, Objective 4: Transition to a Low Carbon Economy).
- Carrying out an ex-ante assessment prior to the decision and highlighting an absence or insufficiency of financing by the market and a need for public funding that is identified and assessed (nature and volume).
- The assessment showed the relevance of the creation of a financial instrument dedicated to private equity and quasi-equity and the need to set up technical assistance for projects.

The selection of a Fund Manager



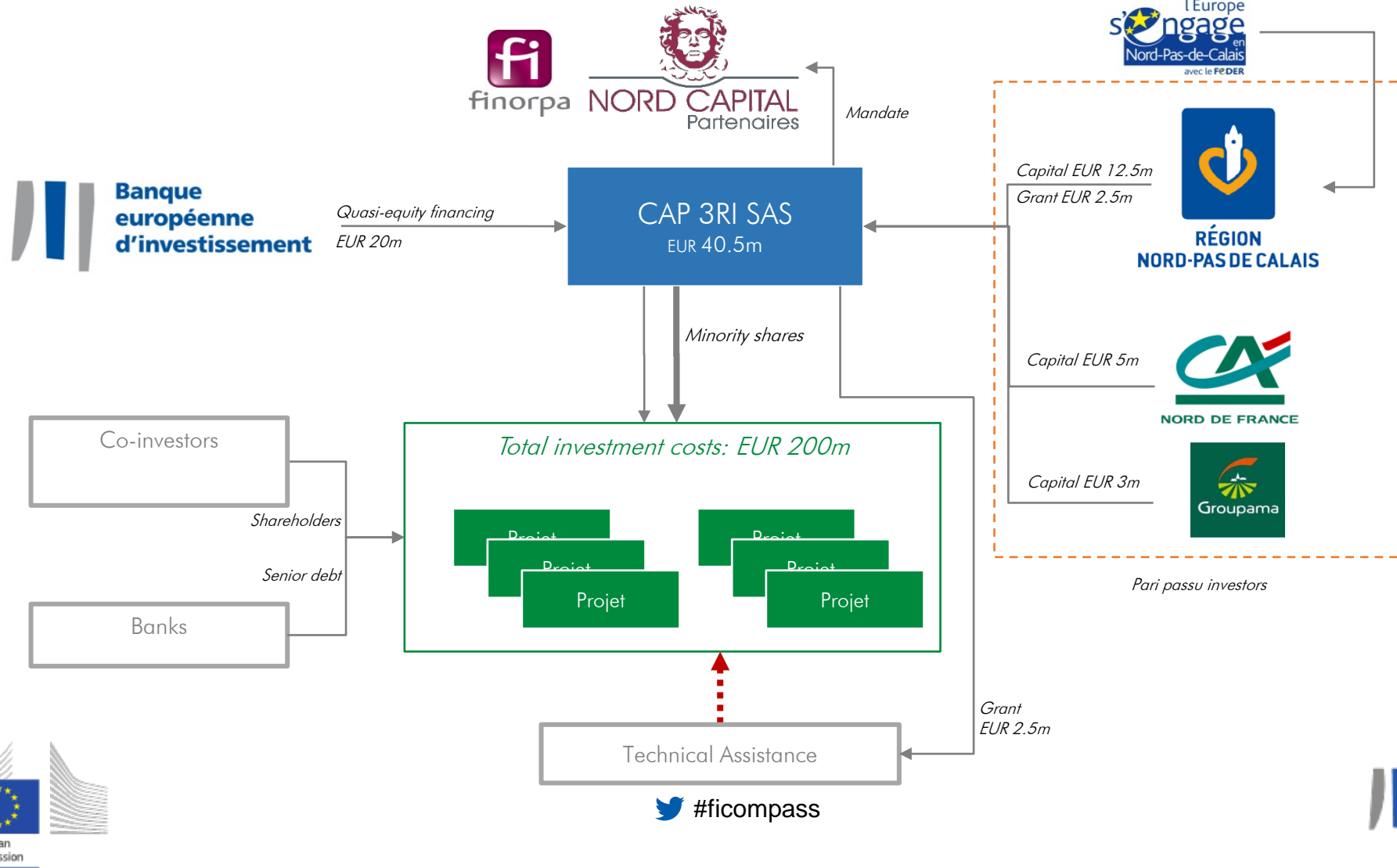
- Launch of a competitive selection process by the Region in July 2015 to select a management company responsible for:
 - identifying a private investor bringing EUR 5 million,
 - creating and managing the investment fund.
- A proper and adapted competitive procedure: *"Financial intermediaries are chosen in the framework of open, transparent, proportionate and non-discriminatory procedures and preventing conflicts of interest"*
- A selection based on the criteria of Article 7 of Regulation 480/2014
- The successful proposal of Nord Capital Partenaires in partnership with FINORPA, an AMF approved management company and the private investor (Crédit Agricole).

Steps in Région



- A partnership with the EIB:
 - EIB advising on the creation of the fund,
 - An EIB agreement for a loan to the CAP 3RI fund with a maximum budget of EUR 20 million.
- Decision of the Region in October 2015:
 - Approve the creation of CAP 3RI,
 - Select the manager and the private investor (Crédit Agricole EUR 5 million),
 - Commit the ERDF for EUR 15 million.
- Decision of the Region in November 2015:
 - Approve grant of EUR 15 million from ERDF, including EUR 2.5 million in technical assistance,
 - Subscribe to the capital of CAP 3RI for EUR 12.5 million and to pay the first tranche of 25%

CAP 3RI Fund Design



CAP 3RI characteristics



Priorities

Low carbon and circular economy

Maturity

Growth capital

Positioning

Minority interests

Horizon

5 – 7 years

Targets

SMEs, Mid-Caps, SPVs

Investment size

EUR 1.0 m – EUR 3.0 m

Type of funding

Ordinary shares
Preference shares
Convertible bonds

Technical Assistance

EUR 2.5 m



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CAP 3RI governance and objectives



- Governance
 - Orientation and Supervisory Board
 - Consultative Investment Board
 - Investment Board
- Objectives
 - Objective of 3 to 5 investments per year (EUR 8 to 10 million investment)



CAP 3RI technical assistance



ERDF grants - EUR 2.5 million

Financing of technical, environmental, or economic studies

1

Support

Accompanying project leaders in the implementation of new models specific to 3RI

2

Evaluation

Evaluation of the project according to the criteria of the 3RI in Region

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CAP 3RI review



8 Companies supported or under consideration.

15 million euros in equity investment committed

86% Average growth in the turnover of the companies supported.

2 000 Jobs created or retained in the Region.

1 000 000 Tonnes of CO₂ equivalent avoided per year.



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CAP 3RI investments



ASTRADEC
ENVIRONNEMENT

(EUR 2.0m)

Waste collect, treatment valorization
Employees: 160
Target sales: EUR 35m



(EUR1.5m)

Windfarm reconditioning project
Employees: 80
Target sales: EUR 25m



(EUR 3.0m)

Coal Mine Methane valorization
Capex plan : EUR 30m
Target sales: EUR 15m



(EUR 1.2m)

A multimodal platform for fluvial transport
Employees: 1 500
Total sales: EUR 80m



(EUR 1.0m)

Conception, construction of methanisation units
Employees: 70
Target sales: EUR 15 m



(EUR 2.0m)

A leader in gas treatment equipment
Employees: 300
Total sales: EUR 70m



Key figures

- Investments achieved: 6
- Engaged capital: EUR 15m
- Carbon saved: 1 Mt/year
- Jobs concerned: 2 000

- CAP3RI investments
- CAP3RI projects pipe

(€ x,xm): CAP3RI investment amount



CAP 3RI Take-Aways and Discussions



1. **Regional dynamic support:** Traction effect around 3rd industrial revolution (companies, collectivities, institution) and promotion of the first investment fund dedicated to low carbon and circular economy
2. **Future sector emergence** with high potential in Hauts de France: green gas, fluvial logistics, energy storage, reconditioning industry, precious metal recycling, wind energy...
3. **Challenge for development:** enhance deal flow on a thematic sector with geographical constraints (importance of dedicated networks)
4. **Technical assistance implementation:** very well appreciated mechanism that can be used only before investment (high demand for using it during the investment period)
5. **Capital investment coverage:** early stage and capital risk projects bringing strong innovation not covered by CAP 3RI



