Financing collaborative partnerships: the example of OSEO
12/10/2012
« Realising sustainable growth through Fuel Cells and Hydrogen »
OSEO’s mission

- Support for innovative and growing companies (SMEs and Midcaps): *identify, qualify* and *share risks* of their projects.

- Through actions of three kinds:
  - Support for Innovation,
  - Guarantees in support of bank financing and equity contributions
  - Financing for business investment and operation in partnership with banks and capital investors.

Feed the three engines of the growth: *Innovation, Investment and International*
Total amount of financing linked to OSEO’s interventions in 2011: € 31 billion
Innovation support
Innovation direct funding
The global strategy

- Research Projects
- Innovation projects feasibility
- Project development
- Industrial and commercial launching

- Grants
- Refundable advances
- PTZI
- Risk guarantee
- Co-funding with banks

Innovation guarantee funds
Various solutions for innovation at OSEO

- RDI expenses
  - Financing of feasibility assessment, technology transfer, innovation projects
  - Financing Strategic Industrial Innovation
  - Confirmation of future entitlement for the Research tax credit

- Equities
  - Innovation Qualification for equity funds (FCPI)
  - Guarantees for equity in innovation

- Capital expenditure, other intangible investments
  - Loans for Development (innovation and international)
  - Guarantees (innovation and international)

- Search for business opportunities
  - French SBA like
  - On line services
  - High technology qualification for public procurement (Article 26 Law for Economy modernization)
OSEO’s SOLUTIONS to help Companies

Development Loans
for more than 3 year old companies
Option = together with VC or Banks
a 7 year term credit up to 3 M€

Seed Loans
for less than 5 year old innovative SMEs
a 8 year term credit up to € 150k

Guarantees to VC or Banks

Different programs to support innovation

Pre-creation → Creation (< 3 years) → Growing SMEs
## Three running programs

<table>
<thead>
<tr>
<th>FUI - Clusters</th>
<th>ISI</th>
<th>PSPC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project costs between <strong>2 and 10M€</strong></td>
<td>Project costs between <strong>5 et 25M€</strong></td>
<td>Project costs between <strong>8 et 50M€</strong></td>
</tr>
<tr>
<td>All kind of partners</td>
<td>All kind of partners except companies up to 5000 workforce</td>
<td>All kind of partners but almost 20% funding for SMEs of midcaps</td>
</tr>
<tr>
<td>Two CFP each year</td>
<td>Permanent</td>
<td>Open CFP</td>
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<tr>
<td>Label from almost one competitiveness cluster</td>
<td>Mandatory demonstration of industrial and economic fallout</td>
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<tr>
<td>Cofunding coming from regional funds</td>
<td></td>
<td>Label from almost one competitiveness cluster</td>
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Strategic Industrial Innovation
ISI program
Principles

A flexible, bottom-up approach, based on companies’ initiatives

No predefined research theme
No predefined budget (grants and loans limited to 10 M€)
Proposals can be submitted at any time

An ISI Project must

• be organized by an industrial company, leading the project
• regroup several partners: at least two companies and other research/academic entities, according to the needs of the project.
• conduct R&D tasks
• specify all the steps (and needed partners) to effectively commercialize the innovations arising from the project
INNOVATION
- Technological innovation (breakthrough), Service innovation (new uses)
- Increasing Knowledge

INDUSTRIAL AND BUSINESS AMBITION
- Ambitious but credible forecasting (new markets, competitive advantage) for each partner
- Reinforcement and Structuration of industrial sectors

COLLABORATION
- Partnership engagement
- Synergy and added value for each partner
- Gouvernance and management of the Project

JUSTIFICATION of the HELP
- Benefits for the territory (employment, training)
- Knowledge dissemination
- Positive outcome (sustainable development)
Key Features

ISI Project

Research & Innovation

• **Clear innovation**, potentially via breakthrough technologies

• Support is provided only if there is an **identifiable risk** that cannot be taken by the industrial consortium on its own – it cannot already be part of its roadmap

Share of the world market

• **Industrial objectives** should be clearly spelled out, including development, manufacturing and commercialization.

• The industrial project leader is requested to carry out the project and to commercialize the final product(s).
<table>
<thead>
<tr>
<th>Scope of the Project</th>
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<tr>
<td><strong>Fundamental Research</strong></td>
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<tr>
<td><strong>Industrial Research</strong> (EU Definition)</td>
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<tr>
<td><strong>Experimental Development</strong></td>
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<tr>
<td><strong>Industrialisation</strong></td>
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<tr>
<td><strong>Commercial Use</strong></td>
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</table>

**R&D**

**Part of R&D Programme funded by OSEO**

**R&D Results**

**ISI Project**
Projects perimeter

- **Industrial deployment**
- **Commercial exploitation**

**Industrial Maturity**
- **Experimental development**
- **Industrial research**
- **Basic Research**

**R&D**
- **Part of financed R&D**
- **Non financed part of the project**

**Project financing**
- 2 to 5 years

**Refund in case of success**
- 5 to 15 years
Financial payback
ISI and PSPC programs

Total turnover coming from the project (ISI et PSPC)

Threshold for additional refunds

Threshold for lump-sum refunds (4-5 years), except in case of technical or commercial failure

Threshold for additional refunds based on a percentage of the turnover

Time

X years after the end of the R&D project
H2E: Horizon Hydrogen Energy
Program Objectives

Primary Energy
(in Mtep, public stats 2010)

136,8 Fossile energy
109,3 Nuclear Energy
24,3 Sustainable

Uses
(in Mtep, public stats 2010)

50,1 Transport
68,1 Residential / Tertiary
39,5 Industry

Liquid fuels
Natural Gaz
H2
Electricity
H₂E main orientations

Develop new technologies based on innovative R & D and studies on safety and cost competitive market

Explore early markets with experimental deployment

Prepare societal acceptance through regulation and support of opinion leaders

H₂E program covers the whole value chain
Program partners
Program ressources

2009-2011

Gouvernance du Programme
Evaluations
Déploiements expérimentaux
 Sécurité et Réglementation
Piles
Logistique

Program aid : 67,6 M€
50% in subsidies, 50% in loans

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Main expected results

- Fuel Cells
  - Material qualification
  - Metal plates

- H2 storage
  - Composite Material
  - Bottles
  - Smart valve tap
  - Pressure transmission

- Trolley

- Hydrogen production: electrolyzer

- For various kind of market:
  - Isolated site
  - Stationary system
  - Mobile application

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Thank you for your attention!

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