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Bpifrance and KfW support German-French Cooperation and will strengthen the venture capital market

Paris, 17 July 2017 - France and Germany have renewed their commitment to the implementation of a Franco-German project to remedy the risk capital market failure for investments above € 10 million: in this way, Bpifrance and KfW will sign in 2017 an agreement for co-investments in French-German venture capital funds on both sides of the Rhine, with the objective of a first project financed no later than mid-2018. Such an initiative, which would mobilize up to € 1 billion of public and private investment, will enable the best national venture capital players to become pan-European, benefiting the growing startups of all sectors: digital but also Biotechnologies, environmental technologies ...

This initiative will have a major impact on both growth companies and the venture capital ecosystem as it will:

Vis-à-vis companies:

- Invest bigger tickets to meet the needs of scale up of fast growing start-ups.
- Maintain in Europe the mature start-ups currently targeted by American or Chinese players.
- Link them with cross-border partners in complementary markets / sectors / technologies and likely to generate new growth opportunities at the regional level;

With regard to the French and German investment ecosystem:

- Develop operational synergies and the pooling of expertise between the Bpifrance and KfW partner funds;
- Promote the emergence of funds with recognized pan-European sectoral expertise
- Strengthen European venture capital managers (French and German) capacity to raise funds from international LPs (in particular the US)

Nicolas Dufourcq, CEO of Bpifrance said “ We welcome this joint initiative with KfW; It is the first example of a major innovation-capital program between two large European countries. Once launched, we will propose to the European Investment Fund and our European partners active in venture capital to join it.”

Günther Bräunig, Member of the KfW Executive Board declared “.The initiative of Chancellor Merkel and President Macron is vital for further strengthening Franco-German cooperation. KfW and Bpifrance as main national promotional banks and Institutions will support this initiative with joint investments and knowledge exchange to broaden further the economic cooperation within the European Union. ”

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About Bpifrance

Bpifrance, a subsidiary of Caisse des Dépôts and the French State, is a trusted partner of entrepreneurs which provides companies with credit, collateral and equity financing support - from start up through to stock exchange listing. In partnership with Business France, Bpifrance also provides guidance and enhanced support services for innovation, external growth, and export. Bpifrance offers companies a range of financing for each key stage in their development, and an offer adapted to regional particularities. With 47 regional offices (90% of decisions are made regionally), Bpifrance offers entrepreneurs a tool for economic competitiveness. Bpifrance works in support of the public policies pursued nationally and regionally by the French government, to meet three objectives: • support the growth of businesses • prepare for future competitiveness • contribute to the development of an ecosystem that encourages entrepreneurship. With Bpifrance, companies benefit from a strong and effective local contact able to meet all their financial, innovation and investment needs. Further information: www.bpifrance.fr – Follow us on Twitter: @Bpifrance - @BpifrancePresse

About KfW

KfW is Germany's leading financier of SMEs. It provides enterprises with long-term investment loans as well as with working capital loans. Particular support is offered to enterprises who invest in the energy-efficient refurbishment of buildings or make their production more energy-efficient. Loans for these purposes are partly subsidised by federal budget funds and are therefore provided at particularly favourable terms.

As a general rule, KfW grants its loans through the costumers' regular banks, and to make it easier for the bank to approve the loan, KfW also partially assumes the bank's risk. Moreover, KfW promotes innovative projects with special programmes to raise equity. With the "ERP Venture Capital Fund Investments" promotional instrument, KfW is improving the promotion of technology-based start-ups and young, innovative companies in Germany. KfW is participating in selected venture capital funds in Germany and Europe that invest in young, growth-oriented technology companies.

After the Federal Government, KfW is the second largest investor in the High-Tech Start-up Fund (HTGF), Germany's biggest and most active investor in the early-stage segment. For the later-stage segment, KfW has launched together with the Federal Ministry for Economic Affairs and Energy (BMWi) the VC fund "Coparion" which invests directly in innovative start-ups together with private investors, in line with the successful equity model of the ERP Start-up Fund whose new business was terminated with the establishment of Coparion in March 2016.