

FRANCE

The right choice for Slovenian
businesses





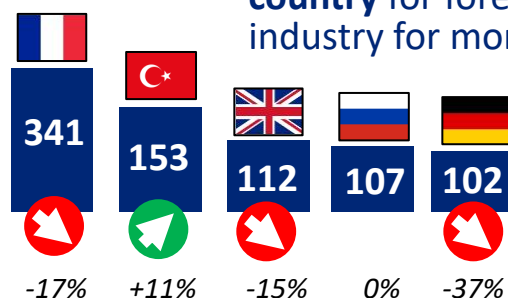
AN ATTRACTIVE COUNTRY

Choose
France™



#1 host country in Europe

France has been the leading host country for foreign investment in industry for more than 15 years



Number of projects in 2020 EY, 2021

MANUFACTURING



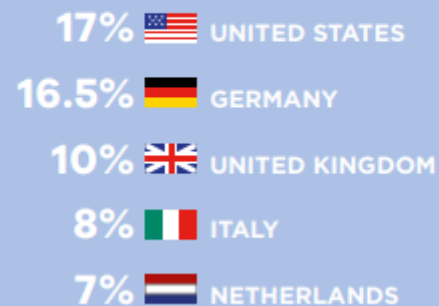
1/4

of investments were in manufacturing activities

37%

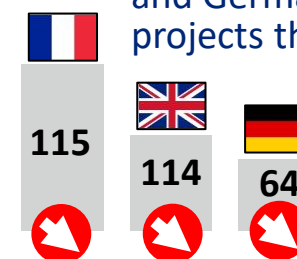
OF TOTAL EMPLOYMENT

TOP 5 INVESTING COUNTRIES



#1 host country in Europe in R&D center investments

Outperforming the UK and Germany, after two years of hosting more projects than both countries combined



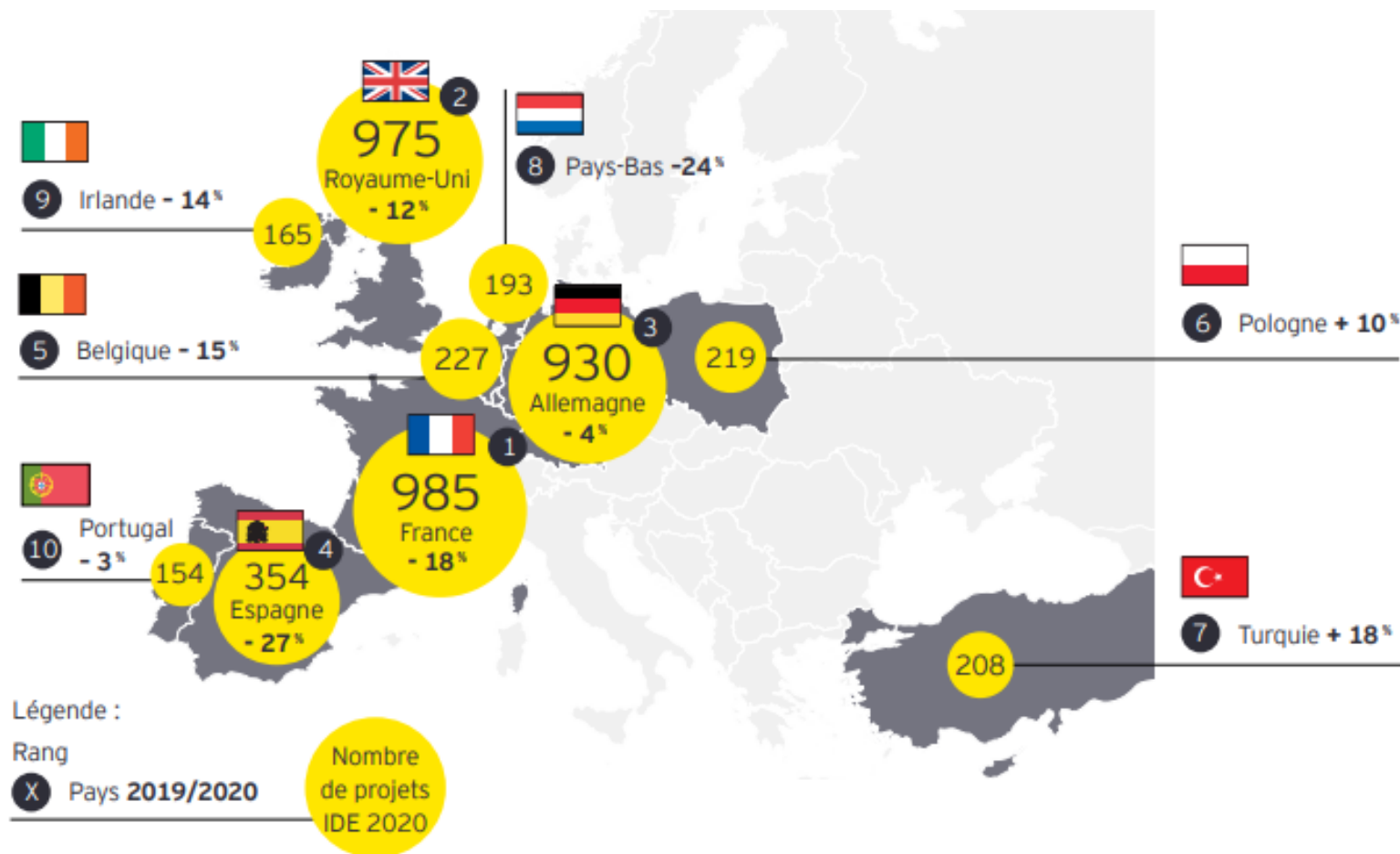
Number of projects in 2020 EY, 2021

R&D, ENGINEERING



12%

OF INVESTMENTS WERE IN R&D/ENGINEERING ACTIVITIES



Source : EY European Investment Monitor, 2021.

Above : Top 10 countries to receive foreign investment in Europe in 2020.

Unlike the Foreign Investment in France Report produced by Business France, the EY barometer does not count takeover projects. The EY survey does not record investments linked to the sale of goods or services, and does not project the jobs created beyond the year under study.

**Choose
France™**

90%

OF BUSINESS LEADERS
ARE PLEASED WITH THEIR
INVESTMENT IN FRANCE

Business France/Kantar survey

1,215
INVESTMENT
DECISIONS



CREATING
OR MAINTAINING

34,567

JOBS



23

INVESTMENT
DECISIONS PER
WEEK

Slovenia



**11 PROJECTS
IN 2020**
creating or maintaining
323 JOBS



Flow : Central,
Eastern and
Russian investment
in France in 2020



4 projects since 2017 (Business
France)

35

jobs created since 2017
(Business France)



**Choose
France™**



€1.3 BILLION
FDI stock in France

Source: Banque de France²



300+
businesses in France

Source: Orbis



6,000+
EMPLOYEES

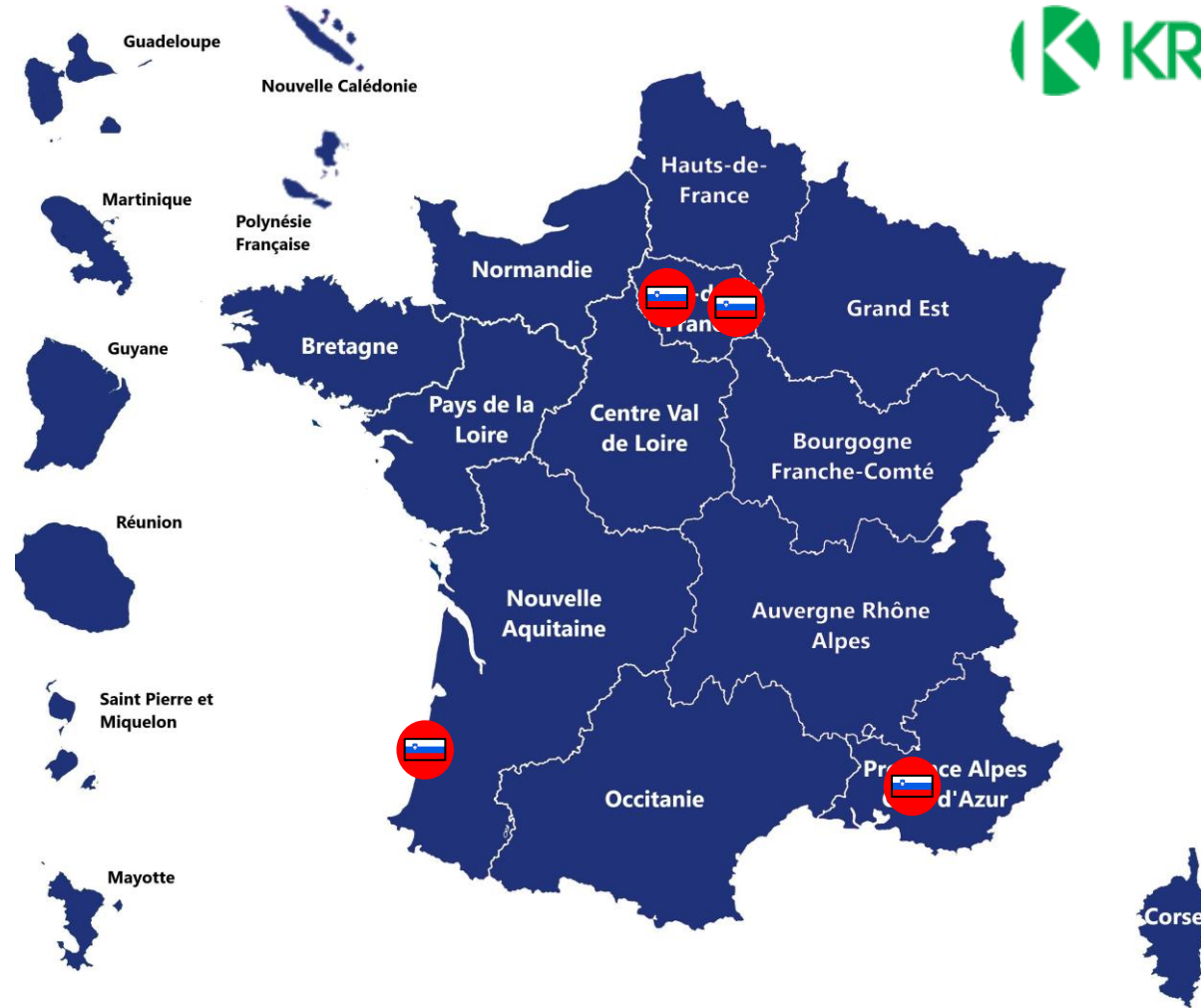
Source: Orbis

Source country	Projects	Jobs
Estonia	2	50
Lithuania	2	25
Czech Republic	2	15
Poland	1	180
Russia	1	23
Slovenia	1	15
Hungary	1	10
Bulgaria	1	5
Total	11	323

Stock : Central,
Eastern and
Russian investment
in France



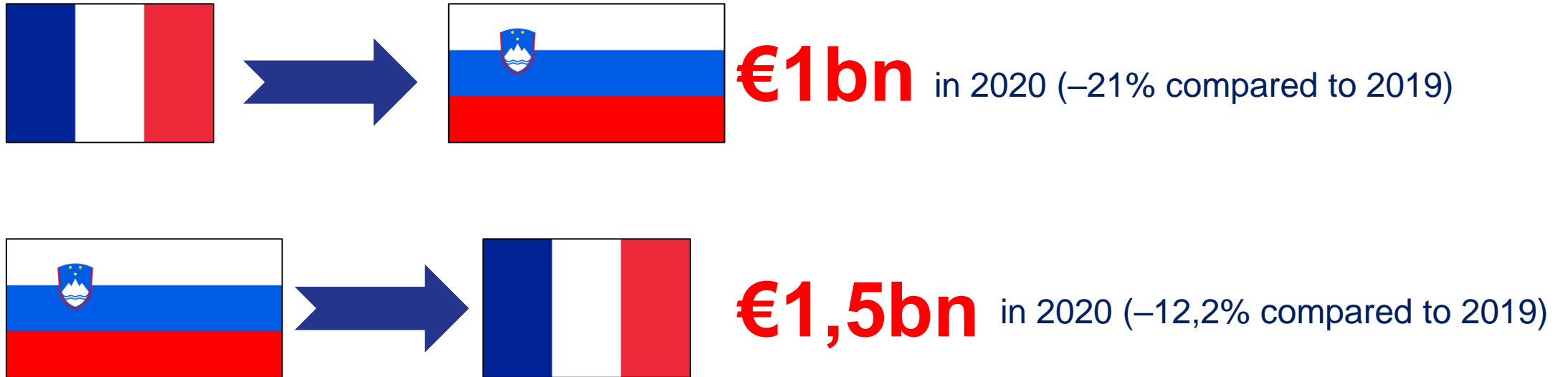
Choose
France™



Ujusansa Surf Camps

 **COSYLAB**
CONTROL SYSTEM LABORATORY

BILATERAL ECONOMIC RELATIONS

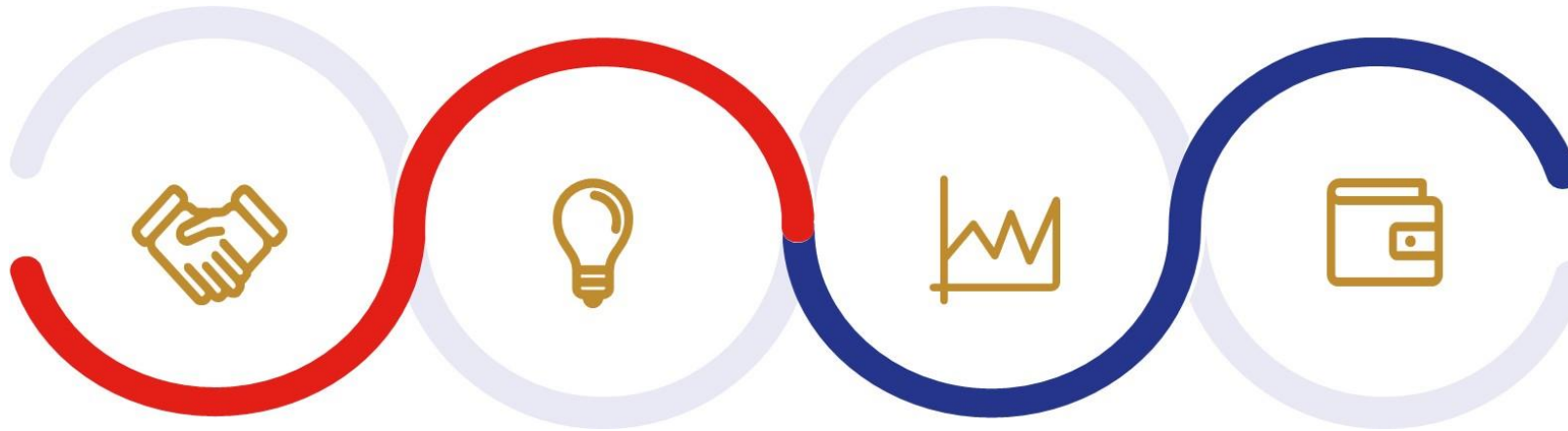


France is Slovenia's **7th** supplier, **6th** customer, and weights **4%** of the total FDI stock in the country.

A STRAIGHTFORWARD PRO-BUSINESS AGENDA

“France is witnessing reform at a rate never seen before”

FINANCIAL TIMES – MAY 17, 2018



**GREATER FLEXIBILITY
AND PREDICTABILITY**

Flexible legal
framework to make
**businesses more
receptive and resilient**
to economic change

**FOSTERING
HUMAN CAPITAL**

**Better education
and training**
to prepare the workforce
for technological
breakthroughs

**PROMOTING
INVESTMENT**

**Reduced taxation on
businesses and capital**
to promote
job creation

**INVESTING IN
FUTURE INDUSTRIES**

**Innovation,
artificial intelligence,
digital and
ecological transition**

TRANSFORMING FRANCE'S SOCIAL MODEL: GREATER FLEXIBILITY AND PREDICTABILITY



LABOR MARKET REFORM (Executive orders of September 2017):

- More flexible rules adapted to the size and diversity of companies
- Enhanced social dialogue within companies
- More flexible and legally secure framework for recruitment and redundancies
- Simpler framework for restructuring

- **Rules defined at the company level**
- **A single employee consultation committee:
The Social and Economic Council**
- **A mandatory scale of damages** to limit the impact of potential disputes
- **One-year limit to appeal against a dismissal,** facilitating voluntary departure plans
(voluntary redundancy plan)
- **Dismissals on economic grounds:**
Evaluation of the financial difficulties of the company on a national scope

A NEW SOCIAL DIALOGUE : PRIMACY FOR COMPANY AGREEMENTS

Branch agreements:

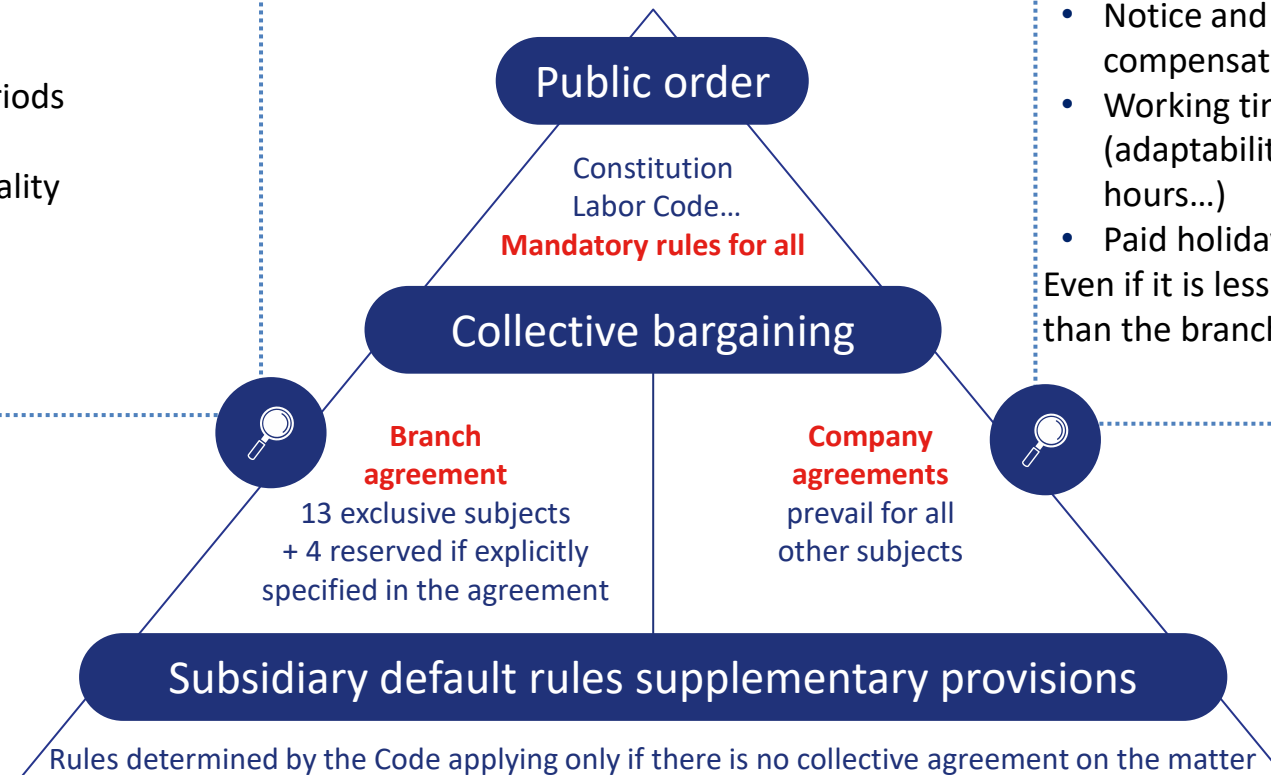
13 exclusive subjects + 4 reserved if specified, namely:

- Minimum wages
- Classifications
- Probationary periods
- Union delegates
- Professional equality

Company agreements prevail namely for:

- Seniority bonus
- Notice and severance compensation
- Working time organization (adaptability, part-time, night hours...)
- Paid holidays...

Even if it is less favorable than the branch agreement.



ECONOMIC DIFFICULTIES : GIVING THE TOOLS TO COMPANIES FOR PREVENTION

“Partial activity”

When?

- When the company is facing:
 - Reduction of the usual working time within the establishment
 - OR Temporary closure of a part or all the establishment

What?

- Guarantee from the State to help employers to compensate their employees' salary loss

How?

- Activity compensation : maximum of 1,000 hours per year and per employee
- Maximum duration : Six months, renewable
- Implementation : CSE opinion + DIRECCTE approval

“Collective performance agreements”

When?

- Every company, in difficulty or not, if justified by :
 - Developing or preserving the employment
 - Functioning of the company (facing a new market, gaining productivity, making savings, etc.)
 - 209 CPA have been signed

What?

- Majority agreement to modify the employment contract (working time, salary, mobility, etc.)
- If the employee disagrees, they risk being dismissed on economic grounds

How?

- Collective agreement signed by the majority (Unions delegates)

TRANSFORMING OUR SOCIAL MODEL: INVESTING IN HUMAN CAPITAL

Apprenticeship and vocational training reform

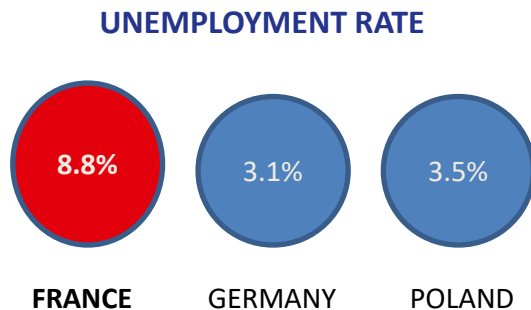
- **Skills Investment Program:** €15 billion plan => 2 million people to be trained within five years
- **Adapting the workforce's training** to the needs of companies
- **Reforming the unemployment insurance scheme:** Stricter controls, stronger incentives
- **Simpler procedures** for companies to hire apprentices

Measures promoting talents

- Student Guidance and Success Act – Parcoursup (March 2018)
- **“Bienvenue en France” program** (welcoming 500,000 international students in France by 2027)
- Improvement of international school offer

COMPETITIVE WORKFORCE FLEXIBLE, AVAILABLE AND PRODUCTIVE

- HIGHLY FLEXIBLE SOCIAL TERMS
- WEEKLY WORKING HOURS CAN BE ADAPTED TO LOW AND HIGH PRODUCTION PERIODS
- VISIBILITY AND SECURITY ON DISMISSAL COSTS



Source: Eurostat, 07/2019

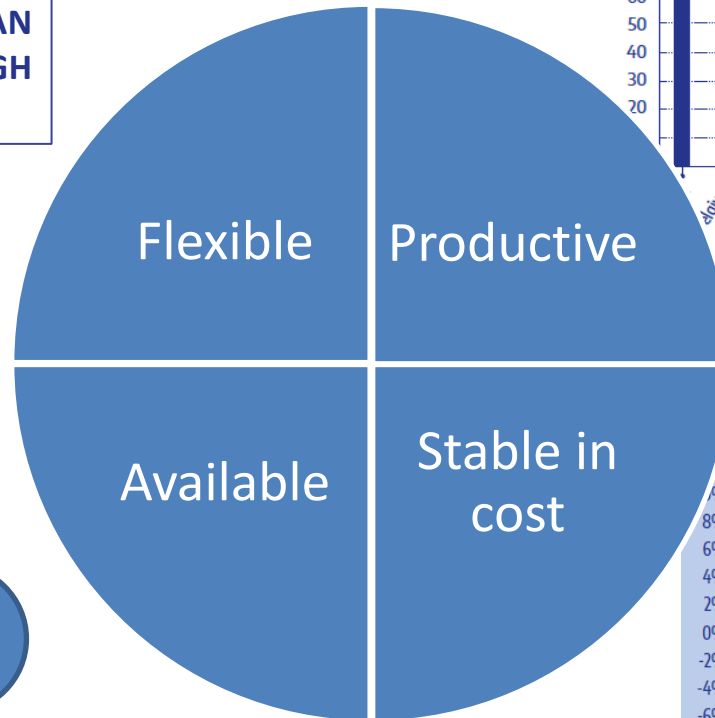
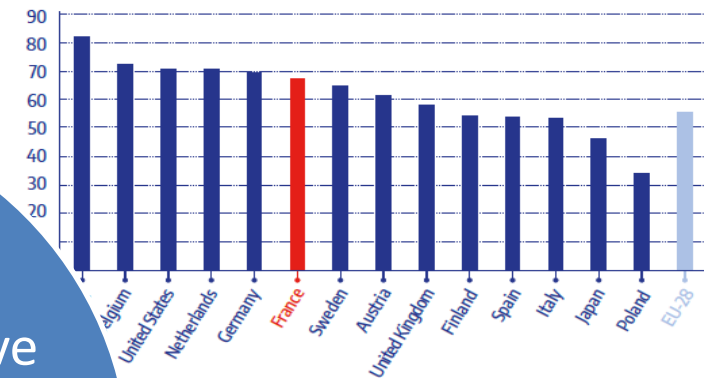
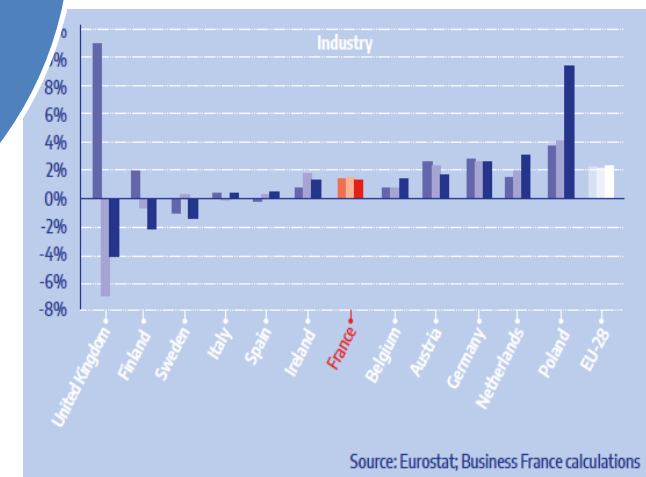


Fig 41. HOURLY LABOR PRODUCTIVITY* (2017)
TOTAL ECONOMY - US\$ AT 2017 PPP



* GDP per hour worked
Source: The Conference Board 2018

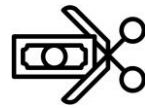
TRENDS IN HOURLY LABOR COSTS



Source: Eurostat; Business France calculations

BUSINESS TAX STRATEGY

Decreased nominal
corporate tax rate:



33.3% in 2017

31% by 2019 (revenues < €250 million)

28% by 2020

26.5% by 2021

25% by 2022

Reduced employer social security
contributions

Business-friendly tax authorities,
introduction of a new “right to amend errors”

- Support takes precedence over penalties
- Partnership-oriented relationship, separate from audit functions, between companies and French tax authorities
- A one-stop-shop for filing and processing requests

LAND OF OPPORTUNITY A WORLD TRADE HUB

**Choose
France™**



France offers a central European location

providing direct access to **500 millions consumers** and **22% of world GDP**, as well as an easy access to EMEA markets (Europe, Middle-East, Africa)



#1 country in the world for cross-border trade efficiency

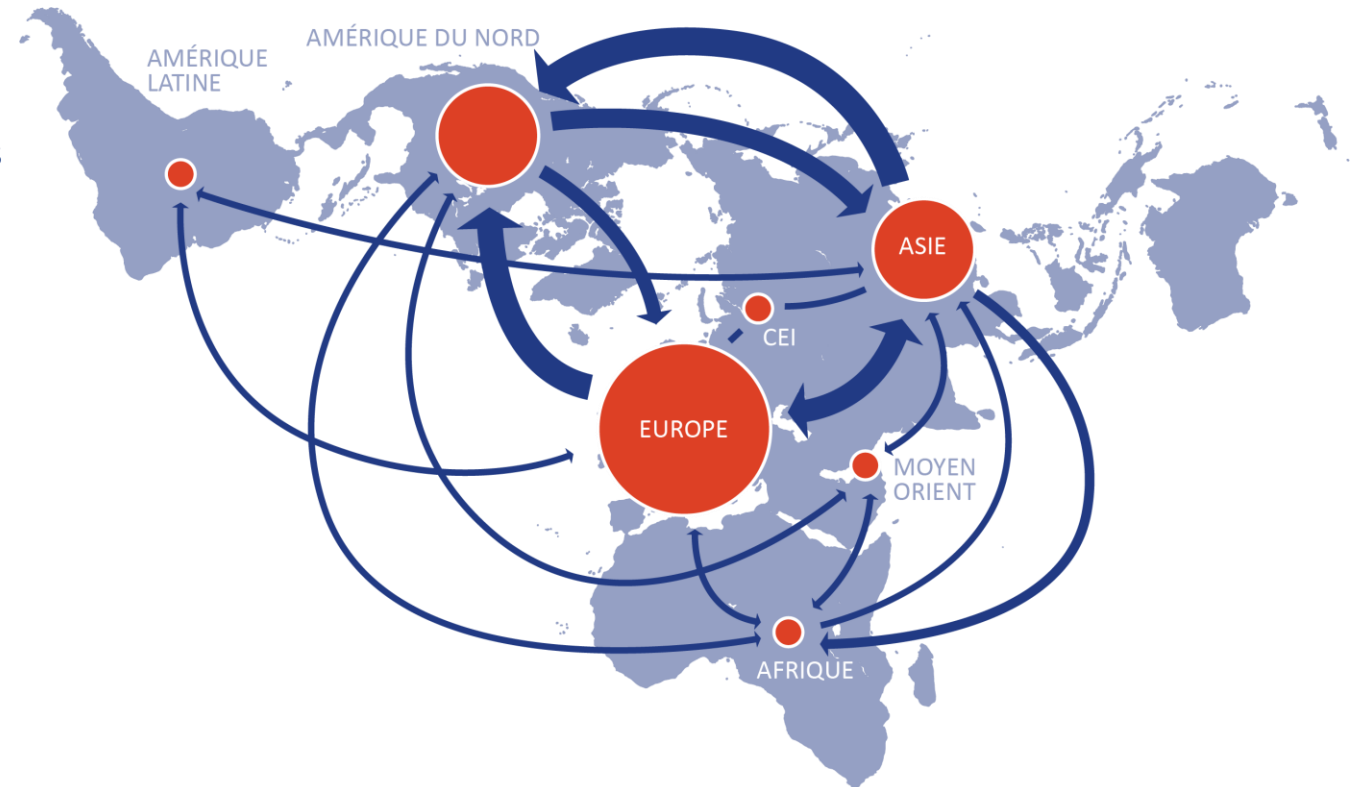
thanks to easy and free procedures
World Bank, Doing Business 2020



4th in the world

ahead of the United Kingdom (10th and Germany (9th), for the availability and quality of freight infrastructure

WEF – Enabling Trade Report

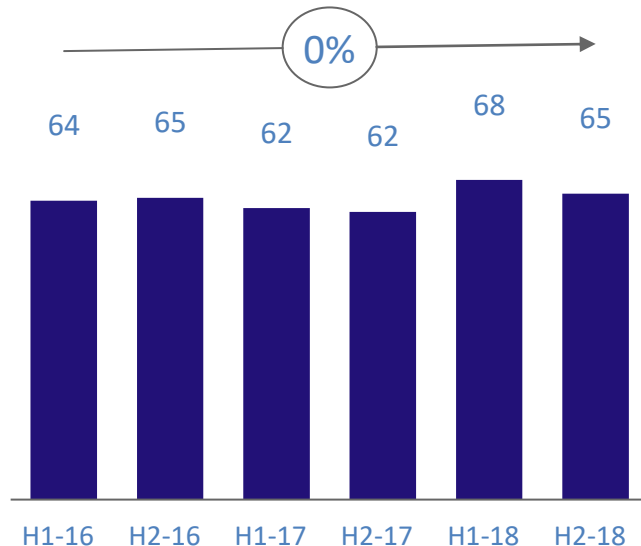


ENERGY BENEFITS LOW COST, RELIABLE & DECARBONIZED

Building the plant in France ensures a low power supply price

Power price in France has been stable over the past 3 years

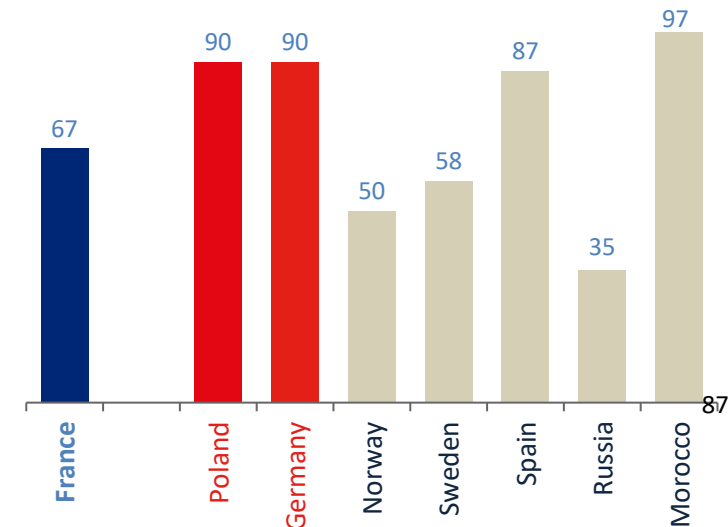
Power supply price in France
(€/MWh)



On top of it, France benefits from a regulatory system that allow companies to have long term visibility on the power prices.

In France, power supply cost is lower than Germany or Poland

2018 Average France power supply comparison with other countries
(€/MWh)



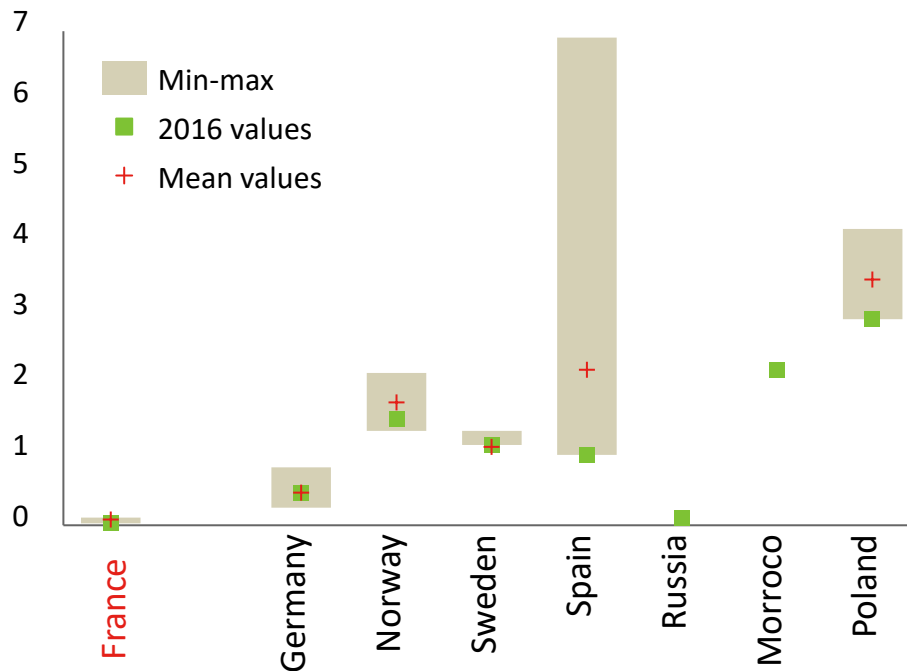
ENERGY BENEFITS LOW COST, RELIABLE & DECARBONIZED

Choose
France™

The French power network is the most reliable in Europe

France has lowest number of interruptions for last 15 years in EU

Average number of interruptions per year per consumer
(SAIFI, 2002-2016 period)¹



RTE commits to continuity and quality of power supply's waveform

"You'll get electricity that is among the highest levels of quality in the world, as well as a level of access and available that puts France in the top tier of the world's industrialized countries"

Choiseul Energy Index, KPMG 2016



RTE COMMITS...

- ✓ to the quality of your power supply's waveform;
- ✓ to the continuity of the power supply to your industrial site.

Q+ Voltage Quality +

Even higher quality

For our industrial consumers, Q+ includes a commitment in relation to dips at a standard gauge.

As for outages, this service provides for compensation in the event of our exceeding the threshold to which we have committed.

RTE is one of the rare European Transmission System Operators to make commitments in terms of the quality of the waveform and the continuity of your power supply.

This provision is part of your contract and provides for compensation for any damage suffered as a result of our failing to keep to the thresholds that we commit to.

1. SAIFI: System Average Interruption Frequency Index

Note: displayed electricity prices are for information only and not commercially-binding, exact electricity prices to be calculated based on load curve and electricity market prices

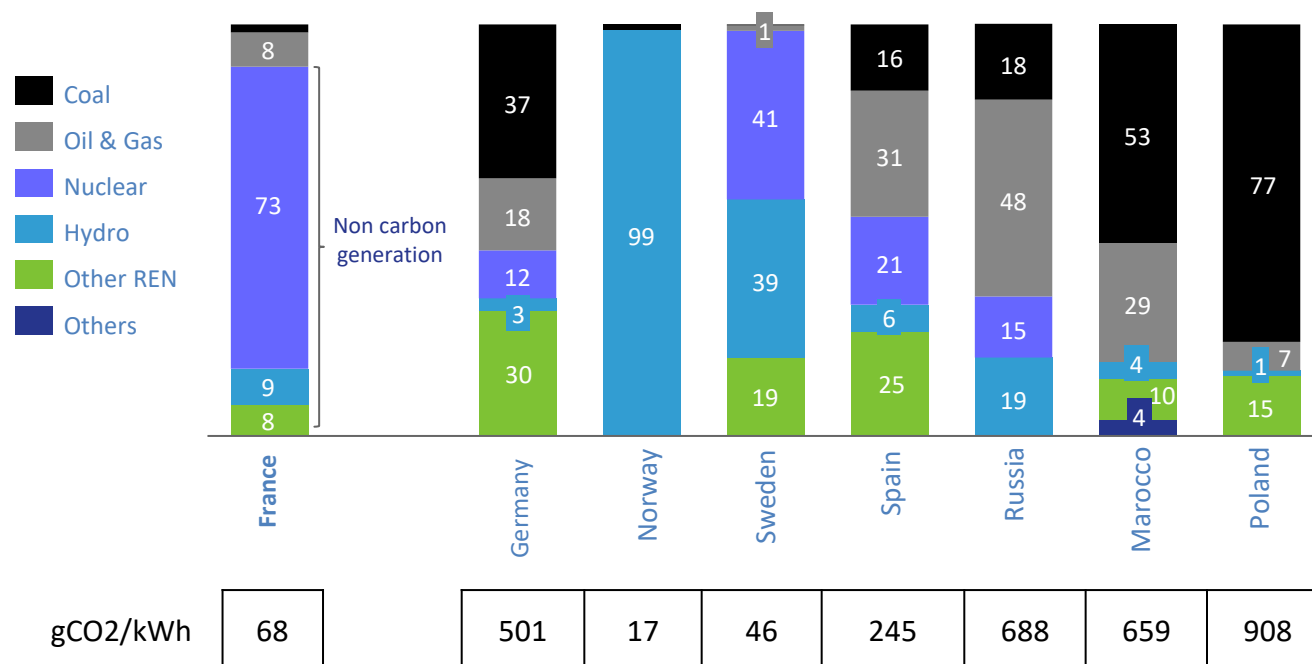
Source: CEER Benchmarking Report – Continuity of supply, Minister of Energy analysis, RTE information

ENERGY BENEFITS LOW COST, RELIABLE & DECARBONIZED

Our decarbonized power production mix prevents risks on your corporate image and OEM relationship

France has one of the lowest carbon content in its power production mix

Countries electricity production mix (%)



Having a decarbonized power supply will ensure

- Corporate image consistency for a company that is producing batteries for the green mobility
- Long term offtake security: OEM will become gradually more interested at supplying "green" batteries. This would be a paramount if regulation is put in place

FRANCE, ONE OF THE LOWEST EFFECTIVE TAX RATE FOR R&D

	SERVICES						MANUFACTURING ⁴	
	Digital ²		R&D ³		Corporate ²			
	%	Rank	%	Rank	%	Rank	%	Rank
NORTH AMERICA								
Canada	13.1%	1	1.4%	3	22.9%	2	21.1%	2
Mexico	31.4%	8	34.4%	10	43.4%	10	30.7%	9
United States	31.9%	10	20.0%	6	36.9%	8	29.4%	7
EUROPE								
France	25.5%	4	-38.0%	1	32.9%	6	24.6%	5
Germany	31.0%	7	31.4%	9	31.0%	5	30.2%	8
Italy	27.3%	5	24.9%	7	37.9%	9	23.4%	4
Netherlands	22.4%	3	-8.3%	2	24.9%	3	22.7%	3
United Kingdom	16.5%	2	2.3%	4	18.8%	1	15.8%	1
ASIA PACIFIC								
Australia	28.1%	6	11.5%	5	29.7%	4	28.5%	6
Japan	31.4%	9	30.4%	8	36.1%	7	32.2%	10

EFFECTIVE COMBINED CORPORATE INCOME TAX RATE¹

1st for R&d

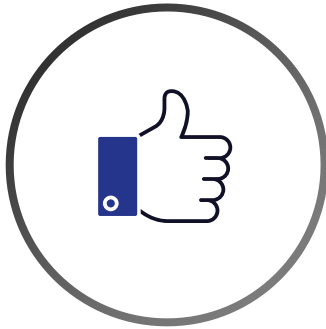
with its 30% Tax credit

5th for Manufacturing

by effective corporate tax rates, which take into account different tax bases, capital depreciation rules, exemptions and tax credits.

(Source: KPMG, Competitive Alternatives, 2016)

Details on the "Research tax credit" mechanism



Generous rate

It covers **30% of all R&D expenses** up to €100 million, and 5% above this threshold. Salaries for research staff are wholly integrated, plus 50% of R&D operating costs and 75% of investments in R&D operations



Open to all companies

All companies incurring R&D expenses are eligible, **regardless of their size, business sector and nationality.**



Numerous tax credit recipients

24,300 companies received France's research tax credit in 2014



Large tax credit base

It covers **not only all R&D spending** (salaries, social security contributions, amortization and depreciation allowances, operating costs, subcontracting, patents and monitoring, etc.) **but also innovation expenses incurred by SMEs**, at a rate of 20% (up to € 400,000 a year)

It covers numerous eligible research expenditure



Scientific or technical research eligible for the scheme includes **fundamental and applied research**, as well as **experimental development**



- 1 Depreciation of fixed assets, created or acquired new and used for scientific and technical research operations
.....
- 2 Personnel expenditure for researchers
.....
- 3 Other operating expenditure: 75% of depreciation expenditure and 50% of personnel expenditure
.....
- 4 Research expenditure sub-contracted to public research bodies, private research organizations approved by the minister
.....
- 5 Other innovation investments (SMEs)

French public support at a glance

Choose
France™

Innovate

Productive investment - CAPEX

Grant from regional authorities in State aid areas
Local Tax Exemptions by local authorities (if voted)
Max 10% for C.ies over 250 employees worldwide
Real Estate : purchase of land, construction or expansion

Financing / Capital injection

CDC –French State Investment Fund : equity or loan
European Investment Bank : loan or equity
Bpifrance SPI : equity from 10 to 160M€ in a SPV
Regional Funds : loans, equity or repayable advances

Recruitment & Training

National Employment Office : pre-hiring training grant up to 3.2K€ per trainee (AFPR & POEI)
Grants by Regional Authorities
Emplois francs : Max 15K€ grant over 3 years for recruitments in priority districts (QPV)



Recovery plan

AGENCE
NATIONALE
DE LA COHESION
DES TERRITOIRES



OBSERVATOIRE
DES TERRITOIRES

GOVERNEMENT
Liberté
Égalité
Fraternité

ANR

bpi**france**

GRUPE
Caisse
d'Allocations
Familiales
Banque
européenne
d'investissement

bpi**france**



bpi**france**

e pôle emploi

AGENCE
NATIONALE
DE LA COHESION
DES TERRITOIRES

bpi**france**



IDENTIFY – SECURE – CONNECT

30% Research Tax Credit for R&D expenses up to 100M€ and 5% above / 100% companies eligible

400K€ Innovation tax credit for SMEs

SGPI collaborative R&D projects : mix of grants and repayable advances

Innovative new small company : tax & social benefits

CIFRE: **14K€** grant per year for 3 years to hire a PhD

Bpifrance ADI: Max 3M€ interest-free loan for SMEs

Protect the environment

ADEME – Environment & Energy Agency
call for tenders: mix of grants and repayable advances

ADEME subsidies: heat fund, waste fund and decision-making support

Bpifrance Max 100K€ eco-energy loan for SMEs

Exports

Bpifrance export insurance

Business France : international prospection / collective action at tradeshow / sectorial and regulatory watch / subsidy for international volunteering posting (VIE program)

Regional Authorities

FRENCH FULL PACKAGE FOR YOUR PROJECT

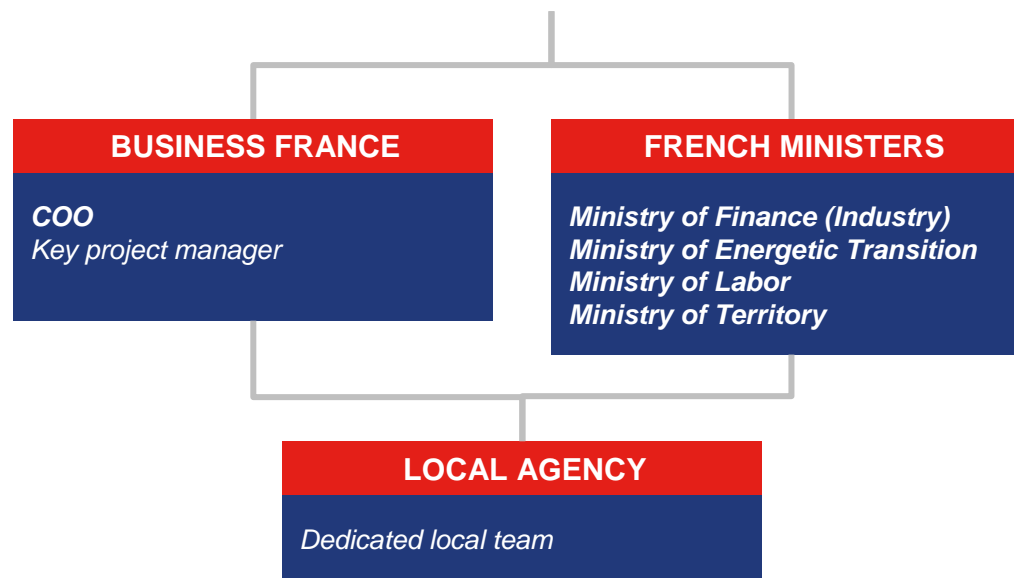


FRANCE GUARANTEES FLEXIBLE AND SWIFT AUTHORIZATIONS

YOUR COMPANY



DEDICATED COORDINATOR





Choose
FranceTM



**MINISTÈRE
DE L'EUROPE
ET DES AFFAIRES
ÉTRANGÈRES**

*Liberté
Égalité
Fraternité*



**MINISTÈRE
DE L'ÉCONOMIE,
DES FINANCES
ET DE LA RELANCE**

*Liberté
Égalité
Fraternité*