



**Annual
Report**
EPIC BPIFRANCE
2020

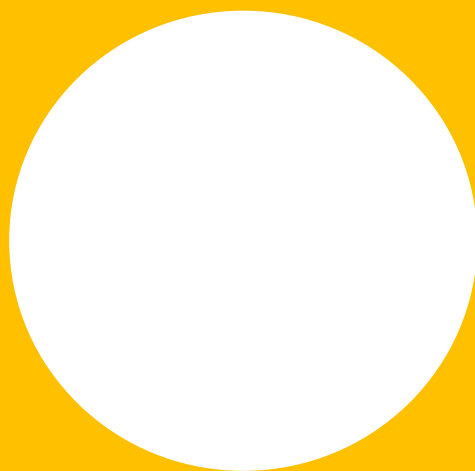




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1. MANAGEMENT REPORT

1.1. History of EPIC Bpifrance

The public establishment of an industrial and commercial nature, Bpifrance (formerly EPIC OSEO), was born in 2005 from the merger of ANVAR (*Agence nationale de valorisation de la recherche*), the BDPME (*Banque du Développement des PME*) and its subsidiary Sofaris (*Société française de garantie des financements des PME*). Through these three companies, which are now subsidiaries of EPIC OSEO and have been renamed OSEO Innovation, OSEO Financement and OSEO Garantie, EPIC OSEO was entrusted with the financing and support of SMEs across three business lines: support for innovation, the financing of investments and the operating cycle in partnership with banks, and guarantees for bank financing and equity investments.

In order to improve OSEO's responsiveness and effectiveness, and therefore the quality of its services, while also helping to clarify and simplify its organisation, the project to merge OSEO Innovation, OSEO Financement et OSEO Garantie was initiated in 2008. It was made possible by Law No. 2010-1249 on banking and financial regulation of 22 October 2010, and took the form of a merger through absorption by OSEO Financement, which became the public limited company OSEO SA (now Bpifrance), of the companies OSEO Garantie, OSEO Innovation and OSEO Bretagne.

On 6 June 2012, the Minister for the Economy announced the creation of the *Banque Publique d'Investissement* (Public Investment Bank). A public group intended to support the financing and development of companies, acting in accordance with public policies implemented by the State and by the Regions, the Group comprises the activities of OSEO, CDC Entreprises and the Strategic Investment Fund. The creation of the Public Investment Bank was made official under Law No. 2012-1559 of 31 December 2012, amending Order No. 2005-722 of 29 June 2005 relating to the creation of the public institution OSEO (now EPIC Bpifrance, hereinafter also referred to as "**EPIC**"), and the public limited company OSEO SA. In the same way as the entities combining the equity activities of CDC Entreprises and FSI, now called Bpifrance Investissement and Bpifrance Participations respectively, the public limited company OSEO SA (now Bpifrance) has become a subsidiary of a company called BPI-Group and subsequently Bpifrance SA.

On 18 December 2020, by decision of the Extraordinary General Meetings of Bpifrance SA and Bpifrance Financement, Bpifrance SA was absorbed by its subsidiary Bpifrance Financement. Since that date, the company name of the Bpifrance Group holding company has been Bpifrance. As at 31 December 2020, EPIC Bpifrance and Caisse des Dépôts each held 49.2% of the share capital of Bpifrance. It should also be noted that EPIC Bpifrance loaned one Bpifrance share to the French State on 18 December 2020.

In accordance with Order No. 2020-739 of 17 June 2020 on the reorganisation of the Public Investment Bank, the merger-absorption of Bpifrance SA by Bpifrance Financement (now Bpifrance) did not lead to any questioning of current contracts, whatever their legal status, entered into by Bpifrance SA (or its subsidiaries). Moreover, the merger is not such as to justify the termination of these contracts, their modification, or the early repayment of the debts that are the subject of them.

1.2. Missions of the EPIC Bpifrance

The public establishment Bpifrance acts either directly or, under agreements contracted for the purpose, through companies in which it holds interests or in any company in which the State directly or indirectly holds at least 50% of the share capital.

Its purpose is to:

- foster and support innovation, particularly in the technological field, and contribute to technology transfer; In this respect, EPIC Bpifrance is one of the major operators of the Investing in the Future Programme, as well as the manager of the Innovation and Industry Fund (FII);
- facilitate the development and financing of small and medium-sized enterprises;
- encourage, support and secure French exports with medium- and long-term financing and French investments abroad.

It also guarantees the securities issued by Bpifrance.

The State, whether acting unilaterally or contractually, and the local and regional government entities as well as their public establishments, acting under contract, may task the public establishment Bpifrance with public-interest missions compatible with its corporate purpose.



The public establishment Bpifrance is authorised to conduct its missions in New Caledonia and that territory's provinces, in French Polynesia and the Wallis and Futuna Islands, at the request of their government entities.

The options taken, organisation and implementation of these missions and of the corresponding implementing instruments are decided contractually between the parties. These agreements may provide for the creation of a local policy committee charged with formulating an opinion on the way in which Bpifrance, a public limited company, and its subsidiaries, carry out their missions at a regional level and on the consistency of their strategic guidelines with regional economic development strategy. It expresses its opinions to Bpifrance regional management bodies.

The Bpifrance Group is a public group intended to support the financing and development of companies, acting in accordance with public policies implemented by the State and by the Regions. Aimed at supporting sustainable growth, employment and competitiveness of the economy, it:

- promotes innovation, the priming, development, and internationalisation, transformation and transfer/buy-out of companies, by contributing to their financing through loans and equity financing;
- preferentially focuses its action on female entrepreneurship, very small businesses, small and medium-sized businesses and intermediate-sized businesses, with a special focus on the industrial sector;
- invests prudently to finance long-term projects;
- supports national industrial policy, in particular to support development strategies for industrial sectors;
- contributes to the development of growth sectors, conversion to digital technology and the promotion of a socially responsible economy;
- contributes to the development of technological and managerial innovations;
- supports the implementation of ecology- and energy-conscious transition measures;
- promotes the involvement of the banking system as a whole in the projects it supports;
- where necessary, conducts its activity in coordination with the European Investment Bank;
- provides a service and support offering for businesses to guide them throughout their development;
- can act to stabilise share ownership in competitive, high-growth major businesses supportive of the French economy.

1.3. Governance

In 2020, the Board of Directors of EPIC Bpifrance met twelve times (including five meetings conducted on the basis of a written consultation).

- At the meeting on 17 March 2020, the Board:
 - revised the schedule for the use of IIF revenues for fiscal years 2018 and 2019 and decided on the schedule and payments for the fiscal year ended 31 December 2020;
 - authorised the allocation of up to €15 million by EPIC Bpifrance of the "Automotive cash-strengthening" national guarantee fund ;
 - authorised the signature of an agreement for the implementation of the support programme for the automotive sector between EPIC Bpifrance, Bpifrance Participations and the French Ministry of the Economy, Finance, Action and Public Accounts;
 - authorised the signature of an agreement for the implementation of a campaign of consultancy work known as "cash/cash management" missions between EPIC Bpifrance, Bpifrance Participations and the French Ministry of the Economy, Finance, Action and Public Accounts;
 - authorised the signature of an agreement for the implementation of the Boost'agro Bretagne accelerator between EPIC Bpifrance, Bpifrance Participations and the Brittany Region;
 - authorised the allocation of €115 million by EPIC Bpifrance to the French national fund mutual fund as part of the Coronavirus plan;
 - approved the individual and consolidated financial statements for the fiscal year ended 31 December 2019; and
 - approved the annual report for the fiscal year ended 31 December 2019.
- In the context of the written consultation that ended on 2 April 2020, the Board:
 - authorised the signature of amendment no. 1 to the agreement of 28 December 2017 on the Investing in the Future Programme (*Fonds national post maturation* "Frontier Venture" initiative) between the French State, EPIC Bpifrance and Bpifrance Investissement.

- At the meetings of 19 and 26 May 2020, the Board:
- announced an update of the EPIC Bpifrance guarantee ceilings relating to the Bpifrance Financement 2020 financing plan.
- In the context of the written consultation that ended on 5 June 2020, the Board:
- authorised the signature of a PIA agreement relating to the “Market guarantee” section of the “Industrialisation Loans” initiative between the French State, EPIC Bpifrance and Bpifrance Financement.
- At the meeting on 25 June 2020, the Board:
- decided to allocate the Major Challenges programme for the fiscal year ended 31 December 2019 to the managers of Bpifrance Financement and *Agence Nationale de la Recherche* and the payments of the Major Challenges programme for fiscal years 2018 and 2019 to the assistance fund defined in the agreement of 19 March 2019 between the French State (Prime Minister) and EPIC Bpifrance relating to the Innovation and Industry Fund;
- authorised the signature of amendment no. 1 to the agreement on the Investing in the Future Programme (OSEO “loans to small and medium-sized enterprises” refinancing initiative) between EPIC Bpifrance, Bpifrance Financement and the French State;
- authorised the signature of an agreement on the implementation of the Eco-Flux diagnostic between EPIC Bpifrance, Bpifrance Participations and ADEME;
- authorised the signature of amendment no. 1 to the agreement for the implementation of the cash management support module between EPIC Bpifrance, Bpifrance Participations and the French Ministry of the Economy, Finance, Action and Public Accounts;
- authorised the signature of amendment no. 1 to the agreement for the implementation of the support programme for the automotive sector between EPIC Bpifrance, Bpifrance Participations and the French Ministry of the Economy, Finance, Action and Public Accounts; and
- authorised the signature of agreements or amendments relating to the implementation of the SME Centre-Val de Loire Intake, Occitanie region, innovative companies Brittany, Pays de la Loire and SME Auvergne-Rhône-Alpes accelerators between EPIC Bpifrance, Bpifrance Participations and the regions concerned.
- At the meeting on 23 July 2020, the Board:
- revised the programme for the fiscal year ended 31 December 2020 relating to the use of revenues from the IIF and the programme for fiscal years 2018 and 2019 regarding the remainder of revenues from the IIF;
- decided on the commitment under the 2018, 2019 and 2020 programmes for the Battery Plan;
- decided to allocate the Major Challenges programme for 2018 to Bpifrance Financement, manager of the “Securing, certification and reliability of artificial intelligence” challenge;
- authorised the signature of an agreement relating to the “IIF Batteries Plan” intervention guarantee fund between EPIC Bpifrance and Bpifrance Financement; and
- authorised the signature of an agreement on the Investing in the Future Programme (“Support and transformation of sectors” initiative, section “Batteries Plan”) Between EPIC Bpifrance, Bpifrance Financement and the French State.
- In the context of the written consultation that ended on 31 July 2020, the Board:
- authorised the signature of an agreement relating to the Batteries Plan between EPIC Bpifrance and Bpifrance Financement;
- authorised the signature of an Action agreement on “support and transformation of sectors” under the “Batteries Plan” section between EPIC Bpifrance, the French State and Bpifrance Financement.
- At the meeting on 2 December 2020, the Board:
- authorised the signature of an agreement for the rollout of Cinema/Audiovisual & Video Game accelerators between EPIC Bpifrance, Bpifrance Participations and the CNC;
- authorised the signature of amendment no. 1 to the implementation of the Fashion and Luxury accelerator programme between EPIC Bpifrance, Bpifrance Participations, DEFI, Francéclat and *Centre technique du cuir* (CTC);
- authorised the signature of amendment no. 2 to the agreement for the implementation of the agri-food SME accelerator programme between EPIC Bpifrance, Bpifrance Participations and the French Ministry of Agriculture and Food;



- revised downward the limits of the EPIC Bpifrance guarantee relating to the updated Bpifrance Financement 2020 Financing plan;
 - set the compensation for the guarantee that will be granted by EPIC Bpifrance to Bpifrance Financement concerning its issuances of medium- and long-term debt securities in 2021 and its short-term borrowings;
 - reviewed the half-yearly financial statements (individual and consolidated) of EPIC Bpifrance at 30 June 2020;
 - authorised the Chairman and Chief Executive Officer to vote in favour of the merger between Bpifrance SA and Bpifrance Financement at the General Meeting of Shareholders of Bpifrance SA called to approve the merger;
 - authorised the signature of agreements or amendments relating to the rollout of the Pays de la Loire accelerators (intakes 1, 2 and 4) between EPIC Bpifrance, Bpifrance Participations and the region concerned; and
 - ratified the signature of amendment no. 3 of 20 July 2020 to the agreement of 28 December 2017 on the Investing in the Future Programme (*Fonds national post muration* "Frontier Venture" initiative) between the EPIC Bpifrance, Bpifrance Investissement and the French State.
- In the context of the written consultation that ended on 20 November 2020, the Board:
- authorised the signature of an agreement to support companies established in the Industrial Regions, having signed a *Volontariat Territorial en Entreprises* (VTE), between the Caisse des Dépôts, the National Agency for Regional Cohesion and the Companies' Directorate General, Bpifrance Participations and EPIC Bpifrance.
- In the context of the written consultation that ended on 10 December 2020, the Board:
- authorised the signature of amendment no. 1 to the Investing in the Future Programme ("Major Challenges" initiative), concerning the "French Tech Sovereignty" section between the French State and the Caisse des Dépôts (in the presence of EPIC Bpifrance);
 - authorised the signature of the French Tech Sovereignty agreement between the French State, Bpifrance Investissement and EPIC Bpifrance.

At the meeting on 18 December 2020, the Board:

- authorised EPIC Bpifrance's guarantee relating to Bpifrance Financement's 2021 Financing Plan;
- approved the 2021 EPIC Bpifrance budget;
- decided on the financial programme for the Major Challenges in 2021 and approved the provisional budget for the Deeptech and Major Challenges Plans management fees;
- decided on the schedule for the use of revenues from the Innovation and Industry Fund for the fiscal year ended 31 December 2018;
- authorised the signature of an agreement on VTE Vert aid between the French Ministry of Labour, Employment and Integration, Bpifrance Participations and EPIC;
- authorised the signature of agreements or amendments relating to the rollout of the accelerators Nouvelle-Aquitaine (intakes 3 and 4), SME Auvergne-Rhône-Alpes, Hauts de France region and the European city of Lille, SME Hauts-de-France (Intake 3) and Île-de-France (international accelerator). These agreements were concluded between EPIC Bpifrance, Bpifrance Participations and the regions concerned; and
- authorised an amendment to the ERDF Nord-Pas-de-Calais innovation loan fund agreement and an amendment to the ERDF regional guarantee fund Sud Provence-Alpes-Côte d'Azur between EPIC Bpifrance and the regions concerned.

1.3.1. Board of Directors' meeting of 31 December 2020

Chairman of the Board of Directors

Christian Bodin¹

Honorary head of the economic and financial control service

Board members representing the State

Pierre-Louis Autin²

Head of the Innovation, Technology Transfer and Regional Action Section within the Department of Research and Innovation at the French Ministry of Higher Education and Research

Yann Pouëzat³

Deputy Director "Financing of Companies and the Financial Market" of the Directorate General of the Treasury

Alban Hautier⁴

Deputy Director of the Budget Department's 3rd sub-department

Naomi Peres⁵

Deputy General Secretary of the General Secretariat for Investment

Vincent Tejedor

Deputy Director of Business Development at the Companies' Directorate General

Marie-Anne Lavergne⁶

Equity Investments Officer at the State Equity Investments Agency

Guests

Emanuel Charron

Government Commissioner

Head of the Financial Activities Control Service and Government Commissioner at Bpifrance

Bernard Zakia

Deputy Government Commissioner

1.3.2. Directorate General

General Manager

Christian Bodin

1.4. Terms of office of the Chairman and Chief Executive Officer and the directors

Chairman and Chief Executive Officer

Christian Bodin

Non-voting member on the Board of Directors of the French National Research Agency (Agence Nationale pour la Recherche)

Board members representing the State

Pierre-Louis Autin

¹ Appointed by Decree of the President of the Republic, dated 2 May 2019.

² Appointed by decree dated 8 October 2018.

³ Appointed by decree dated 8 October 2018.

⁴ Appointed by decree dated 11 March 2019.

⁵ Appointed by decree dated 31 December 2019.

⁶ Appointed by decree dated 30 September 2019.



No other terms of office

Yann Pouëzat

Director representing the French State on the Board of Directors of the IFCIC (Institute for Financing the Cinema and Cultural Industries)

Non-voting member of Bpifrance

Alban Hautier

Director of the French National Research Agency

Director of National Centre for Scientific Research (CNRS)

Director of the National Centre for Space Studies (CNES)

Director of the Institut Pasteur

Director of the French Atomic Energy Commission (CEA)

Government Commissioner for Business France and the Fondation nationale des sciences politiques

Naomi Peres

No other terms of office

Vincent Tejedor

No other terms of office

Marie-Anne Lavergne

Member representing the French State on the Supervisory Board of La Banque Postale (term expired in January 2021)

Member representing the French State on the Board of Directors of the French State Investment Company (SPPE)

1.5. Statutory Auditors at 31 December 2020

Mazars

Represented by

Matthew Brown

61 rue Henri Regnault

92400 Courbevoie

Member of the Regional Association of Statutory Auditors of Versailles.

Mazars was reappointed by the Board of Directors on 12 May 2017, for a term of six fiscal years, i.e. until the fiscal year ending 31 December 2022.

KPMG S.A.

Represented by Ulrich Sarfati

2, avenue Gambetta

92066 Paris La Défense Cedex

Member of the Regional Association of Statutory Auditors of Versailles.

KPMG SA was appointed by the Board of Directors on 12 May 2017, for a period of six financial years, i.e. until the fiscal year ending 31 December 2022.

1.6. Activity report for the fiscal year ended 31 December 2020

1.6.1. Key events of EPIC Bpifrance and the Bpifrance Group

(i) Key events for the fiscal year ended 31 December 2020

Key events concerning EPIC Bpifrance

Acceleration of the financing of innovation projects by the Innovation and Industry Fund

- In 2020, the Innovation and Industry Fund accelerated the implementation of resources for the targeted innovation programmes, notably with the signing of the “Batteries Plan” agreement with Bpifrance, the French Ministry of Ecological Transition, the French Ministry of the Economy, Finance and Recovery, the French Ministry of Higher Education, Research and Innovation and the Prime Minister on 7 August 2020.
- Disbursements to operators of the innovation schemes financed by the IIF amounted to €185 million in 2020 compared to €110 million in 2019.

Change in the asset structure of the Innovation and Industry Fund

The French State made an additional cash allocation of €1.9 billion in July 2020 and repurchased 61,000,000 EDF shares from the assets of the Innovation and Industry Fund.

Actions related to the health crisis

- EPIC Bpifrance supplemented the Bpifrance mutual fund on an exceptional basis with an amount of €115 million in order to increase Bpifrance's ability to intervene at the start of the health crisis.
- The guarantee ceiling for Bpifrance's EMTN bond issues was raised from €35 billion to €45 billion in May 2020 by the EPIC Bpifrance Board of Directors.

Key events concerning the Bpifrance Group

The key events as well as the activity, financial statements at 31 December 2020 and outlook for 2021 of Bpifrance and its subsidiaries can be viewed in the annual reports of those entities, published on the Bpifrance website(www.bpifrance.fr under the "Investors" heading).

(ii) Key events after the closing of the 2020 fiscal year

No significant events occurred between the closing date and the date the financial statements were approved by the Board of Directors.

1.6.2. Activity and key figures

The resources enabling EPIC Bpifrance to carry on its activity comprise the following:

- the income it receives from its subsidiaries, the companies in which it holds equity interests or any company in which the State directly or indirectly holds at least 50% of the share capital, in remuneration for the services it provides on their behalf;
- the dividends and other income accruing to the equity interests it holds in its subsidiaries or companies in which it holds equity interests;
- remuneration for missions it carries out directly on its own account or on behalf of third parties;
- financial support it receives from the State, regional and local government or their public establishments;
- financial assistance from all other sources.

EPIC Bpifrance has four main missions:

- it holds the French State's investment in the capital of Bpifrance. In this respect, EPIC Bpifrance ensured the proper use of the State's assets in 2020. It should be noted that EPIC Bpifrance and Caisse des Dépôts each hold 49.2% of the share capital of Bpifrance;
- it undertakes a mission to guarantee the issues carried out by Bpifrance, the parent company of the Bpifrance Group;
- it is involved in implementing agreements entered into with the French State, particularly under the Investing in the Future Programme;
- it holds the Innovation and Industry Fund on its balance sheet and manages its programmes.

As at 31 December 2020, EPIC Bpifrance's guarantee commitments to Bpifrance amounted to €42.3 billion. This amount breaks down as follows:

- €31.5 billion for bond loans carried out under EMTN programmes;
- €0.8 billion for bilateral loans, signed mainly with the Caisse des Dépôts, and for the balance with commercial banks collecting LDD resources and international institutions (KfW and the Bank of the Council of Europe);

- €4 billion under the NEU MTN programme;
- €6 billion pursuant to the NEU CP/EUR CP programme.

The use of bond resources was up sharply on 2019 (+83%), with issues totalling €7.3 billion in 2020:

2020	Type of transaction	Issue date	Maturity date	Duration	Nominal (€M)
Quarter 1	Private placement	16/01/2020	24/01/2022	2	100
	Private placement	17/01/2020	24/01/2022	2	100
	Private placement	23/01/2020	22/07/2022	2	296
	Syndication	26/03/2020	25/03/2025	5	2,000
	Private placement - retap	30/03/2020	25/10/2025	6	75
	Private placement - retap	31/03/2020	26/09/2029	9	100
Quarter 2	Private placement - retap	01/04/2020	26/09/2028	8	75
	Private placement - retap	02/04/2020	25/05/2027	7	50
	Private placement - retap	02/04/2020	25/05/2026	6	230
	Private placement - retap	03/04/2020	25/04/2022	2	50
	Private placement - retap	17/04/2020	26/09/2029	9	75
	Private placement - retap	20/04/2020	26/09/2029	9	75
	Private placement - retap	21/04/2020	25/05/2024	4	50
	Private placement - retap	21/04/2020	22/07/2022	2	57
	Private placement - retap	22/04/2020	25/05/2030	10	90
	Private placement	23/04/2020	25/05/2050	30	200
	Syndication	24/04/2020	26/02/2027	7	1,500
	Private placement - retap	29/04/2020	25/11/2026	7	50
	Private placement - retap	05/05/2020	25/05/2026	6	50
	Private placement - retap	07/05/2020	25/11/2026	7	50
	Private placement - retap	12/05/2020	25/11/2026	7	50
	Private placement - retap	12/05/2020	25/11/2024	5	50
	Private placement - retap	12/05/2020	25/05/2026	6	100
	Private placement - retap	13/05/2020	26/09/2028	8	100
	Private placement - retap	14/05/2020	25/11/2026	7	50
	Private placement - retap	14/05/2020	25/05/2030	10	100
	Private placement - retap	15/05/2020	26/09/2029	9	50
	Private placement - retap	15/05/2020	25/11/2024	4	50
	Private placement - retap	19/05/2020	25/05/2027	7	100
	Private placement - retap	26/05/2020	26/09/2029	9	50
	Private placement - retap	26/05/2020	25/05/2025	5	50
	Syndication	28/05/2020	29/03/2030	10	1,250
Total EMTN 2020					7,273

The prospectus that governs this programme was the subject of a supplement dated 12 June 2020, to specify that the ceiling for the EMTN programme had been increased from €35 to €45 billion.

The EMTN programme therefore accounted for 96% of the medium- and long-term refinancing carried out by Bpifrance Financement in 2020. In total, the breakdown of refinancing outstandings by lender was as follows at 31 December 2020:

- investors in the EMTN and BMTN programmes represent 65% of outstandings;
- Caisse des Dépôts: 1.6%;
- the European Central Bank via monetary policy programmes: 30.4%,

- EPIC Bpifrance: 2.8%;
- international banks: 0.1%.

Short-term interbank refinancing outstandings (certificates of deposit and securities sold under forward repurchase agreements) were €7.5 billion at 31 December 2020, compared to €9.4 billion at 31 December 2019, i.e. a fall of 20% over the year. This decrease mainly relates to securities sold under repurchase agreements, down by 44% year-on-year (€3.2 billion at 31 December 2020, compared with €5.7 billion a year earlier).

1.6.3. Outlook for 2021

In 2021, EPIC Bpifrance will continue to conduct its general interest role of promoting and supporting innovation, contributing to the transfer of technologies, and encouraging the development and financing of SMEs.

This work will be pursued mainly through agreements signed by EPIC Bpifrance and Bpifrance under Article 6, subsections I and III, of Order No. 2005-722 of 29 June 2005 and by the guarantee for Bpifrance's 2021 financing plan. This plan authorises the conclusion of medium- and long-term debt transactions for a maximum amount of €9.1 billion and a target nominal amount of €7.4 billion, through the issue of bonds under the EMTN/NEU MTN programmes and by bilateral loans, in euros or their equivalent value in other currencies.

In particular, through the PIA 4, EPIC Bpifrance will continue its mission of operator of the Investing in the Future Programme. It may also take part in the implementation of the Recovery Plan.

1.6.4. Financial data and results of EPIC Bpifrance

The consolidated financial statements

The presentation of the consolidated financial statements follows the rules applicable to industrial and commercial companies in accordance with Decree No. 2015-1498 dated 18 November 2015 covering the Articles of Association of the public establishment Bpifrance and defining the specific procedures of the State's control.

The consolidated financial statements of EPIC Bpifrance include the individual financial statements of EPIC Bpifrance and the consolidated financial statements of Bpifrance using the equity method. The 2020 balance sheet total represents an amount of €30.3 billion against €29.9 billion in 2019.

This increase in the balance sheet total, mainly due to the increase in other non-current financial assets (+€1.470 billion), relating in particular to the cash contribution of the French State of €1.9 billion to the Innovation and Industry Fund was offset by the decrease in the shareholding in EDF, following the return to the State of 61,000,000 EDF shares, and by the decline in the value of the shareholdings held in TSA (-€579.1 million) as well as in Bpifrance (-€408.4 million).

EPIC Bpifrance consolidated earnings include the parent entity's own transactions, notably:

- financial income from the IIF for €125.6 million (dividends and interest from the French State's current account);
- €45.7 million in income generated by Bpifrance Financement guarantee commissions;
- impairment charges on IIF receivables for €431.2 million;
- an exceptional charge of €130 million related to allocations to the guarantee mutual fund and the Automotive cash-strengthening fund of Bpifrance.

The capital loss of €39.0 million on the disposal of EDF shares, recorded when the State repurchased 61,000,000 shares, is restated in the consolidated financial statements.

Consolidated earnings also include:

- integration of the share of Bpifrance's earnings for an amount of -€66.7 million in 2020 (compared with €478.2 million in 2019);
- the accounting impact of the intra-group merger of Bpifrance SA into Bpifrance Financement for €4.3 million.

The net income of the Group was therefore -€473.5 million in 2020, compared with €660.5 million in 2019.



The individual financial statements

The published individual financial statements of EPIC Bpifrance are presented in accordance with the General Chart of Accounts. They have been restated according to a banking format in order to be integrated into the consolidated financial statements.

This year, they are characterised by the return on assets backed by the IIF, consisting of the dividend paid by TSA for €66.0 million and the cash investment estimated at €59.6 million. These amounts, recognised under net financial income, are in addition to the €45.7 million received in remuneration of the guarantee given for the benefit of Bpifrance to cover its debt security issuances. EPIC Bpifrance's net income was reduced by €431.3 million in impairment for receivables recognised on the IIF asset as well as by the financing of the Bpifrance Investissement Support activity (€9.3 million).

The operating expenses of EPIC Bpifrance (€4.7 million) represent mainly the deduction of capitalised interest in the reserve funds (€2.8 million) and credited to the guarantee funds in accordance with Article 3-1 of the agreement on the constitution and operation of the reserve funds. The balance of the operating expenses essentially corresponds to the invoicing of resources made available, by Bpifrance and Bpifrance Investissement, to EPIC Bpifrance, which does not have any employees, and to the contribution on value added to companies.

Exceptional income consists of:

- the result of the repurchase by the State of 61,000,000 EDF shares, generating a capital loss of €39.0 million (application of the FIFO method);
- the allocation of €115.0 million from the Bpifrance mutual fund;
- the allocation of €15.0 million from Bpifrance Cash-Strengthening fund.

Net earnings stood at -€450.1 million.

EPIC Bpifrance had a balance sheet of €31.0 billion at 31 December 2020, compared with €29.6 billion a year earlier. As at 31 December 2020, its off-balance sheet commitments (reflecting the guarantees given) were up by €5.6 billion to € 42.3 billion.

On the assets side, EPIC Bpifrance's stake in Bpifrance amounted to €10.4 billion, as the merger-absorption of Bpifrance SA by Bpifrance Financement (now called Bpifrance) had no impact on the value of Bpifrance shares.

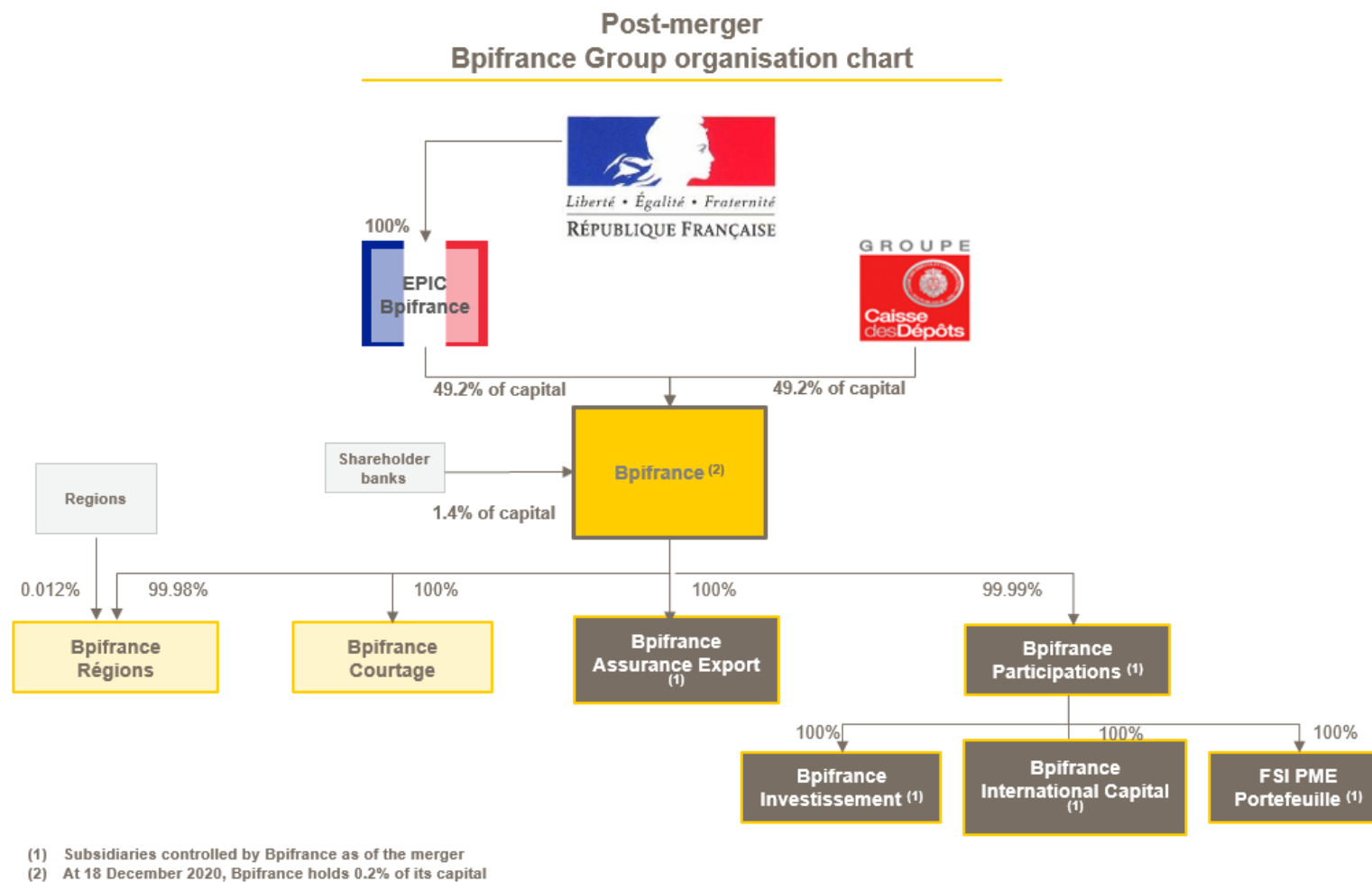
The assets of the Innovation and Industry Fund changed in 2020 under the impetus of the French State, with a cash allocation of €1.9 billion and the repurchase of 61,000,000 EDF shares for an amount of €0.7 billion. In addition, new subscription commitments for the Multicap Croissance 3 Fund (€140 million), the French Tech Sovereignty Fund (€150 million) and the National Amortage 2 Fund (€100 million) and new net receivables relating to the IIF activity (€74 million) increased the assets of EPIC Bpifrance.

26 March 2021,

By the Chairman and CEO of EPIC Bpifrance,
Mr Christian Bodin

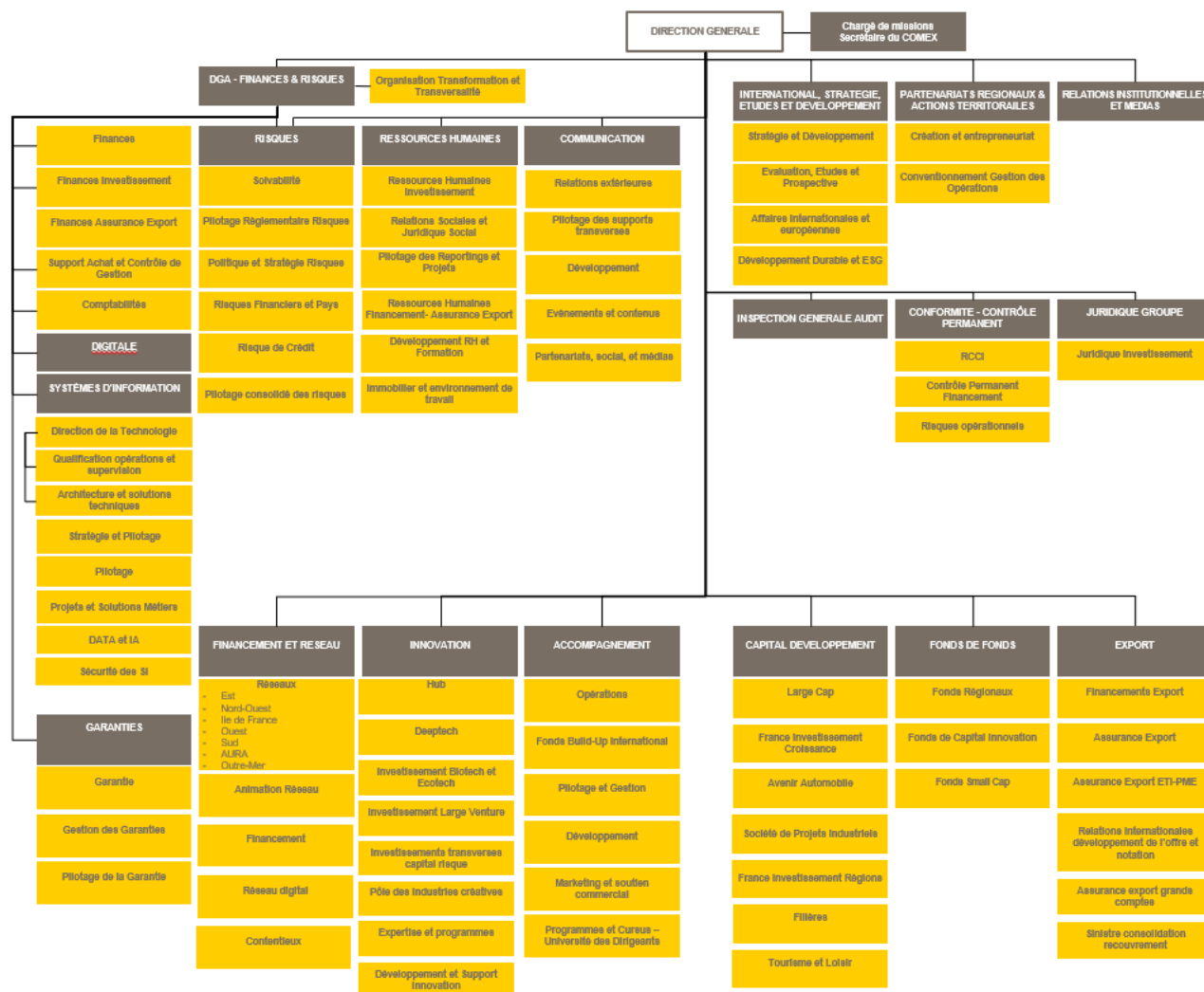
2. ORGANISATIONAL CHARTS OF BPIFRANCE

2.1. Capital structure of the Bpifrance Group

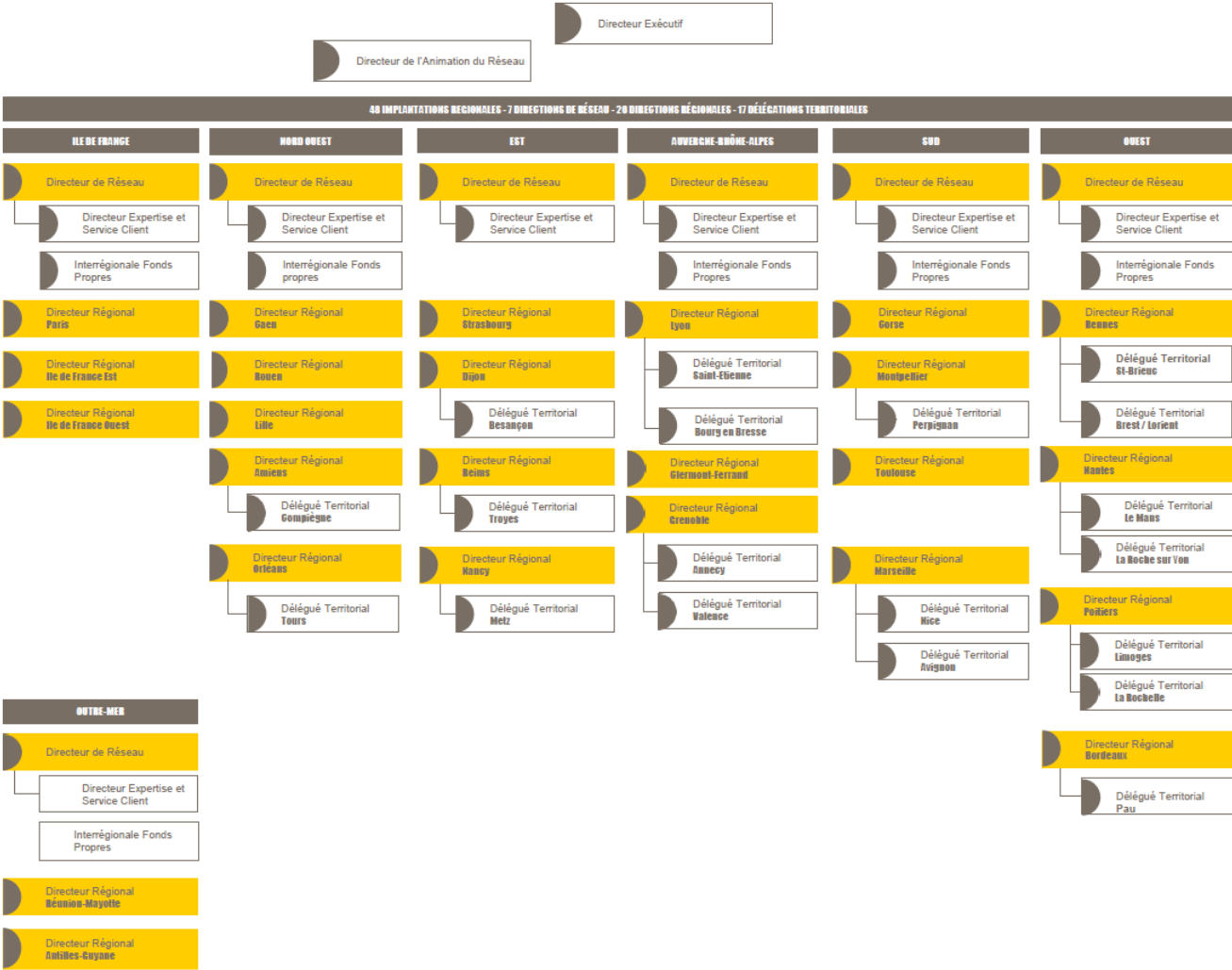




2.2. Functional organisational chart



2.3. Organisational chart of the Network



3. CONSOLIDATED FINANCIAL STATEMENTS

EPIC Bpifrance publishable consolidated balance sheet

ASSETS (in millions of euros)	Notes	31/12/2020	31/12/2019
Goodwill		0,0	0,0
Intangible fixed assets		0,0	0,0
Tangible fixed assets		0,0	0,0
Investment property		0,0	0,0
Financial assets at fair value through equity	6.1	8 414,8	8 993,9
Holdings in equity-consolidated companies	6.2	11 968,0	12 376,4
Other non-current financial assets	6.3	5 137,4	3 667,2
Deferred tax assets		0,0	10,6
NON-CURRENT ASSETS		25 520,2	25 048,1
Customer and miscellaneous receivables	6.4	974,8	1 101,3
Current tax assets		3,1	10,3
Other current financial assets	6.3	516,5	517,1
Cash and cash equivalents	6.5	3 325,3	3 209,9
CURRENT ASSETS		4 819,7	4 838,6
Assets held for sale		0,0	0,0
TOTAL ASSETS		30 339,9	29 886,7

EPIC Bpifrance publishable consolidated balance sheet

LIABILITIES (in millions of euros)	Notes	31/12/2020	31/12/2019
Capital and associated reserves		22 136,9	20 873,4
Consolidated reserves		3 605,1	2 827,7
Gains and losses recognised directly in equity		-564,5	-148,4
Result		-473,5	660,5
GROUP SHARE OF SHAREHOLDERS' EQUITY		24 704,0	24 213,2
Minority interests		0,0	0,0
SHAREHOLDERS' EQUITY		24 704,0	24 213,2
Financial debts to lending institutions	6.6	2,2	4,7
Miscellaneous financial debts	6.7	841,6	1 341,6
Deferred tax liabilities		0,0	0,0
NON-CURRENT LIABILITIES		843,8	1 346,3
Financial debts to lending institutions	6.6	2,2	2,3
Miscellaneous financial debts	6.7	514,3	514,7
Other financial liabilities	6.8	4 243,6	3 775,0
Current tax liabilities		0,0	0,0
Trade payables and miscellaneous debts	6.9	32,0	35,2
CURRENT LIABILITIES		4 792,1	4 327,2
Liabilities held for sale		0,0	0,0
TOTAL LIABILITIES		30 339,9	29 886,7

EPIC Bpifrance publishable consolidated profit and loss statement

(in millions of euros)	Notes	31/12/2020	31/12/2019
Proceeds from ordinary activity		0,0	0,0
Other proceeds and charges from the activity		0,0	0,0
Duties and taxes	7.1	-0,5	-1,4
Personnel expenses		0,0	0,0
Purchases consumed and external charges	7.1	-13,5	-13,1
Depreciation/amortisation charge		0,0	0,0
Allowances or provision write-backs		0,0	0,0
Other operating income and charges		0,0	0,0
OPERATING PROFIT BEFORE OTHER PROCEEDS AND CHARGES		-14,0	-14,5
Loss of value on equity-consolidated companies		0,0	0,0
Other operational income and charges	7.2	-130,0	0,0
Income from disposals of consolidated companies	7.3	4,3	0,0
OPERATING INCOME		-139,7	-14,5
Share of net income from equity-consolidated companies	7.4	-66,8	478,2
OPERATING PROFIT AFTER THE SHARE IN THE NET EARNINGS OF EQUITY-CONSOLIDATED COMPANIES		-206,5	463,7
Income from cash and cash equivalents	7.5	37,4	39,6
Cost of gross financial debt	7.5	-37,4	-39,6
Cost of net financial debt		0,0	0,0
Other financial income and charges	7.6	-257,1	214,9
Taxes		-9,9	-18,1
NET INCOME before income from discontinued activities or activities undergoing dis		-473,5	660,5
Income net of taxes from discontinued activities or activities undergoing		0,0	0,0
NET INCOME		-473,5	660,5
Minority interests		0,0	0,0
NET INCOME - GROUP SHARE		-473,5	660,5

Net income and gains and losses recognised directly in EPIC Bpifrance equity

(in millions of euros)		31/12/2020	31/12/2019
NET INCOME		-473,5	660,5
Items that can be reclassified (recyclable) in net income			
Translation adjustments	0,0	0,0	
Revaluation of financial assets at fair value through equity	0,0	0,0	
Revaluation of hedging derivatives on recyclable elements	0,0	0,0	
Share of gains and losses recognised directly in the equity of equity-consolidated companies	-55,4	10,3	
Other recyclable elements recognised through equity	0,0	0,0	
Related taxes	0,0	0,0	
Items that cannot be reclassified (non-recyclable) in net income			
Revaluation of fixed assets	0,0	0,0	
Revaluation (or actuarial gains and losses) on defined benefit plans	0,0	0,0	
Revaluation of own credit risk of financial liabilities recognised at fair value through profit or loss	0,0	0,0	
Revaluation of equity instruments recognised at fair value through equity	57,4	-2 007,5	
Share of gains and losses recognised directly in the equity of equity-consolidated companies, not recyclable	-297,1	479,4	
Other elements recorded recognised through equity, not recyclable	0,0	0,0	
Related taxes	-10,6	76,6	
TOTAL GAINS AND LOSSES DIRECTLY RECOGNISED IN EQUITY		-305,8	-1 441,2
NET INCOME AND GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY		-779,3	-780,7
* Of which Group share	-779,3	-780,7	
* Of which share of minority interests	0,0	0,0	
Transfer amount to reserve of non-recyclable elements		116,0	223,1

Variation of shareholders' equity (group share)

	Capital and related reserves	Reserves	Gains and losses recognised directly in equity	Assignment	Total
(in millions of euros)					
Position at 31 December 2018	20 667,7	2 179,0	1 631,5	0,0	24 478,2
2018 earnings				485,6	485,6
Income allocated to reserves	0,0	485,6	0,0	-485,6	0,0
Distribution of dividends	0,0	-165,0	0,0	0,0	-165,0
Change in gains and losses recognised directly in equity	0,0	331,8	-1 784,9	0,0	-1 453,1
<i>Change in the value of financial instruments affecting non-recyclable equity</i>	0,0	0,0	-1 451,1	0,0	-1 451,1
<i>Disposal of financial instruments in FV OCI</i>	0,0	331,8	-331,8	0,0	0,0
<i>Change in the value of financial instruments affecting recyclable equity</i>	0,0	0,0	-2,0	0,0	-2,0
Actuarial gains and losses on defined benefit plans	0,0	0,0	-5,9	0,0	-5,9
Translation adjustments	0,0	0,0	12,2	0,0	12,2
Other transactions	0,0	-3,7	-1,3	0,0	-5,0
Capital increase	205,7	0,0	0,0	0,0	205,7
Position at 31 December 2019	20 873,4	2 827,7	-148,4	0,0	23 552,7
2019 earnings				660,5	660,5
Income allocated to reserves	0,0	660,5	0,0	-660,5	0,0
Distribution of dividends					0,0
Change in gains and losses recognised directly in equity	0,0	116,0	-347,6	0,0	-231,6
<i>Change in the value of financial instruments affecting non-recyclable equity</i>	0,0	0,0	-253,1	0,0	-253,1
<i>Change in the value of financial instruments affecting recyclable equity</i>	0,0	0,0	21,5	0,0	21,5
<i>Disposal of financial instruments in FV OCI</i>	0,0	116,0	-116,0	0,0	0,0
Actuarial gains and losses on defined benefit plans	0,0	0,0	2,4	0,0	2,4
Translation adjustments	0,0	0,0	-77,0	0,0	-77,0
Change in interest rate percentage	0,0	-12,1	5,5	0,0	-6,6
Other transactions	0,0	13,0	0,6	0,0	13,6
Capital increase*	1 263,5	0,0	0,0	0,0	1 263,5
Position at 31 December 2020	22 136,9	3 605,1	-564,5	0,0	25 177,5
2020 earnings				-473,5	-473,5

* See "Significant events" 1.1.3.

Cash flow table

The cash flow table is presented using the indirect method model.

The **net cash flow generated by the activity** is representative of the Group's activities generating income.

The tax flows are presented in full with the operational activities.

The **investment activities** represent the cash flows for the acquisition and disposal of interests in the consolidated and non-consolidated companies, tangible and intangible assets, and buildings held for investment.

The **financing activities** result from the changes related to the financial structure operations involving shareholders' equity and long-term borrowing.

The concept of **net cash** corresponds to cash and cash equivalents (see Note 6.5).

EPIC Bpifrance cash flow statement

(in millions of euros)	31/12/2020	31/12/2019
Consolidated net earnings	-473,5	660,5
Net depreciation and provision allowances	24,5	0,0
Unrealised gains or losses related to changes in fair value	0,0	0,0
Other proceeds and calculated charges	0,0	0,0
Disposal capital gains and losses	-4,4	0,0
Share of net income related to equity-consolidated companies	66,8	-478,2
Dividends (non-consolidated securities)	66,0	220,8
Cash flow after cost of net financial debt and taxes	0,0	0,0
Cost of net financial debt	0,0	0,0
Tax expense (including deferred taxes)	10,0	18,1
Other transactions (specific to guarantee funds)	0,0	0,0
Cash flow before cost of net financial debt and taxes (A)	-310,6	421,2
Tax paid (B)	-2,8	-32,8
Change in working capital requirements related to the activity (C)	123,4	-11,0
Net cash flow generated by the activity	-190,0	377,4
Disbursements related to acquisitions of tangible and intangible fixed assets	0,0	0,0
Receipts related to disposals of tangible and intangible fixed assets	0,0	0,0
Disbursements related to acquisitions of financial assets	0,0	-120,7
Receipts related to sales of financial assets	636,5	120,7
Dividends received from equity-consolidated subsidiaries	0,0	208,5
Changes in loans and advances granted	-1 494,1	144,0
Other flows related to investment transactions	-66,0	-426,5
Total net cash flow related to investment transactions (E)	-923,6	-74,0
Amounts received from shareholders upon the capital increase	1 263,5	205,7
* paid by the shareholders of the parent company	1 263,5	205,7
* paid by the minority shareholders of the consolidated companies	0,0	0,0
Dividends paid during the fiscal year	0,0	-165,0
* dividends paid to the shareholders of the parent company	0,0	-165,0
* dividends paid to the minority shareholders of the consolidated companies	0,0	0,0
Receipts related to new loans	2,2	500,0
Loan repayments	-504,8	-693,9
Net financial interest paid	-0,4	-1,1
Other flows related to financing operations	468,5	214,4
Total net cash flow related to financing operations (F)	1 229,0	60,1
Net increase/(decrease) in cash and cash equivalents (D+E+F)	115,4	363,5
Cash and cash equivalents - opening balance	3 209,9	2 846,4
Cash and cash equivalents - closing balance	3 325,3	3 209,9
Change in net cash flow	115,4	363,5

Notes to the financial statements

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Note 1 - Significant events during the fiscal year and events after the closing

1.1. Significant events during the fiscal year

1.1.1 Impact of the health crisis

2020 was marked by the unprecedented health crisis linked to Covid-19. This pandemic affected economic and social activities on an international scale. Its economic repercussions are far-reaching.

In order to continue to carry out its public interest missions, supporting public policies and in the context of an increase in Bpifrance's guarantee activity due to the health crisis, EPIC Bpifrance contributed in particular to the Bpifrance Mutual fund for guarantee funds in the amount of €115 million.

EPIC Bpifrance approved the €10 billion increase in the ceiling for Bpifrance's EMTN programme.

The timetable for the Innovation and Industry Fund activities was revised on account of the significant impact of the crisis on actual available revenues.

1.1.2 Merger-absorption of Bpifrance SA by Bpifrance Financement

Bpifrance SA, an investment controlled equally by EPIC Bpifrance and the Caisse des Dépôts Group, was absorbed by its subsidiary Bpifrance Financement on 18 December 2020.

The purpose of this operation is to increase the Bpifrance Group's ability to act as well as streamline its organisation.

Due to the increase in the minority shareholders of Bpifrance Financement, the percentage holding of EPIC Bpifrance in Bpifrance (formerly Bpifrance Financement) following the operation is 49.18% of the share capital and 49.29% of the voting rights, still held equally with the Caisse des Dépôts Group.

This operation does not call into question either the nature of the control exercised by EPIC Bpifrance over the Bpifrance Group, nor the resulting equity method consolidation.

1.1.3 Innovation and Industry Fund

In fiscal year 2020, two operations impacted the Innovation and Industry Fund (IIF):

- a cash endowment from the French State, whose principal is non-expendable. Its amount of €1.9 billion, paid on 29 July 2020, was placed in an account opened with Agence France Trésor (AFT);
- a partial repurchase of the non-expendable allocation of EDF shares held by the French State, covering 61 million shares. These were incorporated at the market price on 23 October 2020, i.e. a total amount of €636.5 million. Their net book value was €675.6 million.

3.1.1. 1.2 Post-balance sheet events

No significant events occurred after the balance sheet date.

Note 2 - Applicable accounting standards

2.1. Applicable accounting standards at 31 December 2020

The 2020 consolidated financial statements are prepared in compliance with the IFRS guidelines as adopted by the European Union and applicable at 31 December 2020.

The entry into force of standards, amendments and interpretations whose application became mandatory as of 1 January 2020 had no material impact on the Group's consolidated financial statements at 31 December 2020.

The Group does not apply the standards, interpretations and amendments whose application is currently only optional.

2.2. Accounting standards that the Group will apply in the future

The European Union has adopted new standards that will take mandatory effect as of 1 January 2020.

The application of these new provisions should not have a material impact on the consolidated financial statements of the Group.

Note 3 - Consolidation principles and methods

Pursuant to EC Regulation No. 1606/2002, the Group's consolidated financial statements are prepared using the international IAS/IFRS accounting standards in effect within the European Union as of 31 December 2020.

3.1. Consolidation principles

General principle

The consolidated financial statements of EPIC Bpifrance include all of the companies that the Group controls or over which it has significant influence.

Notion of control

The notion of control is assessed irrespective of the nature of the links between the Group and the entity that is the subject of an investment. Control applies when the Group is exposed or is entitled to variable yields and that it has the ability to influence these yields as a result of the power that it holds.

The Group therefore controls a subsidiary if and only if all of the following elements are gathered:

- the Group exercises power when it is in possession of the actual rights to direct the subsidiary's relevant activities;
- the Group is exposed or is entitled to variable yields, when the yield can vary according to the subsidiary's performance;

- the Group has the ability to exercise power such as to influence the amount of the variable yields that it obtains.

Joint control is the contractual sharing of the control exercised over a partnership which can be either a joint activity or a joint venture. Joint control only exists if the decisions regarding the relevant activities require the unanimous approval of the parties sharing control.

Significant influence is the power to participate in decisions relative to the associate's financial and operational policies, but without exerting control or joint control over these policies. This situation is presumed when the Group directly or indirectly holds 20% or more of the voting rights. It can also result, for example, from representation within the Board of Directors or an equivalent management body, participation in the process for the preparation of policies, significant transactions between the Group and the associate, exchange of management personnel or supply of sensitive technical information.

3.2 Consolidation methods

The consolidation methods result from the nature of the Group's control over the entities that can be consolidated, irrespective of their activity.

The accounts of companies that are fully controlled, including the companies with different account structures, are consolidated according to the full consolidation method.

The holdings in which the Group exercises joint control or notable influence are consolidated on an equity basis.

3.3. Holdings in equity-consolidated companies

The equity method involves replacing the value of the securities with the share the Group holds in the shareholders' equity and earnings of the companies in question. The profit and loss statement reflects the Group's share of the earnings of the companies accounted for using the equity method.

The total investments accounted for using the equity method (including goodwill) are subject to an impairment test in accordance with the provisions of IAS 36 on the impairment of assets, if there exists an objective indication of impairment resulting from one or several events that have occurred since the initial recognition of the investment and these events have an impact on the estimated future cash flows of the investment, which may be reliably estimated.

The book value of the equity interest accounted for by the equity method is then compared to its recoverable value, i.e. the higher of the value in use and the fair value less sales costs.

When an impairment loss is recognised, it is then allocated to the equity investment accounted for by the equity method, which authorises the subsequent reversal of the impairment in case of an improvement in the value in use or market value.

3.4. Consolidation rules

Restatements and eliminations

Restatements needed for the harmonisation of the assessment methods of the consolidated companies are carried out when they are significant.

Intra-group dividends, provisions on securities, capital gains on internal disposal transactions and exceptional impairment are entirely neutralised in an amount equal to the share held in equity-consolidated companies.

Goodwill

The identifiable assets, liabilities, possible liabilities and off-balance sheet elements of the acquired entities are recognised at their fair value on the acquisition date. This initial assessment can be refined within 12 months of the acquisition date.

The positive discrepancy between the entity's acquisition cost and the acquired share of the net assets revalued in this way is listed as an asset in the consolidated balance sheet, under the heading "Holdings in equity-consolidated companies" when the acquired company is accounted for using the equity method. When the discrepancy is negative, it is immediately recorded in profit or loss.

When the recoverable value is less than the book value, an irreversible impairment of the goodwill is recorded through profit or loss. The recoverable value is generally valued according to the discounted cash flows method.

3.5. Presentation of the financial statements and closing date

Presentation of the consolidated financial statements

The presentation of the interim reports is compliant with that proposed by Recommendation No. 2013-03 of 7 November 2013 from the Accounting Standards Authority (ANC) relative to the format of the consolidated financial statements of companies according to international accounting standards.

Assets and liabilities on the balance sheet are broken down into "Current" and "Non-current", which are concepts defined by IAS 1 "Presentation of financial statements". An asset or liability is classified as "Current" in the event of realisations or settlements that will notably take place within the 12 months that follow the closing date. Inversely, realisations and settlements that will take place more than 12 months after the closing date are classified as "Non-current".

Closing date

All companies included in the scope of consolidation close their annual financial statements on 31 December.

👉 Note 4 - Scope of consolidation

The following table identifies the companies included in the scope of consolidation, the percentage of their capital held directly and indirectly, and the method by which they are consolidated.

As EPIC Bpifrance exercises joint control with CDC over Bpifrance, EPIC Bpifrance consolidates this joint venture using the equity method, in compliance with IFRS 11 “Joint arrangements”.

Denomination	Consolidation method	31/12/2020 % interest	31/12/2020 % voting rights	31/12/2019 % voting rights
EPIC Bpifrance	Full Equity consolidated	100%	100%	100%
Bpifrance Group*		49,29%	49,29%	50,00%

* see “Significant events” 1.1.2.

👉 Note 5 - Accounting principles and valuation methods

5.1. Determination of the fair value

The IFRS 13 standard establishes the framework for determining the fair value and provides information on how to assess the fair value of assets and liabilities, both financial and non-financial. This corresponds with the price that would be received for the sale of an asset or paid for the transfer of a liability during a normal transaction between market participants on the valuation date. The fair value is therefore based on the exit price.

At the time of initial recognition, a financial instrument's value is normally the negotiation price (i.e. the value of the consideration paid or received).

During subsequent valuations, the fair value of the assets and liabilities must be estimated and determined using, as a priority, observable market data, while ensuring that all of the parameters comprising this fair value align with the price that “market participants” would use during a transaction.

5.1.1 Hierarchy of the fair values

The three levels of fair value

The standard defines three levels of fair value for financial and non-financial instruments:

Level 1: valuation using market quotations on a liquid market. This involves instruments for which the fair value is determined from quotations on active markets.

Level 2: valuation using observable market data. This fair value level includes instruments listed on an inactive market, and instruments valued using a valuation technique on the basis of parameters that are either directly observable (price) or indirectly observable (price derivative).

Level 3: valuation using non-observable market data. This level includes instruments valued using unknown valuation models and/or that are based on parameters that are not observable on the market, provided that they would be likely to significantly affect the valuation.

Transfers of fair value levels

Transfers between fair value levels can occur when the instruments meet classification criteria in the new level, with these criteria being dependent on market conditions and products. Changes of the observability, the passage of time and events affecting the life of the instrument are the main factors that can result in transfers. Transfers are considered to have occurred at the end of the period.

5.1.2 Assessment techniques

General framework

The best estimate corresponds with the instrument's market price when the latter is handled on an active market (prices listed and disseminated). The Group uses the price offered for the fair value of a long position (asset) and the requested price for a short position (debt).

In the absence of a market or of reliable data, the fair value is determined using an appropriate method that complies with the assessment methodologies used on the financial markets: using the market value of a comparable instrument as a benchmark, valuation models and, more generally, discounting of the estimated future flows.

The fair value amounts of financial assets and liabilities represent the estimates made on the closing date. These amounts are subject to change in other periods depending on the changes to market conditions or other factors. The completed calculations are based on a certain number of assumptions. In practice, and for the purposes of business continuity, the estimated value will not be realised immediately for all of these financial instruments.

5.2. Recognition of financial assets and liabilities

All the financial assets and liabilities in the scope of application of IFRS 9, with the exception of those assessed at fair value through profit or loss, are recorded during their initial recognition at fair value plus or minus the transaction costs attributable to their acquisition. The transaction costs for financial assets and liabilities at fair value through profit or loss are recognised directly in profit or loss at the initial recognition date.

The Group recognises securities, loans and borrowing in the balance sheet on the settlement date.

Investments in shares are recognised by default at fair value through profit or loss at the initial recognition date and subsequently. However, at the time of their initial recognition, the Group may, upon irrevocable option, designate at fair value through shareholders' equity, equity instrument investments that are not held for transaction purposes or as part of a business combination. This option is exercised on a transaction-by-transaction basis, and the Group has decided to apply it to its entire share portfolio. The changes in fair value of these instruments are presented in shareholders' equity, without subsequent recycling in the event of sale.

These financial assets are not subject to impairment. Dividends are recorded under the heading “Other financial income and expenses” of the profit and loss statement.

“Other financial assets” include receivables and loans. As debt instruments held within a business model whose objective is to collect the contractual cash flows and for which the cash flows give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (Solely Payment of Principal and Interest (SPPI) criteria), they are recognised at amortised cost and impairments are determined according to a simplified low credit risk approach. Interest is calculated according to the effective interest method and accrued interest is included in the related receivables account, with an offset in the profit and loss statement. Nonetheless, the reserve fund and receivables relating to the Innovation and Industry Fund are recognised at fair value through profit or loss, their compensation not complying with the SPPI criteria.

5.3. Cash and cash equivalents

The “Cash and cash equivalents” heading includes cash in hand and demand deposits, very liquid short-term investments (under three months) that are easily convertible into a known cash amount and that are subject to a negligible risk of changing value. The cash equivalents are held in order to deal with short-term cash commitments.

5.4. Debts

Debts issued by the Group are initially recorded at their cost, which corresponds to the fair value of the amounts borrowed, net of transaction costs. These debts are assessed at their amortised cost on the closing date by using the effective interest rate method and are recorded in the balance sheet in “Financial debts to lending institutions” or “Miscellaneous financial debts”.

Interest accrued on these debts is included in the related debts account with changes recognised in the profit and loss statement.

5.5. Derecognition of financial assets and liabilities

The Group derecognises a financial asset upon the expiry of the contractual rights to receive the cash flows linked to the financial asset, or when these contractual rights and almost all of the risks and benefits inherent to the asset’s ownership have been transferred. If relevant, the rights and obligations created or retained during the transfer are recognised separately as assets or liabilities.

At the time of the complete derecognition of a financial asset, a disposal gain or loss is recorded in the profit and loss statement in an amount equal to the difference between the book value of the asset and the value of the consideration received, with possible correction for any unrealised profit or loss that might previously have been recognised directly in shareholders’ equity.

The Group derecognises a financial liability only when this financial liability has been completely extinguished, i.e. when the obligation indicated in the contract has been extinguished, cancelled or arrives at maturity.

5.6. Provisions

A provision is established when it is likely that a resource outflow representing economic benefits will be necessary in order to fulfil an obligation resulting from a past event and when the obligation's amount can be reliably estimated. The amount of such obligation is discounted in order to determine the provision amount, when the impact of this discounting is material.

5.7. Current and deferred taxes

Current taxation

The payable tax on profits is determined on the basis of the rules and rates applicable in France, as the Group companies are exclusively located in France.

The taxable income as at 31 December 2020 was €40.2 million.

Deferred tax

Deferred taxes are recognised when temporary differences arise between the book value and the tax value of an asset or liability.

The overall calculation method, which involves determining all of the temporary gaps irrespective of the date when the tax will become payable or recoverable, has been adopted for the calculation of the deferred tax.

The tax rate and rules used in the calculation of the deferred taxation are the ones resulting from the existing tax laws, which will be applicable when the tax becomes recoverable and payable.

Deferred taxes are compensated with one another on the level of each tax entity of the consolidated group. Deferred tax debits are only taken into account if it is probable that the entity in question has a recovery prospect over a determined horizon.

Deferred taxes are recognised as tax income or expense in the profit and loss statement, except for those relating to unrealised gains or losses on assets at fair value through equity, for which the corresponding deferred taxes are charged against shareholders' equity.

Tax uncertainty

When it is probable that a tax position of the Group will not be accepted by the tax authorities, this position is reflected in the financial statements when current tax (current or recoverable) and deferred tax (asset or liability) are recognised.

5.8. Cost of net financial debt and Other financial income and charges

The cost of net financial debt is equal to the sum of the income from cash and cash equivalents and the cost of gross financial debt.

Income from cash and cash equivalents consists of income related to the cash elements defined in 5.3. The cost of gross financial debt consists of all costs relating to financial liabilities.

Other financial income and charges consists of income and charges of a financial nature which are not of an operational nature and do not form part of the cost of net financial debt.

5.9. Share of net income from equity-consolidated companies

Bpifrance, whose securities are consolidated using the equity method, is considered as having an operational nature that is an extension of the Group's activity.

Consequently, the share in the net earnings of companies accounted for using the equity method is presented after the operating earnings, in accordance with ANC Recommendation No. 2013-03 of 7 November 2013.

5.10. Use of estimates in the preparation of the financial statements

The preparation of the financial statements requires the formulation of assumptions and estimates that include uncertainties with regard to their future realisation. Using information available on the closing date, these estimates require the managers to make use of their judgement. Future realisations depend on many factors, including in particular fluctuations in interest and exchange rates, economic outlook, and changes to regulations or legislation.

👉 Note 6 - Notes to the balance sheet

6.1. Financial assets at fair value through equity

(in millions of euros)	31/12/2020		31/12/2019	
	Fair value	Of which unrealised	Fair value	Of which unrealised
Bonds and fixed-income securities	0,0	0,0	0,0	0,0
Shares and other variable income securities* **	8 414,8	-180,1	8 993,9	-276,5
Total financial assets at fair value through shareholders' equity	8 414,8	-180,1	8 993,9	-276,5

* Allowance for non-expendable securities paid by the French State as part of the set up of the Innovation and Industry Fund.

** See "Significant events" 1.1.3.

Dividends of €66.3 million received during fiscal year 2020 all came from shares held in the portfolio at 31 December 2020.

Disposals of securities were carried out during the fiscal year for a fair value of €636.5 million and led to the reclassification of losses of €39.0 million in consolidated reserves.

6.2. Holdings in equity-consolidated companies

(in millions of euros)	31/12/2020	
	Equity method value	Of which valuation/acquisition discrepancies
Bpifrance Group*	11 968,0	108,0
Total equity interests in companies accounted for using the equity method	11 968,0	108,0

* See "Significant events" 1.1.2

(in millions of euros)	31/12/2019	
	Equity method value	Of which valuation/acquisition discrepancies
Bpifrance Group	12 376,4	119,8
Total equity interests in companies accounted for using the equity method	12 376,4	119,8

6.3. Other financial assets

(in millions of euros)	31/12/2020	31/12/2019
Loan in Pounds Sterling(1)(2)	4,4	7,0
Loans in euros(2)	1 341,6	1 841,6
PPMTR allowance(3)	47,5	48,3
Innovation and Industry Fund Receivables(4)	128,1	54,1
Reserve fund(5)	618,0	618,6
French State current account – Agence France Trésor Innovation Capital(6)	3 500,0	1 600,0
Receivables	14,3	14,7
Total other financial assets	5 653,9	4 184,3

(1) The change in value stems from fluctuations in exchange rates and loan amortisation.

(2) Loans granted to Bpifrance.

(3) Equity loans for catering-trade modernisation and business transfer.

(4) Receivables related to the Innovation and Industry Fund.

(5) Reserve fund with Bpifrance recognised at fair value through profit or loss.

(6) Allowance for non-expendable cash paid by the French State as part of the set up of the Innovation and Industry Fund.

(7) See "Significant events" 1.1.3.

6.4. Customer and miscellaneous receivables

(in millions of euros)	31/12/2020	31/12/2019
Accrued EMTN underwriting fees	39,7	32,5
Interest income receivable (State)	0,0	0,0
Allocation receivable (State)	935,1	1 068,8
<i>Structuring projects for competitiveness</i>	<i>376,0</i>	<i>476,0</i>
<i>Innovation assistance</i>	<i>83,5</i>	<i>211,0</i>
<i>Sector support</i>	<i>403,8</i>	<i>348,8</i>
<i>French Tech</i>	<i>1,8</i>	<i>0,0</i>
<i>- SIA (Incorporation of SATT, incubators and accelerators)</i>	<i>70,0</i>	<i>33,0</i>
Total customer and miscellaneous receivables	974,8	1 101,3

6.5. Cash and cash equivalents

(in millions of euros)	31/12/2020	31/12/2019
Bank account	3,3	2,7
State current account – Agence France Trésor	95,9	95,8
State current account – Agence France Trésor “Investing in the Future”	2 837,5	2 552,5
State current account – Agence France Trésor Innovation*	366,9	427,1
Bpifrance current account	21,7	131,8
Total cash and cash equivalents	3 325,3	3 209,9

* Expendable cash of the Innovation and Industry Fund

6.6 Financial liabilities to lending institutions

(in millions of euros)	31/12/2020	31/12/2019
Loan in Pounds Sterling (European Investment Bank)	4,4	7,0
Debts	0,0	0,0
Total financial debts to lending institutions	4,4	7,0

6.7. Miscellaneous financial debts

(in millions of euros)	31/12/2020	31/12/2019
State loans	1 341,6	1 841,6
Debts	14,3	14,7
Total miscellaneous financial liabilities	1 355,9	1 856,3

6.8. Other financial liabilities

(in millions of euros)	31/12/2020	31/12/2019
Investing in the Future public resources	3 665,0	3 604,4
Other public intervention resources	65,3	65,4
Catering-trade Modernisation Fund	49,6	50,3
Allowance payable to Bpifrance	0,0	0,0
Allowance payable to Bpifrance Participations	0,5	1,4
Allowance payable to the Innovation and Industry Fund	351,9	32,1
Other liabilities*	107,7	16,9
Other expenses to be paid	0,0	0,2
Expenses payable to Bpifrance	3,6	4,3
Total other financial liabilities	4 243,6	3 775,0

* Liabilities to the French State

6.9. Trade payables and miscellaneous debts

(in millions of euros)	31/12/2020	31/12/2019
Deferred income	19,5	25,6
Trade payables	12,5	9,6
Total trade payables and miscellaneous debts	32,0	35,2

6.10. Fair value of financial assets and liabilities

(in millions of euros)	31/12/2020			
	Level 1	Level 2	Level 3	Total
ASSETS				
Financial assets at fair value through equity	4 234,1	4 180,7	0,0	8 414,8
Other financial assets	0,0	3 726,9	0,0	3 726,9
LIABILITIES				
Financial liabilities to lending institutions	0,0	4,4	0,0	4,4
Miscellaneous financial debts	0,0	1 398,5	0,0	1 398,5

(in millions of euros)	31/12/2019			
	Level 1	Level 2	Level 3	Total
ASSETS				
Financial assets at fair value through equity	3 865,5	5 128,5	0,0	8 994,0
Other financial assets	0,0	4 259,8	0,0	4 259,8
LIABILITIES				
Financial liabilities to lending institutions	0,0	7,0	0,0	7,0
Miscellaneous financial debts	0,0	1 928,8	0,0	1 928,8

6.11. Euro equivalent of foreign currency transactions

(in millions of euros)	31/12/2020	31/12/2019
Assets	4,4	7,0
Liabilities	4,4	7,0

👉 Note 7 - Notes relative to the profit and loss statement

7.1. Taxes and duties and external charges

(in millions of euros)	31/12/2020	31/12/2019
Group company services	-1,3	-1,2
External charges	-0,1	-0,1
Re-allocation of the Reserve fund	-2,8	-3,5
Other expenses*	-9,3	-8,3
Subtotal	-13,5	-13,1
Taxes and duties and similar payments	-0,5	-1,4
Subtotal	-0,5	-1,4
Total taxes and duties and external charges	-14,0	-14,5

* Expenses related to action programmes of the Support activity

7.2. Other operational income and charges

(in millions of euros)	31/12/2020	31/12/2019
Contribution to the mutual fund of Bpifrance's guarantee funds*	-115,0	0,0
Contribution to the automotive cash-strengthening fund*	-15,0	0,0
Total other operating income and expenses	-130,0	0,0

* See "Significant events" 1.1.1.

7.3. Income on disposal of consolidated shares

(in millions of euros)	31/12/2020	31/12/2019
Bpifrance Group diluted earnings*	5,9	0,0
Decrease in Bpifrance Group goodwill following dilution*	-1,6	0,0
Total income on disposal of consolidated securities	4,3	0,0

* See "Significant events" 1.1.2

7.4. Share of net income from equity-consolidated companies

	31/12/2020	31/12/2019
(in millions of euros)	Share of net income from investments accounted for using the equity method	
Bpifrance Group	-66,7	478,2
Total share of net income from companies accounted for using the equity method	-66,7	478,2

7.5. Cost of net financial debt

(in millions of euros)	31/12/2020	31/12/2019
Funds reinvested with Bpifrance	37,4	39,6
- Loans (in €)	37,4	39,5
- Loans (in foreign currencies)	0,0	0,1
Total proceeds from cash	37,4	39,6

(in millions of euros)	31/12/2020	31/12/2019
Loan (European Investment Bank)	0,0	-0,1
Loan (State)	-37,4	-39,5
Total cost of gross financial debt	-37,4	-39,6

7.6. Other financial income and charges

(in millions of euros)	31/12/2020	31/12/2019
EDF dividends	0,0	120,7
TSA dividends	66,0	100,1
Interest State current account – Agence France Trésor Innovation Capital	59,6	39,8
Bpifrance guarantee commissions	45,7	39,2
Reserve fund	2,8	3,5
Other financial expenses*	-431,2	-88,4
Total other proceeds and financial charges	-257,1	214,9

* Losses and impairment of receivables related to the Innovation and Industry Fund

Note 8 - Exposure, management and measurement of risks

8.1. General risk management organisation

The Group is only exposed to EPIC Bpifrance's individual risks, since Bpifrance is consolidated using the equity method.

At 31 December 2020, the risks inherent in the activities of EPIC Bpifrance were limited to:

- credit and counterparty risks: risks of losses due to a counterparty's inability to meet its financial obligations,
- market risks: risks of losses due to changing prices and market rates.

8.2. Quantitative analyses of the credit and counterparty risks on financial activities

Maximum credit risk exposure

(in millions of euros)	31/12/2020	31/12/2019
Cash and cash equivalents	3 235,3	3 209,9
Other financial assets	5 478,3	4 081,9
Guarantee commitments given and signature commitments	42 300,1	37 033,2
Total	51 013,7	44 325,0

* The guarantee commitments given, i.e. €42,300.1 million, are representative of the guarantee granted by EPIC Bpifrance to investors in Bpifrance issuance programmes.

Quantitative information on the credit risk

The item "Cash and cash equivalents", which stood at €3,325.3 million at 31 December 2020, concerns the demand accounts opened with the French State (Agence France Trésor) for €3,204.4 million, as well as current accounts with Bpifrance for €21.7 million (excluding related receivables).

The item "Other financial assets", which stood at €5,478.3 million at 31 December 2020, concerns the Bpifrance Group for €1,964.0 million (excluding related receivables) and the French State (Agence France Trésor) for €3,500.0 million.

8.3. Market risks

Financial risks are defined as the risks of losses of economic value resulting from an unfavourable evolution of the market parameters, which affect all of the positions in the balance sheet and the off-balance sheet positions.

The market parameters to which the EPIC Bpifrance Group is subject are mainly interest rates and share prices.

EPIC Bpifrance is exposed to two main categories of risk: the structural risk of interest rates and share price risk.

The structural risk of interest rates

The balance sheet items of EPIC Bpifrance exposed to interest rate risk are limited to cash deposits and loan/borrowing operations for which EPIC Bpifrance is involved as an intermediary between the initial lenders and Bpifrance. As such, these operations are fully matched on the EPIC Bpifrance balance sheet in terms of rates and liquidity; the sensitivity to interest rate risk is therefore zero. Finally, to the extent that these outstandings are, in the end, included in the Bpifrance balance sheet as financial risks, the structural risks related to these outstandings are included within the overall steering and follow-up framework of the Bpifrance ALM risks.

Cash flows payable by EPIC Bpifrance relative to its financial debts, broken down by residual contractual maturity

<i>Annual flows (in millions of euros)</i>	31/12/2020						
	Book value	Total incoming/outgoing flows	On demand	Under 3 months	Between 3 and 12 months	Between 1 and 5 years	After 5 years
Repayment of term borrowings from the State	1 355,9	- 1 570,0	-	- 68,1	- 520,6	- 913,9	- 67,4
Repayment of term borrowings from credit institutions	4,4	- 4,4	-	- 0,0	- 2,2	- 2,2	-

<i>Annual flows (in millions of euros)</i>	31/12/2019						
	Book value	Total incoming/outgoing flows	On demand	Under 3 months	Between 3 and 12 months	Between 1 and 5 years	After 5 years
Repayment of term borrowings from the State	1 856,3	- 2 108,3	-	- 0,6	- 537,7	- 1 317,1	- 252,9
Repayment of term borrowings from credit institutions	7,0	- 7,1	-	- 0,0	- 2,4	- 4,7	-

The 2019 table presents the undiscounted contractual flows (principal + interest).

Share price risk

Share price risk comes from the equity investments contributed by the French State to EPIC Bpifrance to constitute the €10 billion Innovation and Industry Fund. These equity investments must be repurchased by the French State in exchange for cash contributions, financed by future sales of equity investments in other companies in the French State's shareholding portfolio.

At 31 December 2020, the sensitivity of the revalued IIF net asset to a 30% drop in the benchmark index (CAC40) was 20.4%.

A drop in the value of IIF assets would have no impact on the solvency of EPIC Bpifrance, the IIF asset being constituted by State funding on its creation.

👉 Note 9 - Disclosure of interests in other entities

9.1. Important assumptions and judgements

In January 2018, the French State transferred 13% of the share capital and 8% of the voting rights of EDF, valued at €4.312 billion, as well as – through the TSA holding – 26% of the share capital and 36% of the voting rights of Thalès. This transaction does not change the exclusive competence of the *Agence des Participations de l'État* (French Government Shareholding Agency) to perform the duties of the State as shareholder in EDF and Thalès. These securities are recognised in “Financial assets at fair value through shareholders’ equity”.

In 2020, the French State bought 61,000,000 EDF shares from EPIC Bpifrance, reducing the percentage holding to 10.5% of EDF’s capital with 328,349,361 securities.

9.2. Interests in subsidiaries

The EPIC Bpifrance holds no minority interests.

The Group is subject to no significant legal, regulatory or contractual restrictions that would limit its ability to access the Group’s assets or to settle the Group’s liabilities.

9.3. Interests in partnerships and associated companies

Partnership interests

EPIC Bpifrance, as the holding company for the French State’s investment in Bpifrance, has interests in a joint venture that are considered individually significant. These equity interests are presented after the adjustments related to the application of the equity method.

Table of interests in equity-consolidated entities in 2020 and 2019 – Bpifrance Group consolidated financial statements

(in millions of euros)	Bpifrance Group
Principal place of business	France
Percentage of voting rights	49,29%
Consolidation method	Equity method

ASSETS (in millions of euros)	31/12/2020	31/12/2019	LIABILITIES (in millions of euros)	31/12/2020	31/12/2019
Cash in hand, central banks	7 819,2	1 045,9	Central banks	0,0	0,0
Financial assets at fair value through profit or loss	5 943,6	5 567,9	Financial liabilities at fair value through profit or loss	1,5	1,8
Hedging derivatives	5,9	5,2	Hedging derivatives	84,2	20,7
Financial assets at fair value through equity	12 288,3	10 830,6	Amounts owed to credit institutions and related entities	18 801,0	11 011,7
Securities at amortised cost	8 041,3	7 538,2	Amounts owed to customers	3 014,2	3 510,5
Loans and receivables due from lending institutions, at amortised cost	1 461,2	1 042,3	Debts represented by a security	36 347,0	30 267,4
Loans and advances to customers, at amortised cost	44 419,6	40 706,4	Fair value adjustments to debt portfolios hedged against interest rate	727,5	538,5
Finance leases and similar operations, at amortised cost	6 185,5	6 223,2	Current and deferred tax liabilities	129,7	146,2
Innovation financing aid	988,4	982,8	Accruals and miscellaneous liabilities	2 489,6	1 458,8
Fair value adjustments to debt portfolios hedged against interest rate risk	586,0	435,6	Lease liabilities	122,4	96,7
Current and deferred tax assets	260,2	144,6	Debt related to non-current assets held for sale	0,0	0,0
Accruals and miscellaneous assets	826,6	535,9	Provisions	143,7	123,5
Non-current assets held for sale	0,0	84,8	Net resources for innovation-related activity	1 916,3	1 829,2
Holdings in equity-consolidated companies	5 052,8	4 289,4	Public guarantee funds	6 455,6	5 906,7
Investment property	0,0	0,0	Subordinated debt	7,3	7,2
Tangible fixed assets	250,3	216,9	Shareholders' equity	24 076,0	24 889,6
Intangible fixed assets	185,0	156,7	Shareholders' equity - Group share	24 061,7	24 513,1
Goodwill	2,1	2,1	- Capital et réserves liées	21 122,4	20 862,3
			- Réserves consolidées	3 832,3	2 411,8
			- Gains et pertes comptabilisés directement en capitaux propres	-779,9	235,0
			- Résultat	-113,0	1 004,0
			Minority interests	14,3	376,5
			- Réserves	22,0	362,1
			- Résultat	-7,7	14,4
TOTAL ASSETS	94 316,0	79 808,5	TOTAL LIABILITIES	94 316,0	79 808,5

RESULTS (in millions of euros)	31/12/2020	31/12/2019
Interest and related income	1 631,7	1 580,3
Interest and related expenses	-877,9	-854,7
Fees (income)	73,2	59,5
Fees (expenses)	-3,8	-4,7
Net gains or losses on financial instruments at fair value through profit or loss	167,4	334,7
Net gains or losses on financial instruments at fair value through equity	189,2	244,0
Net gains or losses resulting from the de-recognition of financial assets at amortised cost	0,0	7,4
Net gains or losses on available-for-sale financial instruments	0,0	0,0
Income from other activities	225,4	218,9
Expenses from other activities	-165,9	-131,8
NET BANKING INCOME	1 239,3	1 453,6
General operating expenses	-717,3	-638,9
Amortisation & depreciation and impairment on tangible & intangible fixed assets	-75,8	-72,3
GROSS OPERATING INCOME	446,2	742,4
Cost of risk	-461,6	-82,6
NET OPERATING INCOME	-15,4	659,8
Share of net income from equity-consolidated companies	-123,6	416,4
Net gains or losses on other assets	0,4	19,6
Change in value of goodwill	-0,4	20,0
INCOME BEFORE TAX	-139,0	1 115,8
Corporation tax	18,4	-97,4
Income from discontinued activities or activities undergoing disposal, net	0,0	0,0
NET INCOME	-120,6	1 018,4
Minority interests	-7,6	14,4
NET INCOME - GROUP SHARE	-113,0	1 004,0
* Earnings per share (in euros)	-0,17	0,47
* Diluted earnings per share (in euros)	-0,17	0,47

Balance on reconciliation with the book value of these interests	31/12/2020	31/12/2019
<i>Group share of shareholders' equity</i>	3 832,3	2 411,8
<i>Shareholders equity by percentage interest</i>	1 888,9	1 205,9
<i>Goodwill on acquisition/valuation difference</i>	108,0	119,8
<i>Consolidation adjustments</i>	-	-
Book value of interests in associated company	1 996,9	1 325,7

9.4. Interests held in non-consolidated structured entities

The group holds no interests in a structured entity.

Note 10 - Compensation paid to members of administrative bodies

Directors did not receive any direct annual compensation.

➤ Note 11 - Sector-specific information

Contributions within the EPIC Bpifrance Group are as follows:

(in millions of euros)

31/12/2020	EPIC Bpifrance	Bpifrance Group	Total
Operating income	-14,0	0,0	-14,0
Financial result	-382,8	0,0	-382,8
***Share in the net earnings of equity-acco	0,0	-66,7	-66,7

(in millions of euros)

31/12/2019	EPIC Bpifrance	Bpifrance Group	Total
Operating income	-14,5	0,0	-14,5
Financial result	214,9	0,0	214,9
***Share in the net earnings of equity-acco	0,0	478,2	478,2

(in millions of euros)

Balance sheet outstandings	31/12/2020	31/12/2019
Cash and cash equivalents	3 325,3	3 209,9
Other financial assets	5 653,9	4 184,3
Investments in equity-accounted companies	11 968,0	12 376,4

➤ Note 12 - Financing and guarantee commitments

(in millions of euros)

	31/12/2020	31/12/2019
Commitments given	42 300,1	37 033,2
Credit financing commitments	0,0	0,0
<i>to credit institutions</i>	0,0	0,0
<i>to customers</i>	0,0	0,0
Guarantee commitments*	42 300,1	37 033,2
<i>to credit institutions</i>	42 300,1	37 033,2
<i>to customers</i>	0,0	0,0
Commitments on securities (deliverable securities)	0,0	0,0
Commitments received	0,0	0,0
Credit financing commitments received from credit institutions	0,0	0,0
Guarantee commitments received from credit institutions	0,0	0,0
Commitments on securities (securities receivable)	0,0	0,0

* The guarantee commitments given, i.e. €42,300.1 million, are representative of the guarantee granted by EPIC Bpifrance to investors in Bpifrance issuance programmes.

Other commitments: a €50.0 million commitment was given under the agreement between Bpifrance Participations and EPIC Bpifrance to undertake action programmes for the Support activity. €7.7 million were committed in 2020.

Note 13 - Other information

13.1. Related parties

The related parties of the EPIC Bpifrance Group are the companies included within the scope of consolidation, namely Bpifrance. Transactions with Bpifrance are shown in the table below.

The operations with Bpifrance are presented in Notes 6, 7 and 11.

(in millions of euros)

Balance sheet items	31/12/2020	31/12/2019
Assets	2 039,7	2 646,3
Other financial assets	1 978,3	2 482,0
Customer and miscellaneous receivables	39,7	32,5
Cash and cash equivalents	21,7	131,8
Liabilities	30,4	34,9
Trade payables and miscellaneous debts	30,4	34,9
Profit and Loss Statement Items	31/12/2020	31/12/2019
Financial expenses	0,0	0,0
Financial income	83,1	82,3
Commitments	31/12/2020	31/12/2019
Commitments given	0,0	0,0
Commitments received	0,0	0,0
Other commitments given	35,3	43,1

13.2. Statutory Auditors' fees shown in the profit and loss statement for the fiscal year (pre-tax)

(en milliers d'euros)

	Mazars		KPMG Audit	
	2020	2019	2020	2019
Certification des comptes	40	39	40	39
Autres services		-		-
Total	40	39	40	39

13.3. Activities on behalf of third parties

Operations managed by the Group on behalf of the State are not shown on the consolidated balance sheet of the public establishment.

31/12/2020							
(in millions of euros)	Assets			Liabilities			f-balance sheet
	Securities and receivables	Principal's account	Total	Debts	Principal's account	Total	
SATT activity*	443,3	0,0	443,3	0,0	443,3	443,3	0,0
Sociétés de Projets Industriels Fund	377,5	0,0	377,5	0,0	377,5	377,5	0,0
Ambition Amorçage Angels Fund	31,1	0,0	31,1	0,0	31,1	31,1	0,0
PSIM Fund	75,3	0,0	75,3	0,0	75,3	75,3	0,0
National Amorçage Fund	36,5	0,0	36,5	0,0	36,5	36,5	0,0
Multicap Croissance Fund	81,2	0,0	81,2	0,0	81,2	81,2	0,0
French Tech Seed Fund	150,0	0,0	150,0	0,0	150,0	150,0	0,0
Total	1 194,9	0,0	1 194,9	0,0	1 194,9	1 194,9	0,0

* Equity interests in Technology Transfer Accelerator Companies (SATT) on behalf of the French State.

31/12/2019							
(in millions of euros)	Assets			Liabilities			f-balance sheet
	Securities and receivables	Principal's account	Total	Debts	Principal's account	Total	
SATT activity*	415,6	0,0	415,6	0,0	415,6	415,6	0,0
Sociétés de Projets Industriels Fund	265,4	0,0	265,4	0,0	265,4	265,4	0,0
Ambition Amorçage Angels Fund	25,5	0,0	25,5	0,0	25,5	25,5	0,0
PSIM Fund	69,6	0,0	69,6	0,0	69,6	69,6	0,0
National Amorçage Fund	13,6	0,0	13,6	0,0	13,6	13,6	0,0
Multicap Croissance Fund	24,3	0,0	24,3	0,0	24,3	24,3	0,0
French Tech Seed Fund	11,0	0,0	11,0	0,0	11,0	11,0	0,0
Total	825,0	0,0	825,0	0,0	825,0	825,0	0,0

* Equity interests in Technology Transfer Accelerator Companies (SATT) on behalf of the French State.

4. INDIVIDUAL FINANCIAL STATEMENTS

EPIC Bpifrance
INDIVIDUAL PUBLISHABLE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2020

- Publishable balance sheet
- Publishable profit and loss statement

EPIC BPIFRANCE PUBLISHABLE PROFIT AND LOSS STATEMENT

	Notes	Gross	Depreciation and amortisation Impairments	31/12/2020 Net	31/12/2019 Net
ASSETS (in thousands of euros)					
Fixed assets		26 656 536,4	24 551,2	26 631 985,2	23 620 476,9
Financial assets		26 656 536,4	24 551,2	26 631 985,2	23 620 476,9
- Participations	3	12 383 165,7	0,0	12 383 165,7	11 765 692,2
- Titres immobilisés de l'activité de portefeuille	4	8 594 843,9	0,0	8 594 843,9	9 270 418,9
- Prêts	5	1 360 305,7	0,0	1 360 305,7	1 863 322,9
- Autres immobilisations financières	6	4 318 221,1	24 551,2	4 293 669,9	721 042,9
Current assets		4 303 263,1	0,0	4 303 263,1	5 921 535,5
- Autres créances	7	977 980,4	0,0	977 980,4	1 111 611,9
- Disponibilités	8	3 325 282,7	0,0	3 325 282,7	4 809 923,6
Unrealised foreign exchange losses	9	12 957,6	0,0	12 957,6	9 486,8
Total assets		30 972 757,1	24 551,2	30 948 205,9	29 551 499,2

EPIC BPIFRANCE PUBLISHABLE PROFIT AND LOSS STATEMENT

	Notes	31/12/2020	31/12/2019
LIABILITIES (in thousands of euros)			
Shareholders' equity	10	23 347 307,0	22 533 985,3
- Capital		22 136 905,8	20 873 440,8
- Retained earnings		1 660 544,5	1 283 345,8
- Profit or loss for the fiscal year		-450 143,3	377 198,7
Financial liabilities		1 360 305,7	1 863 322,9
- Borrowings and other liabilities owed to lending institutions	11	4 431,6	7 025,5
- Borrowings and financial liabilities	12	1 355 874,1	1 856 297,4
Operating liabilities		5 007 730,8	4 194 009,2
- Trade payables and related accounts	13	12 498,0	9 610,3
- Tax and company liabilities	14	0,0	278,8
- Other liabilities	15	4 995 232,8	4 184 120,1
Miscellaneous liabilities		1 200 363,2	925 110,8
- Accounts payable on non-current assets and related accounts payable	16	1 200 363,2	925 110,8
Deferred income	17	19 541,6	25 584,1
Unrealised foreign exchange gains	18	12 957,6	9 486,9
Total liabilities		30 948 205,9	29 551 499,2

EPIC BPIFRANCE PUBLISHABLE PROFIT AND LOSS STATEMENT

	Notes	31/12/2020	31/12/2019
(in thousands of euros)			
Operating earnings		0,0	0,0
Operating expenses	19	-13 990,4	-14 482,5
- Other purchases and external charges		-4 170,5	-4 747,7
- Taxes and duties and similar payments		-544,9	-1 401,7
- Salaries & wages		0,0	-10,0
- Social charges		0,5	-4,1
- Other expenses		-9 275,5	-8 319,0
NET OPERATING INCOME		-13 990,4	-14 482,5
Financial income		211 475,9	551 414,8
- Dividends	20	66 000,0	429 298,3
- Other interests and similar income	21	145 475,9	122 116,5
Financial expenses		-468 641,0	-128 049,9
- Other interest and similar charges	22	-468 641,0	-128 049,9
FINANCIAL RESULT		-257 165,1	423 364,9
Extraordinary income	23	11 067 681,2	120 698,3
- Income from disposal of assets		11 067 681,2	120 698,3
Extraordinary expenses	24	-11 236 721,2	-141 421,5
- Book values of assets sold		-11 236 721,2	-141 421,1
- On management transactions		0,0	-0,4
EXTRAORDINARY PROFIT OR LOSS		-169 040,0	-20 723,2
CURRENT INCOME BEFORE TAXES		-440 195,5	388 159,2
- Income tax	25	-9 947,8	-10 960,5
FISCAL YEAR EARNINGS		-450 143,3	377 198,7

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- **Note 1 - Significant facts and events after the closing**

1.1 Significant events during the fiscal year

1.1.1 Impact of the health crisis

2020 was marked by the unprecedented health crisis linked to Covid-19. This pandemic affected economic and social activities on an international scale. Its economic repercussions are far-reaching.

In order to continue to carry out its public interest missions, supporting public policies and in the context of an increase in Bpifrance's guarantee activity of due to the health crisis, EPIC Bpifrance contributed in particular to the Bpifrance Mutual Fund for guarantee funds in the amount of €115 million.

EPIC Bpifrance approved the €10 billion increase in the ceiling for Bpifrance's EMTN programme.

The timetable for the Innovation and Industry Fund activities was revised on account of the significant impact of the crisis on actual available revenues.

1.1.2 Merger-absorption of Bpifrance SA by Bpifrance Financement

Bpifrance SA, an investment held equally between EPIC Bpifrance and the Caisse des Dépôts Group, was absorbed by its subsidiary Bpifrance Financement on 18 December 2020.

The purpose of this operation is to increase the Bpifrance Group's ability to act as well as streamline its organisation.

Due to its lack of commercial substance, the exchange of securities was recognised at the net book value of €10,431.1 million.

Following the transaction, EPIC Bpifrance holds 49.29% of Bpifrance (formerly Bpifrance Financement), still in equal shares with the Caisse des Dépôts Group.

1.1.3 Innovation and Industry Fund

In fiscal year 2020, two operations Impacted the Innovation and Industry Fund (IIF):

- a cash endowment from the French State, whose principal is non-expendable. Its amount of €1.9 billion, paid on 29 July 2020, was placed in an account opened with Agence France Trésor (AFT);
- a partial repurchase of the non-expendable allocation of EDF shares by the French State, covering 61 million shares. These were incorporated at the market price on 23 October 2020, i.e. a total amount of €636.5 million. Their net book value was €675.6 million.

1.2 Post-balance sheet events

No significant events occurred after the balance sheet date.

- **Note 2 - Presentation and assessment rules**

The annual financial statements of EPIC Bpifrance have been prepared and presented in accordance with ANC (Accounting Standards Authority) Regulation No. 2014-03 on the General Chart of Accounts.

- **Balance sheet**

The related receivables and payables are grouped together with the asset or liability items to which they relate.

The shareholders' equity heading includes the items "subscribed capital", "retained earnings" and "net income for the year".

In the "Financial fixed assets" heading, the equity interests include securities that are held for the long term as this is considered to be useful for the company's activities, notably because it allows for influence over the company issuing the securities or to assume control of it. The Portfolio Securities (TIAP) are identified as securities for portfolio activity, which consists of investing all or part of its assets in a portfolio of securities to draw from it, over a shorter or longer horizon, a satisfactory yield and which do not involve any involvement in the management of the companies whose securities are held. These securities are valued at the lower of either their cost price or their value in use at the year-end. The latter is determined in particular as a function of net asset value, the outlook for the business and the market value for TIAPs.

Receivables and payables in foreign currencies denominated in foreign currencies are recorded at the exchange rate of the currency in question on the day of the transaction. At the end of the fiscal year, they are revalued in euros on the basis of the most recent exchange rate. Translation differences are recognised in the balance sheet under "Translation adjustments".

- **Profit and loss statement**

The proceeds and expenses are classified by category.

Interest and guarantee commissions are recognised through profit or loss using the accrual method.

Dividends are recognised as from the payment decision made by the authorised body of the paying company.

Unrealized foreign exchange losses are subject to a provision for risks.

- **Note 3 - Equity Interests**

(in thousands of euros)	31/12/2020	31/12/2019
Equity interests Bpifrance	10 431 146,2	10 431 146,2
Equity interests Sociétés de Projets Industriels Fund(1)	661 111,5	424 999,0
Equity interests Ambition Amorçage Angels Fund(2)	49 085,0	49 999,0
Equity interests PSIM Fund(3)	142 275,0	150 000,0
Equity interests National Amorçage Fund(4)	349 749,0	249 749,0
Equity interests Multicap Croissance Fund(5)	499 799,0	359 799,0
Equity interests French Tech Seed Fund(6)	250 000,0	100 000,0
Net amount	12 383 165,7	11 765 692,2

(1) Subscription to shares in the FPCI Sociétés de Projets Industriels Fund on 27 November 2014 and 18 November 2020.

(2) Subscription to shares in the FPCI Ambition Amorçage Angels Fund on 17 February 2016.

(3) Subscription to shares in the FPCI PSIM Fund on 1 June 2017.

(4) Subscription to shares in the FPCI National Amorçage Fund on 26 June 2018 and 17 December 2020.

(5) Subscription to shares in the FPCI Multicap Croissance Fund on 5 July 2018, 16 September 2019 and 6 November 2020.

(6) Subscription to shares in the FCPI French Tech Seed Fund on 15 March 2019 and 9 October 2020.

Table of subsidiaries and investments at 31 December 2020

Subsidiaries and equity interests (in thousands of euros)	Financial information									
	Capital	Shareholders' equity other than capital	Share of capital held as a percentage	Gross book value of securities held	Net book value of securities held	Loans and advances granted by the company and not yet repaid	Amount of sureties and endorsements given by the company	Revenue excluding taxes or NBI for the last fiscal year	Income (profit or loss for the last fiscal year)	Dividends collected by the company during the fiscal year
A - Detailed information on subsidiaries and equity interests representing at least 1% of the Company's capital										
1. Subsidiaries (more than 50% of the capital held)										
2. Equity interests (10 to 50% of the capital held)										
Bpifrance siren 320 252 489 27-31 avenue du Général Leclerc 94710 Maisons Alfort	5 440 000	16 845 732	49,2%	10 431 146	10 431 146	1 346 002	42 300 140	937 010	-47 918	0
B - Overall information on subsidiaries and equity interests representing less than 1% of the Company's share capital										
1. Subsidiaries not included in paragraph A										
a. French subsidiaries (all)				1 952 020	1 952 020					
b. Foreign subsidiaries (all)										
2. Equity interests not included in paragraph A										
a. In French companies (all)										
b. In foreign companies (all)										

• Note 4 - Portfolio securities

Capitalised securities in the portfolio activity represent the allocation of non-expendable securities paid by the French State as part of the implementation of the Innovation and Industry Fund.

(in thousands of euros)	31/12/2020	31/12/2019
EDF portfolio securities*	3 605 776,7	4 281 351,7
TSA portfolio securities	4 989 067,2	4 989 067,2
Net amount	8 594 843,9	9 270 418,9

* See Note 1.1.3 "Significant events".

• Note 5 - Loans

(in thousands of euros)	31/12/2020	31/12/2019
Loan in Pounds Sterling (1)(2)	4 431,6	7 024,1
Loans in euros (2)	1 341 570,0	1 841 570,0
Receivables	14 304,1	14 728,8
Total (1)	1 360 305,7	1 863 322,9

(1) The change in value stems from fluctuations in exchange rates and loan amortisation.

(2) Loans granted to Bpifrance, including a repayment of €500 million on 22 December 2020.

Breakdown of loans by residual maturity at 31 December 2020

(in thousands of euros)	D ≤1 yr.	D >1 yr.
Loans (excluding associated receivables)	502 215,8	843 785,8
1 346 001,6		

• **Note 6 - Other financial assets**

(in thousands of euros)	31/12/2020	31/12/2019
PPMTR allowance (1)	47 562,0	48 266,5
Reserve fund (2)	617 965,7	618 635,1
Innovation and Industry Fund Receivables	128 142,2	54 141,3
French State current account – Agence France Trésor Innovation Capital (3)(4)	3 500 000,0	0,0
Total	4 293 669,9	721 042,9

(1) Equity loans for catering-trade modernisation and business transfer.

(2) Reserve fund with Bpifrance.

(3) See Note 1.1.3 "Significant events".

(4) The non-expendable principal of the cash allowance paid by the French State to the Innovation and Industry Fund was reclassified from the Cash heading to the Other financial assets heading for fiscal year 2020.

Breakdown of other financial assets by residual maturity at 31 December 2020

(in thousands of euros)	D ≤1 yr.	D >1 yr.
Other financial assets (before related loans & receivables)	0,0	4 293 669,9
4 293 669,9		

• **Note 7 - Other receivables**

(in thousands of euros)	31/12/2020	31/12/2019
Accrued EMTN underwriting fees	39 664,9	32 544,1
Tax receivables	3 175,2	10 267,6
Allocation receivable (State)	935 140,0	1 068 800,0
- Structuring projects for competitiveness	376 000,0	476 000,0
- Innovation assistance	83 500,0	211 000,0
- Sector support	403 800,0	348 800,0
- French Tech Tremplin	1 840,0	0,0
- SIA (Incorporation of SATT, incubators and accelerators)	70 000,0	33 000,0
Other receivables	0,3	0,2

BREAKDOWN OF OTHER RECEIVABLES BY RESIDUAL MATURITY AS OF 31 DECEMBER 2020

(in thousands of euros)	D ≤1 yr.	D >1 yr.
Other receivables	977 980,4	0,0
977 980,4		

- Note 8 - Cash**

(in thousands of euros)	31/12/2020	31/12/2019
Bank account	3 286,4	2 674,7
Bpifrance current account	21 703,1	131 830,4
State current account – Agence France Trésor	95 854,5	95 852,4
State current account – Agence France Trésor Investissement d'Avenir	2 837 511,4	2 552 501,0
State current account – Agence France Trésor Innovation (1)	366 927,3	427 065,1
State current account – Agence France Trésor Innovation Capital (2)	0,0	1 600 000,0
Total	3 325 282,7	4 809 923,6

- Note 9 - Unrealised foreign exchange losses**

(in thousands of euros)	31/12/2020	31/12/2019
Unrealised foreign exchange losses	12 957,6	9 486,8
Total	12 957,6	9 486,8

- Note 10 - Shareholders' equity**

(in thousands of euros)	31/12/2019	Allocation of earnings	Capital increase	Capital decrease	Net income 2020	31/12/2020
Capital	20 873 440,8		1 900 000,0 *	636 535,0 *		22 136 905,8
Retained earnings	1 283 345,8	377 198,7				1 660 544,5
Profit or loss for the fiscal year	377 198,7	-377 198,7			-450 143,3	-450 143,3
Total	22 533 985,3	0,0	1 900 000,0	636 535,0	-450 143,3	23 347 307,0

* See Note 1.1.3 "Significant events".

Pursuant to Article 79 of the Amending Finance Law No. 2001-1276 of 28 December 2001 (amended by Article 88 of the Amending Finance Law No. 2003-1312 of 30 December 2003 for 2003), a dividend may be collected by the French State. The dividend is deducted in priority from the distributable profit for the fiscal year, within the meaning of Article L. 232-11 of the French Commercial Code. It may be drawn from available reserves. Capital allocations received by public institutions do not give rise to remuneration. After examining the financial situation of the public institution and ascertaining the existence of distributable sums, on the report of the Board of Directors, the Minister for the Economy and the Minister for the Budget determine by decree the amount of the dividend paid to the French State.

No dividends were paid during the fiscal year.

- Note 11 - Borrowings and other liabilities owed to lending institutions**

(in thousands of euros)	31/12/2020	31/12/2019
Loan in Pounds Sterling (European Investment Bank)	4 431,6	7 024,1
Debts	0,0	1,4
Total	4 431,6	7 025,5

Breakdown of loans by residual maturity at 31 December 2020

(in thousands of euros)	D ≤1 yr.	1 yr. <D ≤5 yrs.	D >5 yrs.
Borrowings and other liabilities owed to lending institutions (excluding associated liabilities)	2 215,8	2 215,8	0,0
Total	4 431,6		

- Note 12 - Financial loans and debts**

(in thousands of euros)	31/12/2020	31/12/2019
State loans	1 341 570,0	1 841 570,0
Debts	14 304,1	14 727,4
Total	1 355 874,1	1 856 297,4

Breakdown of financial loans and debts by residual maturity at 31 December 2020

(in thousands of euros)	D ≤1 yr.	1 yr. <D ≤5 yrs.	D >5 yrs.
State loans (excluding associated liabilities)	500 000,0	841 570,0	0,0
	1 341 570,0		

- Note 13 - Trade creditors and other accounts payable**

These debts are all payable in under one year.

- Note 14 - Tax and social charges payable**

These debts are all payable in under one year.

- **Note 15 - Other debts**

(in thousands of euros)	31/12/2020	31/12/2019
Investing in the Future public resources	4 416 645,5	4 013 837,7
Other public intervention resources	65 356,4	65 356,4
Catering-trade Modernisation Fund	49 597,8	50 300,2
Allowance payable to the Innovation and Industry Fund	351 899,6	32 054,3
Allowance payable to Bpifrance Participations (1)	461,5	1 392,7
Expenses payable to Bpifrance	3 608,2	4 277,6
Other debts (2)	107 663,8	16 900,0
Other expenses to be paid	0,0	1,2
Total	4 995 232,8	4 184 120,1

(1) As part of the Support activity.

Breakdown of other debts by residual maturity as at 31 December 2020

(in thousands of euros)	D ≤1 yr.	1 yr. <D ≤5 yrs.	D >5 yrs.
Other debts	4 995 232,8	0,0	0,0
	4 995 232,8		

- Note 16 - Accounts payable on non-current assets and related accounts payable**

(in thousands of euros)	31/12/2020	31/12/2019
Sociétés de Projets Industriels Fund securities to be paid up	283 606,7	159 561,0
Ambition Amorçage Angels Fund securities to be paid up	17 999,6	24 499,5
PSIM Fund securities to be paid up	66 975,0	80 400,0
National Amorçage Fund securities to be paid up	313 200,2	236 137,7
Multicap Croissance Fund securities to be paid up	418 581,7	335 512,6
French Tech Seed Fund securities to be paid up	100 000,0	89 000,0
Total	1 200 363,2	925 110,8

Breakdown of accounts payable on non-current assets and related accounts by residual maturity at 31 December 2020

(in thousands of euros)	D ≤1 yr.	1 yr. <D ≤5 yrs.	D >5 yrs.
Accounts payable on non-current assets and related accounts	1 200 363,2	0,0	0,0
	1 200 363,2		

- Note 17 - Unearned income**

(in thousands of euros)	31/12/2020	31/12/2019
Bpifrance guarantee commissions to be spread	19 541,6	25 584,1
Total	19 541,6	25 584,1

- **Note 18 - Unrealised foreign exchange gains**

	31/12/2020	31/12/2019
(in thousands of euros)		
Unrealised foreign exchange gains	12 957,6	9 486,8
Total	12 957,6	9 486,8

- **Note 19 - Operating expenses**

	31/12/2020	31/12/2019
(in thousands of euros)		
Group company services (1)	-1 258,0	-1 177,2
External charges	-92,7	-81,4
Reserve fund (2)	-2 819,8	-3 489,1
<i>Subtotal</i>	<i>-4 170,5</i>	<i>-4 747,7</i>
Taxes and duties and similar payments	-544,9	-1 401,7
<i>Subtotal</i>	<i>-544,9</i>	<i>-1 401,7</i>
Personnel expenses		
- Salaries & wages	0,0	-10,0
- Pension expenses	0,0	-1,0
- Other social charges	0,5	-3,1
<i>Subtotal</i>	<i>0,5</i>	<i>-14,1</i>
Other expenses (3)	-9 275,5	-8 319,0
<i>Subtotal</i>	<i>-9 275,5</i>	<i>-8 319,0</i>
Total	-13 990,4	-14 482,5

(1) Group company services consist of re-invoicing personnel.

(2) This amount corresponds to reallocations from the reserve fund to the guarantee funds.

(3) Expenses related to action programmes of the Support activity.

- Note 20 - Dividends**

	31/12/2020	31/12/2019
Bpifrance dividends	0,0	208 500,0
EDF dividends	0,0	120 698,3
TSA dividends	66 000,0	100 100,0
Total	66 000,0	429 298,3

- Note 21 - Interest and similar income**

(in thousands of euros)	31/12/2020	31/12/2019
Interest Bpifrance loans in euros	37 327,5	39 557,8
Interest Bpifrance loans in currency	22,6	72,2
Bpifrance guarantee commissions	45 707,5	39 161,7
Reserve fund	2 819,7	3 489,1
Interest State current account – Agence France Trésor Innovation Capital	59 598,6	39 835,7
Total	145 475,9	122 116,5

- Note 22 - Interest and similar expenses**

(in thousands of euros)	31/12/2020	31/12/2019
Interest State loan	-37 327,5	-39 557,8
Interest European Investment Bank loan	-22,6	-72,2
Bank account interest	-10,2	-11,2
Other financial expenses*	-431 280,7	-88 408,7
Total	-468 641,0	-128 049,9

* Losses and impairments of receivables related to the Innovation and Industry Fund.

- **Note 23 - Extraordinary income**

(in thousands of euros)	31/12/2020	31/12/2019
Income from disposal of Bpifrance financial assets (1)	10 431 146,2	0,0
Income from disposal of EDF financial assets (2)	636 535,0	120 698,3
Total	11 067 681,2	120 698,3

(1) See Note 1.1.2 "Significant events".

(2) See Note 1.1.3 "Significant events".

- **Note 24 - Extraordinary expenses**

(in thousands of euros)	31/12/2020	31/12/2019
Book value of Bpifrance financial assets sold (1)	-10 431 146,2	0,0
Book value of EDF financial assets sold (2)	-675 575,0	-141 421,1
Contribution to the mutual fund of Bpifrance's guarantee funds (3)	-115 000,0	0,0
Contribution to the automotive cash-strengthening fund	-15 000,0	0,0
Penalties	0,0	-0,4
Total	-11 236 721,2	-141 421,5

(1) See Note 1.1.2 "Significant events".

(2) See Note 1.1.3 "Significant events".

(3) See Note 1.1.1 "Significant events".

- Note 25 - Corporate income tax**

Tax is booked using the tax payable method.

Taxable income amounted to €40.2 million, accounting income of the IIF-exempt sector was -€344.9 million and that of the taxable sector was -€95.2 million.

Income tax was recognized in other receivables at 31 December 2020.

Non-taxable sector of the Innovation and Industry Fund

(in thousands of euros)	31/12/2020	31/12/2019
External charges	-240,0	-360,0
<i>Net operating income</i>	<i>-240,0</i>	<i>-360,0</i>
Dividends	66 000,0	220 798,3
Interest State current account – Agence France Trésor Innovation Capital	59 598,6	39 835,7
Other financial expenses	-431 280,7	-88 408,7
<i>Financial result</i>	<i>-305 682,1</i>	<i>172 225,3</i>
Income from disposal of EDF financial assets	636 535,0	120 698,3
Book value of EDF financial assets sold	-675 575,0	-141 421,1
<i>Extraordinary profit or loss</i>	<i>-39 040,0</i>	<i>-20 722,8</i>
<i>Pre-tax earnings</i>	<i>-344 962,1</i>	<i>151 142,5</i>
<i>Profit or loss for the fiscal year</i>	<i>-344 962,1</i>	<i>151 142,5</i>

- **Note 26 - Off-balance sheet commitments**

	31/12/2020	31/12/2019
(in thousands of euros)		
<u>COMMITMENTS GIVEN</u>		
Financing commitments		
. Commitments to lending institutions		
. Commitments to customers		
Guarantee commitments	42 300 140,1	37 033 222,2
- Commitments on behalf of lending institutions*	42 300 140,1	37 033 222,2
. Commitments on behalf of customers		
Commitments on securities		
. Securities acquired with buyback or takeback option		
. Other commitments given		
<u>COMMITMENTS RECEIVED</u>		
Financing commitments		
. Commitments received from lending institutions		
Guarantee commitments		
. Commitments received from lending institutions		
Commitments on securities		
. Securities sold with buyback or takeback option		
. Other commitments received		

* The guarantee commitments given, i.e.€42,300.1 million, are representative of the guarantee granted by EPIC Bpifrance to investors in Bpifrance issuance programmes.

Other commitments: see Note 28.

- **Note 27 - Compensation paid to members of administrative bodies**

No compensation was paid to the directors.

- Note 28 - Information on related parties**

A €50 million commitment was given under the agreement between Bpifrance Participations and Epic Bpifrance to complete action programmes for the Support activity. €7.7 million were committed in 2020.

Transactions with related parties are negotiated at arm's length.

- Note 29 - Activities on behalf of third parties**

	31/12/2020					
	Assets			Liabilities		
	Securities and receivables	Principal's account	Total	Debts	Principal's account	Total
(in thousands of euros)						
SATT activity*	443 325,60		443 325,60		443 325,60	443 325,60
Total	443 325,60	0,00	443 325,60	0,00	443 325,60	443 325,60

* Equity interests in Technology Transfer Accelerator Companies (SATT) on behalf of the French State.

5. REPORTS FROM THE STATUTORY AUDITORS

5.1. Report on the consolidated financial statements

mazars

Tour EXALTIS
61, Rue Henri Regnault
92400 Courbevoie

KPMG

Tour EQHO
2 Avenue Gambetta
CS 60065
92086 Paris la Défense Cedex

EPIC Bpifrance

**Report of the Statutory Auditors on the consolidated
financial statements**

(Fiscal year ended 31 December 2020)

EPIC Bpifrance

Capital of 22 136 905 793,57 euros

Registered office : 27-31, avenue du Général Leclerc, 94710 Maisons-Alfort

Report of the Statutory Auditors on the consolidated financial statements

(Fiscal year ended 31 December 2020)

Ladies and Gentlemen,

Opinion

In performing the assignment entrusted to us by your Board of Directors, we conducted an audit of the EPIC Bpifrance consolidated financial statements for the fiscal year ended 31 December 2020, as appended hereto.

We certify that, in accordance with the IFRS standards adopted by the European Union, the consolidated financial statements are true and fair and present an accurate picture of the results of the operations of the past fiscal year, as well as the financial situation and assets, at fiscal year-end, of the group consisting of the persons and entities included in the consolidation.

Basis for the opinion**Audit guidelines**

We conducted our audit in accordance with professional standards applicable in France. We believe that the elements we have collected provide a sufficient and appropriate basis for our opinion. The responsibilities incumbent on us pursuant to these standards are included in the section entitled "Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements," in this report.

Independence

We carried out our audit in compliance with the rules of independence applicable to us, over the period from 1 January 2020 at the date of issue of our report.

Justification of our assessments

The global crisis related to the Covid-19 pandemic created particular conditions for the preparation and audit of the financial statements for this fiscal year. This crisis and the exceptional measures taken as part of the state of health emergency had multiple consequences for businesses, in particular on their activity and their financing, as well as heightened uncertainties about their future outlook. Some of these measures, such as travel restrictions and working from home, also had an impact on the internal organisation of companies and the way in which audits are conducted.

It is in this complex and evolving context that, in accordance with Article L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we draw your attention to the following assessments which, in our professional judgement, were the most important for the audit of the consolidated financial statements for the fiscal year.

The assessments thus made are part of our audit of the consolidated financial statements taken as whole and have contributed to forming the opinion we expressed above. We do not express an opinion on any items in these consolidated financial statements taken separately.

As indicated in Note 4 "Scope of consolidation", your company accounts for Bpifrance securities using the equity method. As part of our assessment of the accounting rules and principles used by your company, as presented in Notes 3.3 "Holdings in equity-consolidated companies" and 3.4 "Consolidation rules", we verified the appropriateness of the accounting methods referred to above and of the information provided in Notes 6.2 "Interests in companies accounted for using the equity method" and 7.4 "Share of net income from companies accounted for using the equity method" to the consolidated financial statements, and we ensured that they had been correctly applied.

As indicated in Note 6.1 "Financial assets measured at fair value through shareholders' equity", your company recognizes an allowance for non-expendable securities paid by the State as part of the set-up of the Innovation and Industry Fund in the category "Shares and other variable income securities". As part of your assessments of the accounting rules and principles used by your company, as presented in Note 5.2 "Recognition of financial assets and liabilities", we verified the appropriateness of the accounting methods above and of the information provided in Notes 6.1 "Financial assets measured at fair value through shareholders' equity" and 7.4 "Other financial income and charges" to the consolidated financial statements and we ensured that they had been correctly applied.

Specific verification

We also proceeded, in accordance with the professional standards applicable in France, with the specific legal and regulatory verifications of the information provided on the Group in the management report of the Board of Directors.

We have no comments to make regarding their sincerity or their consistency with the consolidated financial statements.

Responsibilities of Senior Management and persons comprising the corporate governance relating to the consolidated financial statements

It is the responsibility of Senior Management to prepare consolidated financial statements that present a true and fair view in accordance with IFRS as adopted in the European Union and to implement the internal controls that it deems necessary for the preparation of consolidated financial statements that do not contain any material misstatements, whether due to fraud or error.

When preparing the annual financial statements, it is incumbent on Senior Management to assess the company's capacity to continue operating; to present in these financial statements, as applicable, the necessary information on its business continuity and to apply the accounting convention on business continuity, unless there is a plan to liquidate the company or discontinue operations.

The consolidated financial statements were prepared by your Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements

It is our responsibility to prepare a report on the consolidated financial statements. Our objective is to obtain reasonable assurance that the consolidated financial statements do not contain any significant misstatements. Reasonable assurance is a high level of assurance, but it does not guarantee that an audit conducted in accordance with the applicable professional standards will systematically detect any and all significant misstatements. Misstatements may be due to fraud or error and are considered significant when they can reasonably be expected, taken individually or together, to influence the economic decisions that users of the financial statements make on the basis thereof.

As stipulated in Article L. 823-10-1 of the French Commercial Code, our certification assignment for the financial statements does not consist in guaranteeing the viability or quality of your company's management.

In the context of an audit conducted in accordance with the professional standards applicable in France, the Statutory Auditor exercises his or her professional judgement throughout that audit.

Moreover:

- he/she identifies the risks that the consolidated financial statements contain significant misstatements, whether these are the result of fraud or error, defines and implements audit procedures to deal with these risks, and gathers the materials that he/she deems sufficient and appropriate to form his/her opinion. The risk of a failure to detect a significant misstatement resulting from fraud is higher than that of a significant misstatement resulting from an error, because fraud can involve collusion, falsification, wilful omissions, false statements, or circumvention of internal control;
- he/she familiarises him/herself with the internal control relevant to the audit in order to define the appropriate audit procedures in the circumstances, and not for the purpose of expressing an opinion on the effectiveness of the internal control;
- he/she appraises the appropriateness of the accounting methods applied and the reasonable nature of accounting estimates made by Senior Management, as well as the information about them provided in the consolidated financial statements;
- he/she appraises the appropriateness of Senior Management's application of the accounting policy of business continuity and, based on the items collected, the existence or not of significant uncertainty relating to events or circumstances that may compromise the company's capacity to continue operating. This assessment is based on the items collected up until the date of the report; however, subsequent circumstances or events could compromise business continuity. If the Statutory Auditor concludes that there is significant uncertainty, he/she draws the readers' attention to the information provided in the consolidated financial statements about such uncertainty or, if this information is not provided or not relevant, formulates a qualified certification or a refusal to certify;
- he/she reviews the overall presentation of the consolidated financial statements and assesses whether the consolidated financial statements reflect the underlying transactions and events in such a way as to provide a true and fair view;
- with respect to the financial information of the persons or entities included in the scope of consolidation, he/she collects those items he/she considers sufficient and appropriate to express an opinion on the consolidated financial statements. He/she is responsible for the management, supervision, and completion of the audit of the consolidated financial statements, as well as the opinion expressed on those financial statements.

The Statutory Auditor,

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Mazars

Courbevoie, on 28 March 2021

KPMG S.A.

Paris La Défenses, on 28 March 2021

 Signature
numérique de
Matthew
BROWN
Date : 2021.03.26
17:03:56 +01'00'

Matthew BROWN

Ulrich SARFATI

5.2. Report on the individual financial statements



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92096 Paris la Défense Cedex
France



Mazars
Tour Exilia
61, rue Henri Regnault
92400 Courbevoie
France

EPIC Bpifrance

*Statutory Auditors' report on the annual financial
statements*

Fiscal year ended 31 December 2020

EPIC Bpifrance

27-31, avenue du Général Leclerc 94710 Maisons - Alfort

This report contains 28 pages.



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France



Mazars
Tour Exaltis
81, rue Henri Regnaud
92400 Courbevoie
France

EPIC Bpifrance

Registered office : 27-31, avenue du Général Leclerc 94710 Maisons - Alfort
Issued capital: €22,138,905,793.57

Statutory Auditors' report on the annual financial statements

Fiscal year ended 31 December 2020

Ladies and Gentlemen,

Opinion

In execution of the mission entrusted to us by your Board of Directors : we have audited the annual financial statements of EPIC Bpifrance for the fiscal year ended 31 December 2020, as attached to this report.

We certify that the annual financial statements are, with respect to French accounting rules and principles, true and fair and provide an accurate picture of the results of the operations of the past fiscal year and of the financial situation and asset base of the company at the end of the fiscal year.

Basis for the opinion

Audit guidelines

We conducted our audit in accordance with professional standards applicable in France. We believe that the elements we have collected provide a sufficient and appropriate basis for our opinion. The responsibilities incumbent on us pursuant to these standards are included in the section entitled "Responsibilities of the Statutory Auditors relating to the audit of the annual financial statements," in this report.

Independence

We carried out our audit in compliance with the rules of independence provided for by the French Commercial Code and by the Code of Ethics for the Statutory Auditors, over the period from 1 January 2020 to the date of issue of our report.

**Justification of our assessments**

The global crisis related to the Covid-19 pandemic created particular conditions for the preparation and audit of the financial statements for this fiscal year. This crisis and the exceptional measures taken as part of the state of health emergency had multiple consequences for businesses, in particular on their activity and their financing, as well as heightened uncertainties about their future outlook. Some of these measures, such as travel restrictions and working from home, also had an impact on the internal organisation of companies and the way in which audits are conducted.

It is in this complex and evolving context that, in accordance with Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we hereby inform you that the most important assessments we carried out, in our professional judgement, related to the appropriate nature of the accounting principles applied, and to the overall presentation of the financial statements, notably with respect to the financial assets as detailed in Note 2 to the annual financial statements.

The assessments thus made are part of our audit of the annual financial statements taken as whole and have contributed to forming the opinion we expressed above. We do not express an opinion on any items in these annual financial statements taken separately.

Specific verification

We also proceeded, in accordance with the professional standards applicable in France, with the specific legal and regulatory verifications.

We have no comments to make regarding their sincerity or their consistency with the annual financial statements of the information provided in the Board of Directors' management report and in the other documents provided to the members of the Board of Directors regarding the financial situation and annual financial statements.

Responsibilities of Senior Management and persons comprising the corporate governance relating to the annual financial statements

It is the responsibility of Senior Management to prepare the annual financial statements presenting a true and fair view, in accordance with French accounting rules and principles, as well as setting up the internal control that it deems necessary to the preparation of annual financial statements that do not contain any significant misstatements, whether due to fraud or error.

When preparing the annual financial statements, it is incumbent on Senior Management to assess the company's capacity to continue operating; to present in these financial statements, as applicable, the necessary information on its business continuity and to apply the accounting convention on business continuity, unless there is a plan to liquidate the company or discontinue operations.

The annual financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the annual financial statements

Our responsibility is to prepare a report on the annual financial statements. Our objective is to obtain reasonable assurance that the annual financial statements do not contain any significant misstatements. Reasonable assurance is a high level of assurance, but it does not guarantee that an audit conducted in accordance with the applicable professional standards will systematically detect any and all significant misstatements. Misstatements may be due to fraud or error and are considered significant when they can reasonably be expected, taken individually or together, to influence the economic decisions that users of the financial statements make on the basis thereof.

As stipulated in Article L. 823-10-1 of the French Commercial Code, our certification assignment for the financial statements does not consist in guaranteeing the viability or quality of your company's management.

In the context of an audit conducted in accordance with the professional standards applicable in France, the Statutory Auditor exercises his or her professional judgement throughout that audit. Moreover:

- the Statutory Auditor identifies the risks that the annual financial statements contain significant misstatements, whether they are the result of fraud or error, defines and implements audit procedures to deal with them risks, and gathers the materials that he/she deems sufficient and appropriate to form his/her opinion. The risk of a failure to detect a significant misstatement resulting from fraud is higher than that of a significant misstatement resulting from an error, because fraud can involve collusion, falsification, wilful omissions, false statements, or circumvention of internal control;
- he/she familiarises him herself with the internal control relevant to the audit in order to define the appropriate audit procedures in the circumstances, and not for the purpose of expressing an opinion on the effectiveness of the internal control;
- he/she assesses the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by management, as well as the information about them provided in the annual financial statements;
- he/she appraises the appropriateness of Senior Management's application of the accounting policy of business continuity and, based on the items collected, the existence or not of significant uncertainty relating to events or circumstances that may compromise the company's capacity to continue operating. This assessment is based on the items collected up until the date of the report; however, subsequent circumstances or events could compromise business continuity. If the Statutory Auditor concludes that there is significant uncertainty, he/she draws the readers' attention to the information provided in the annual financial statements about such uncertainty or, if this information is not provided or not relevant, formulates a qualified certification or a refusal to certify;
- he/she reviews the overall presentation of the annual financial statements and assesses whether the annual financial statements reflect the underlying operations and events in such a way as to provide a true and fair view.



EPIC Bpifrance
Statutory Auditors' report on the annual financial statements
20 March 2021


The Statutory Auditors

Paris La Défense, 26 March 2021

Courbevoie, 26 March 2021

KPMG S.A.

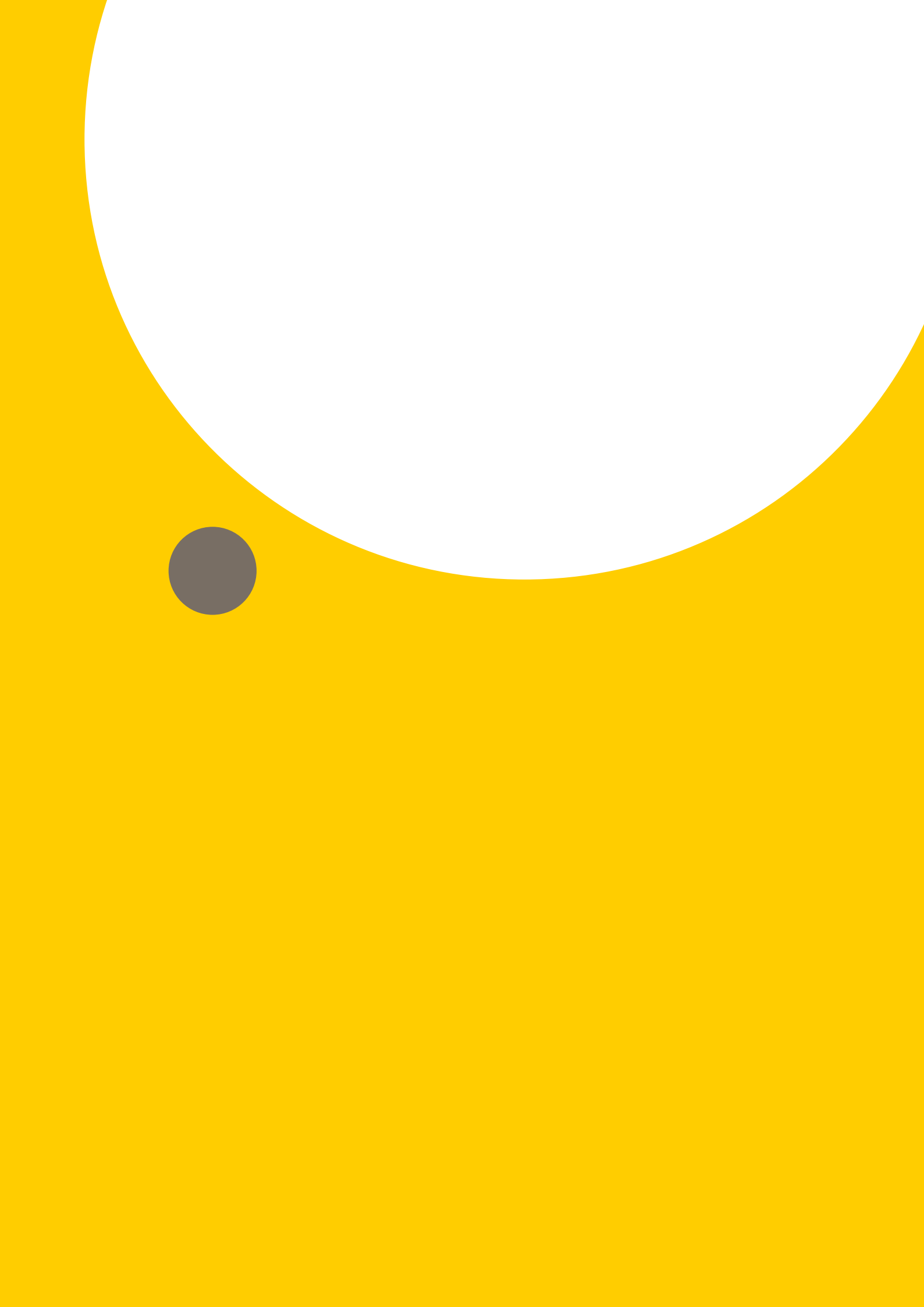
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Ulrich Sarfati
Partner

 Signature
numérique de
Matthew
BROWN
Date:
2021.03.26
17:02:04 +01'00'

Matthew Brown
Partner





Bpifrance
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Creteil TCR number 483 790 069

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