



**ANNUAL
REPORT**
EPIC Bpifrance
2019

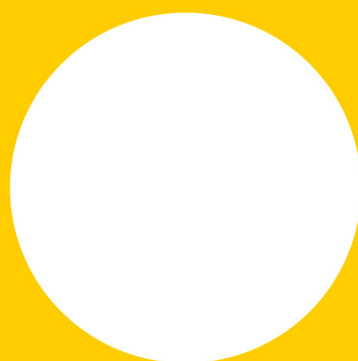






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1. MANAGEMENT REPORT

1.1. History of the EPIC Bpifrance Group

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 the OSEO group's operational entities 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 the OSEO Financement company, that became the SA OSEO, 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 gathers the activities of OSEO, CDC Entreprises and the Strategic Investment Fund. The creation of the Banque Publique d'Investissement 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 (now Bpifrance Financement). BPI-Groupe SA (now Bpifrance SA), a newly-created financial company has, since 12 July 2013, being held equally by the State via EPIC Bpifrance and the Caisse des Dépôts et Consignations. The SA OSEO, now called Bpifrance Financement, became a subsidiary of BPI-Groupe SA, just like the entities that include the own funds activities of CDC Entreprises and the FSI, that have become Bpifrance Investissement and Bpifrance Participations.

1.2. Missions of the EPIC Bpifrance Group

The Bpifrance public establishment 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. It holds a 50% minus one share capital interest in Bpifrance SA., the Bpifrance holding company.

Its purpose is to:

- foster and support innovation, particularly in the technological field, and contribute to technology transfer;
- 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 Financement, a subsidiary of Bpifrance SA.

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 BPI-Group public establishment with public-interest missions compatible with its corporate purpose.

The Bpifrance public establishment 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.

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 2019, the Board of Directors of EPIC Bpifrance met seven times (including two meetings conducted on the basis of a written consultation).

- At the meeting on 11 February 2019, the Board:
 - authorised the signature of the agreements required to implement the Innovation and Industry Funds;
 - decided on the schedule for the use of revenue from the Innovation and Industry Fund and on the 2022 Nano plan payments for 2018 and 2019;
 - authorised the signing of addendum no. 2 to the Investing in the Future Programme agreement (action "strengthening competitiveness hubs" and section on "structuring research and development projects for competitiveness hubs");
 - authorised the signing of addendum no. 4 to the Bourse French Tech agreement between the French State, the INPI and Bpifrance Financement;
 - reviewed the plan to transfer the management of SATTs (Technology Transfer Accelerator Companies) to Bpifrance;
 - ratified the addendum of report no. 2 to the memorandum of understanding relating to the sale of shares in the Fonds Ambition Numérique (Digital Ambition Fund) to Bpifrance Participations.
- At the meeting on 28 March 2019, the Board:
 - approved the separate and consolidated financial statements for the 2018 fiscal year;
 - approved the 2018 annual report;
 - authorised the signing of the agreements needed to implement the transfer the management of SATTs to Bpifrance;
 - authorised the signing of a new version of the agreement between the French State and EPIC Bpifrance relating to the Innovation and Industry Fund;
 - authorised the signing of agreements or addendums relating to the deployment of the Pays de la Loire, SME Auvergne Rhône-Alpes, Sud and Nouvelle Aquitaine accelerators (years 3 and 4) between EPIC, Bpifrance Participations and the regions in question;
 - approved the Energy Transition accelerator agreement between EPIC, Bpifrance Participations and the ADEME.
- In the context of the written consultation that ended on 4 June 2019, the Board:
 - approved the option of payment in EDF shares for the balance of the dividend from this company in respect of 2018;
 - approved the disposal of 5,612,243 EDF shares received by EPIC Bpifrance in respect of the balance of the dividend for 2018 and authorised the Chairman and CEO of EPIC Bpifrance to carry out the required steps to implement this transaction.



- At the meeting on 4 July 2019, the Board:

- authorised the signing of agreements on the Innovation and Industry Grands Défis du Fonds initiative, took decisions relating to the scheduling of this initiative in respect of 2018 and 2019 and the payment of funds to the loan fund;
- approved the provisional budget for the Deeptech Plan management fees;
- authorised the signing of agreements to deploy the Mode et Luxe accelerator and the Bois accelerator;
- authorised the signing of an addendum to the Investing in the Future Programme agreement (action "strengthening competitiveness hubs" and section on "structuring research and development projects for competitiveness hubs");
- authorised the signing of an addendum to the Investing in the Future Programme agreement (action "adaptation and skilling of the workforce" and section on "French Tech Ticket and diversity").

- At the meeting on 24 September 2019, the Board:

- authorised the signing of the agreement to deploy the Boost'up Bretagne innovative company accelerator;
- 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 2020;
- reviewed the half-yearly financial statements (individual and consolidated) of EPIC Bpifrance at 30 June 2019;
- authorised the signing of the "Skills Investment Plan – SIP" partnership agreement relating to the "Entrepreneurship for all" accelerator;
- authorised the signing of an addendum to the agreement signed with the Ministry of Agriculture and Food on the deployment of an Agrifood accelerator;
- authorised the signing of addendum no. 1 to the Investing in the Future Programme regional agreement no. 3 (action "support and transformation of sectors" in the Grand Est region);
- reviewed the commitments of the Innovation and Industry Fund at 30 June 2019 and the composition of its asset remuneration.

- In the context of the written consultation that ended on 29 November 2019, the Board:

- authorised the option of payment in EDF shares for the interim dividend from this company in respect of 2019;
- approved the disposal of 7,157,157 EDF shares received by EPIC Bpifrance in respect of the interim dividend for 2019 and authorised the Chairman and CEO of EPIC Bpifrance to carry out the required steps to implement this disposal.

- At the meeting on 20 December 2019, the Board:

- authorised EPIC Bpifrance's guarantee relating to Bpifrance Financement's 2020 Financing Plan;
- approved the 2020 EPIC Bpifrance budget;
- approved the provisional budget for the Deeptech and Grands Défis Plan management fees;
- authorised the signing of an agreement between EPIC and Bpifrance Participations on the financing of action programmes within the context of the Accelerators mechanism;
- authorised the signing of an agreement to deploy the SME Grand Est accelerator (years 3 and 4) between EPIC, Bpifrance Participations and the region in question;
- approved the amendment of the Board of Directors' internal rules;
- ratified addendum no. 1 to the agreement of 20 December 2018 between the French State and Bpifrance related to the Investing in the Future Programme (action "inclusion of SATTs (Technology Transfer Accelerator Companies), incubators and accelerators").

1.3.1. Board of Directors' meeting of 31 December 201

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

Marie-Anne Lavergne³

Equity Investments Officer at the State Equity Investments Agency

Yann Pouëzat⁴

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

Alban Hautier⁵

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

Naomi Peres⁶

Deputy General Secretary of the General Secretariat for Investment

Guests

Emanuel Charron

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

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

Director representing the French State on the Board of Directors of the SAS France Brevets

Marie-Anne Lavergne

Member representing the French State on the Supervisory Board of La Banque Postale.

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 30 September 2019.

⁴ Appointed by decree dated 8 October 2018.

⁵ Appointed by decree dated 11 March 2019.

⁶ Appointed by decree dated 31 December 2019.



Yann Pouëzat

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

Representative of the French State on the Board of Directors of Bpifrance Financement

Alban Hautier

Member of the Board of Directors of the French National Research Agency (Agence Nationale pour la Recherche).

Representative of the Government Commissioner on the Board of Directors of Business France

Naomi Peres

No other terms of office

1.5. Statutory Auditors at 31 December 2019

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, until 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 term of six fiscal years, until 2022.

1.6. Business report relating to fiscal year 2019

1.6.1. Key events of EPIC Bpifrance and the Bpifrance Group

(i) 2019 key events

Key events concerning EPIC Bpifrance

Innovation and Industry Fund initial disbursements

Although 2018 was the year that the IIF was created, 2019 was the year that the first payments were made. To do so, three new agreements were signed in 2019:

- with the Ministry of Economy and Finance for the 2022 Nano plan dated 12 February 2019
- with Bpifrance Financement for the "Grands défis" initiative dated 1 March 2019
- with the ANR for the "Grands défis" initiative dated 24 September 2019

These agreements were backed by disbursements to operators of innovative systems funded by the IIF amounting to €110.5 million in 2019.

EPIC Bpifrance, in charge of managing SATTs

With the signing of the French State-ANR-EPIC Bpifrance framework agreement, since 19 August 2019, EPIC Bpifrance has been the new operator responsible for managing and monitoring SATTs (Technology Transfer Accelerator Companies).

This new role is also reflected in the takeover by EPIC Bpifrance of the management of Caisse des Dépôts' investment in SATTs.

EPIC Bpifrance governance and corporate life

EPIC Bpifrance was chaired by Pierre Lepetit, Honorary Inspector General of Finance, until 1 May 2019.

Decree no. 2019-1359 amending EPIC Bpifrance's Articles of Association was published in the Official Journal on 15 December 2019.

Key events concerning the Bpifrance Group

The significant events as well as the activity, financial statements at 31 December 2019 and outlook for 2020 of Bpifrance SA and its subsidiaries can be viewed in the annual reports of those entities, published on the Bpifrance website (<http://www.bpifrance.fr> under the "Investors" heading).

(ii) Key events after the closing of the 2019 financial year

Since the close of the 2019 financial year, the Coronavirus pandemic has appeared, rapidly hitting the main economies driving global growth. This has had no effect on the 2019 financial statements presented herein.

EPIC Bpifrance holds the French State's equity interest in Bpifrance (main block). It also holds Thalès and EDF shares within the context of the creation of the Innovation and Industry Fund (IIF block).

With regard to the main block, Bpifrance Group continues to perform the missions that underpin its support for the economy, particularly during this major economic slowdown. Under the aegis of the Public Authorities, the involvement of the Regions and partner banks, Bpifrance is taking exceptional measure to help businesses affected by the downturn to overcome the economic difficulties relating to the Coronavirus epidemic. Details of these measures can be accessed via a freephone number and on the website, with Bpifrance fully assuming its role as National Economic Development Bank, one of the tools of the French State's Economic policy.

On the date that this report was filed, the consequences of this pandemic on Bpifrance Group's 2020 results were difficult, if not impossible, to quantify, in particular with regard to balance sheet items corresponding to the business of equity investment or the bank's role as a funding body. The speed with which the economic support measures agreed by Governments and by the ECB will be implemented is, as yet, unknown.

Depending on companies' resilience, as well as that of the Capital Market, Bpifrance's balance sheet is, in particular, exposed to changes in the valuation of fixed or variable income securities in the portfolio, changes in the credit risk attached to the customer loan portfolio and to changes in the conditions of the markets in which it refinances. These changes will automatically be reflected in the EPIC Bpifrance's 2020 financial statements.

During this containment phase, Bpifrance's business will be conducted in line with the Continuity Plan, which is based on remote working.

Employees' high level of commitment ensures that the bank can provide its Public Service role to SMEs/mid-tier companies.

With regard to the IIF block, the change in the value of the Thalès and EDF shares held within the context of the IIF could have material impacts on EPIC's 2020 individual and consolidated financial statements. The IIF's funding capacity could be affected if EDF and Thalès dividend policies change.

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 may also make public offerings of financial securities and issue any debt securities.

EPIC Bpifrance has four main missions:

- it manages the French State's investment, with Caisse des Dépôts, in the capital of Bpifrance SA, overseeing the proper use of State assets for that purpose in 2019;
- it guarantees the securities issued by Bpifrance Financement, a subsidiary of Bpifrance SA;
- 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 Funds on its balance sheet and manages these programmes.

The guarantee commitments of EPIC Bpifrance to Bpifrance Financement represented an amount of €37.0 billion at 31 December 2019, which breaks down as follows:

- €25.5 billion for bond loans carried out under the EMTN programme;
- €1.5 billion for bilateral loans, 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 2018 (+44%), with issues totalling €4.0 billion in 2019:

2019	Type of transaction	Issue date	Maturity date	Duration	Nominal (€M)
Quarter 1	Syndication	31/01/2019	25/11/2023	5	1,500
Quarter 2	Private placement - retap	24/05/2019	26/09/2028	9	100
	Private placement - retap	18/06/2019	25/05/2030	11	50
Quarter 3	Syndication	02/07/2019	25/05/2026	7	750
	Private placement - retap	11/07/2019	25/05/2030	11	100
	Private placement - retap	24/07/2019	26/09/2028	9	50
	Syndication	17/09/2019	26/09/2029	10	1,250
Quarter 4	Private placement - retap	14/10/2019	26/09/2028	9	50
	Private placement - retap	17/10/2019	24/10/2024	5	50
	Private placement - retap	28/11/2019	04/12/2021	2	50
	Private placement	05/12/2019	25/11/2024	5	50
Total EMTN 2019					4,000

The prospectus that governs this programme was the subject of a supplement dated 14 April 2019, to specify that the ceiling for the EMTN programme had been increased from €30 to €35 billion.

Bpifrance Financement short-term interbank refinancing outstandings (certificates of deposit and securities sold under forward repurchase agreements) were €9.9 billion at 31 December 2019, compared to €10.7 billion at 31 December 2018, i.e. a fall of 7%. This drop was due in particular to the growth in securities given under repurchase agreements which stood at €6.2 billion at 31 December 2019, against €6.8 billion at 31 December 2018, representing a fall of 9%. Outstanding certificates of deposit stood at €3.7 billion at 31 December 2019, against €3.9 billion at 31 December 2018.

1.6.3. Outlook for 2020

In 2020, 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 SA under Article 6, subsections I and III of Order no. 2005-722 of 29 June 2005 and by the guarantee for Bpifrance Financement's 2020 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 €5.9 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.

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 incorporate the consolidated financial statements of Bpifrance according to the equity method, and the individual financial statements of the parent entity. The balance sheet total represents an amount of €29.9 billion against €30.7 billion in 2018. This drop was mainly due to gains and losses recognised directly in equity (-€148.4 million in 2019 compared with €1,631.5 million in 2018).

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

- F2I financial income amounting to €260.6 million (French State dividends and current account interest);
- €39.2 million in income generated by Bpifrance Financement guarantee commissions;
- impairment charges for F2I doubtful receivables amounting to €88.4 million.

Please note that a €300 million charge was recognised in 2018 under "Other operational income and charges") for a contribution to Bpifrance guarantee funds.

Consolidated earnings were supplemented by the inclusion of a share in Bpifrance earnings amounting to €478.2 million in 2019 (compared with €500.8 million in 2018). Dividends received from Bpifrance were neutralised by equity consolidation.

The net profit of the Group is therefore €660.5 million, compared with €485.6 million in 2018.

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.

They are characterised this year by the collection of interim dividends and a dividend, both paid by Bpifrance SA, for €208.5 million, compensation from assets backing the FII comprised of dividends paid by EDF and TSA (€220.8 million) and cash investments estimated at €39.6 million. These amounts, recognised under net financial income, are in addition to the €39.2 million received in remuneration of the guarantee given for the benefit of Bpifrance Financement to cover its debt security issuances. EPIC Bpifrance net income was reduced by €88.4 million in impairment for receivables recognised on the F2I asset as well as by the financing of the Bpifrance Investissement Support activity (€8.3 million).

The operating expenses of EPIC Bpifrance (€6.2 million) represent mainly the deduction of capitalised interest in the reserve funds (€3.5 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 Financement and Bpifrance Investissement, to EPIC Bpifrance, which does not have any employees, and to the contribution on value added to companies.



Extraordinary profit or loss comprises EDF dividend payments in shares resulting in a loss of €20.7 million (application of the FIFO method).

Net earnings stood at €377.2 million.

EPIC Bpifrance had a balance sheet total of €29.6 billion, compared with €28.9 billion at 31 December 2018. Its off-balance sheet commitments (which reflect guarantees given) increased by €3.7 billion to €37.0 billion. (€33.3 billion at 31 December 2018).

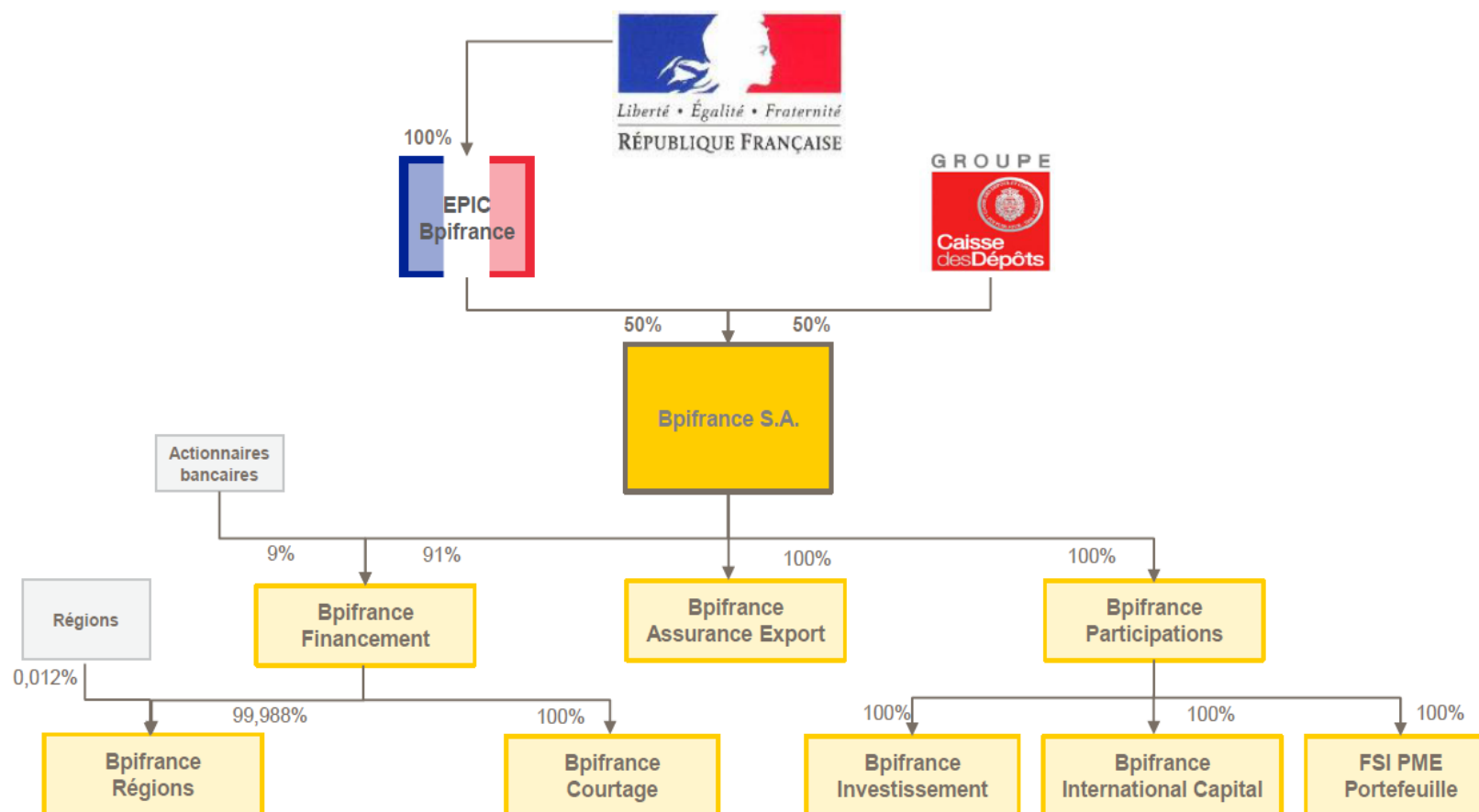
Under assets, EPIC Bpifrance's investment in Bpifrance SA stood at €10.4 billion, up €205 million due to the capital increase associated with the Fonds Ambition Numérique (Digital Ambition Fund). This investment was supplemented by new commitments to subscribe for the MC3 fund (€160 million), the FTS fund (€100 million) and by new net receivables relating to F2I operations (€54 million). Investments in EDF and TSA amounted to €9.2 billion at 31 December 2019, down €20.7 million on 31 December 2018 (See extraordinary profit or loss).

By the Chairman and CEO of EPIC Bpifrance,

On 17 March 2020

2. ORGANISATIONAL CHARTS OF BPIFRANCE

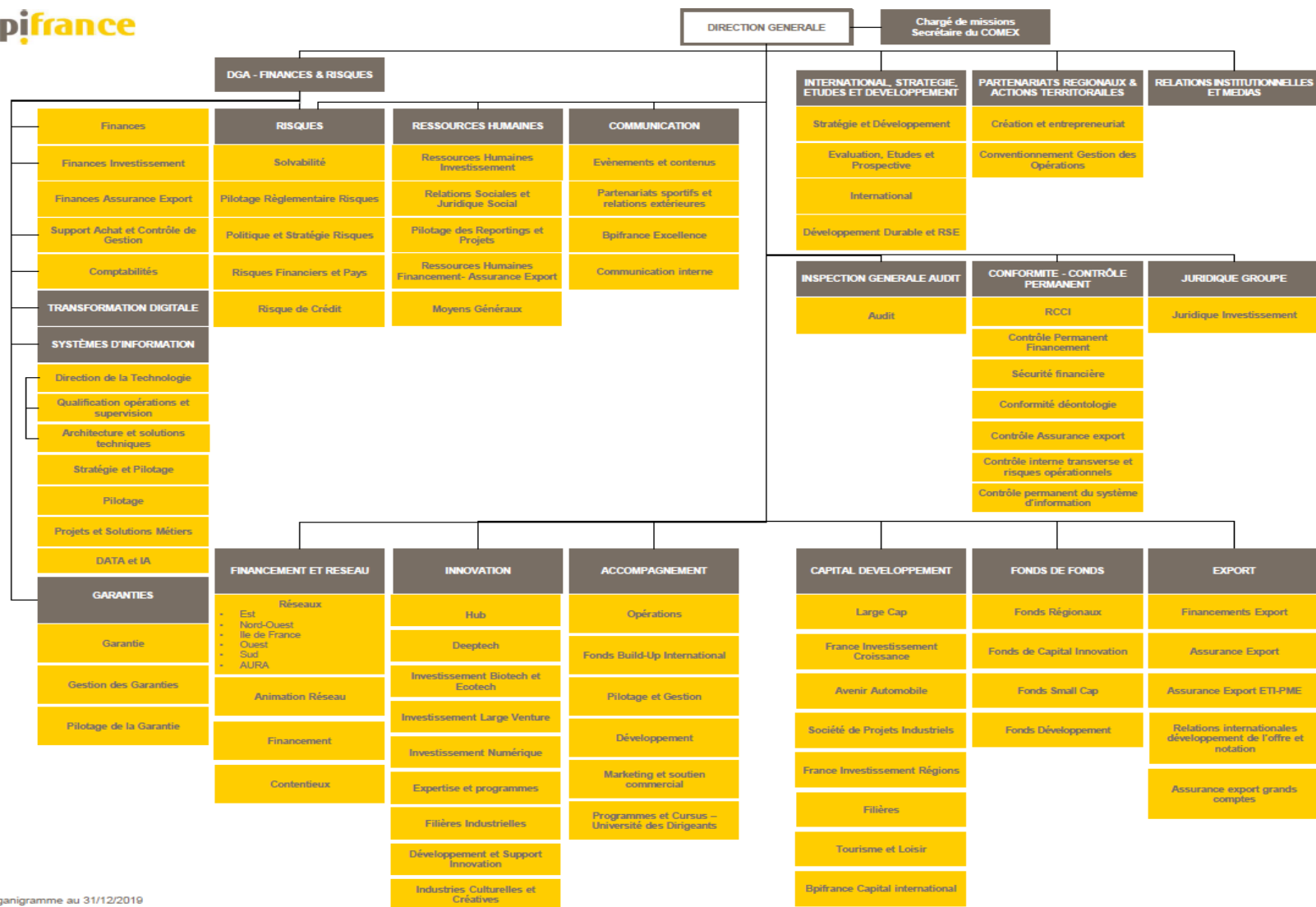
2.1. Capital structure of the Bpifrance Group





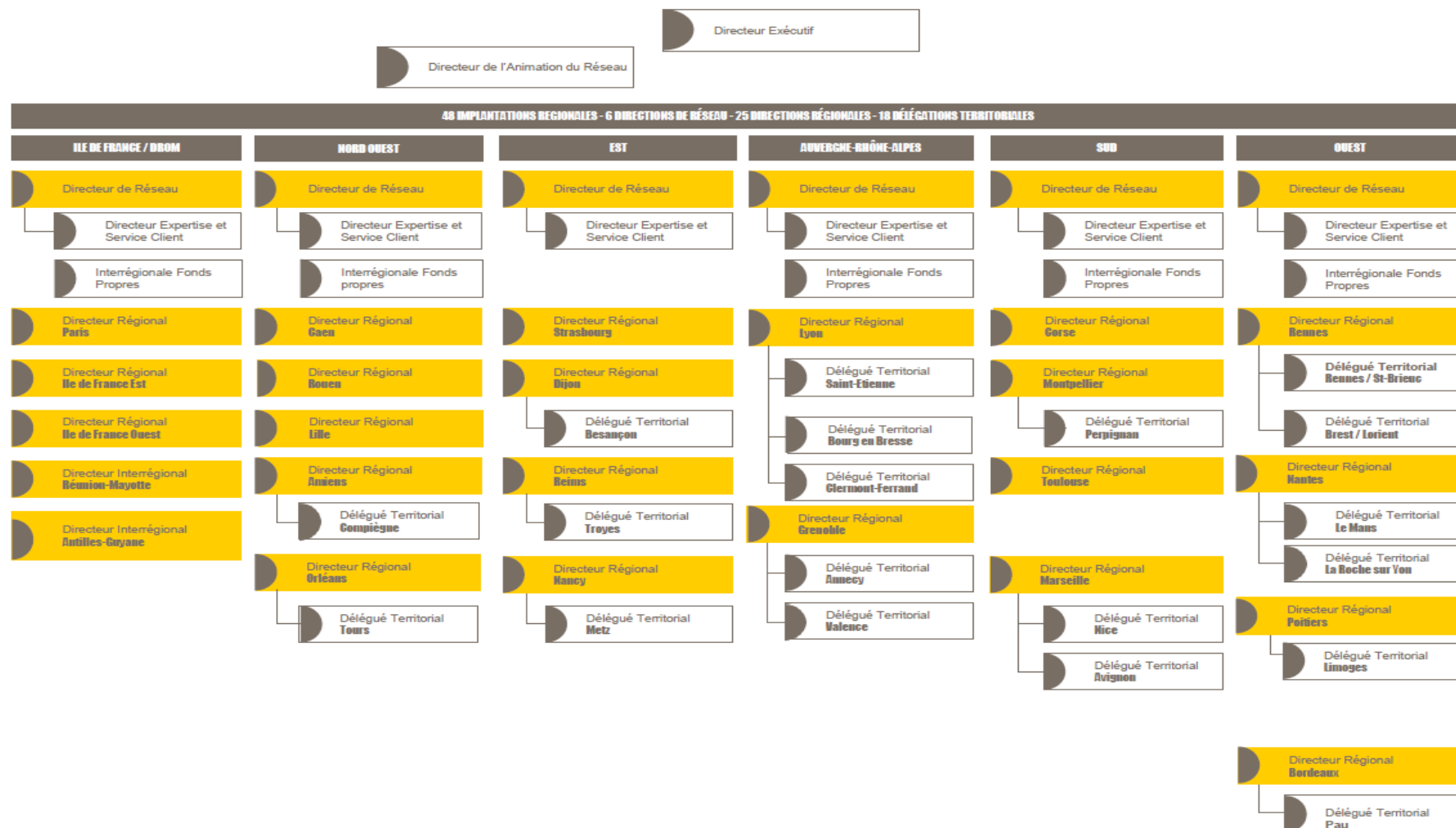
2.2. Functional organisational chart

bpifrance



Organigramme au 31/12/2019

2.3. Organisational chart of the network



3. CONSOLIDATED FINANCIAL STATEMENTS

EPIC Bpifrance publishable consolidated balance sheet

ASSETS (in millions of euros)	Notes	31/12/2019	31/12/2018
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	8 993,9	11 008,6
Holdings in equity-consolidated companies	6.2	12 376,4	11 421,8
Other non-current financial assets	6.3	3 667,2	4 117,8
Deferred tax assets		10,6	0,0
NON-CURRENT ASSETS		25 048,1	26 548,2
Customer and miscellaneous receivables	6.4	1 101,3	1 088,0
Current tax assets		10,3	0,0
Other current financial assets	6.3	517,1	210,4
Cash and cash equivalents	6.5	3 209,9	2 846,4
CURRENT ASSETS		4 838,6	4 144,8
Assets held for sale		0,0	0,0
TOTAL ASSETS		29 886,7	30 693,0

EPIC Bpifrance publishable consolidated balance sheet

LIABILITIES (in millions of euros)	Notes	31/12/2019	31/12/2018
Capital and related reserves		20 873,4	20 667,7
Consolidated reserves		2 827,7	2 179,0
Gains and losses recognised directly in equity		-148,4	1 631,5
Result		660,5	485,6
GROUP SHARE OF SHAREHOLDERS' EQUITY		24 213,2	24 963,8
Minority interests		0,0	0,0
SHAREHOLDERS' EQUITY		24 213,2	24 963,8
Financial debts to lending institutions	6.6	4,7	6,4
Miscellaneous financial debts	6.7	1 341,6	1 841,6
Deferred tax liabilities		0,0	65,9
NON-CURRENT LIABILITIES		1 346,3	1 913,9
Financial debts to lending institutions	6.6	2,3	2,5
Miscellaneous financial debts	6.7	514,7	207,9
Other financial liabilities	6.8	3 775,0	3 560,5
Current tax liabilities		0,0	11,6
Trade payables and miscellaneous debts	6.9	35,2	32,8
CURRENT LIABILITIES		4 327,2	3 815,3
Liabilities held for sale		0,0	0,0
TOTAL LIABILITIES		29 886,7	30 693,0

EPIC Bpifrance publishable consolidated profit and loss statement

(in millions of euros)	Notes	31/12/2019	31/12/2018
Proceeds from ordinary activity		0,0	0,0
Other proceeds and charges from the activity		0,0	0,0
Duties and taxes	7.1	-1,4	-1,1
Personnel expenses		0,0	0,0
Purchases consumed and external charges	7.1	-13,1	-5,4
Depreciation 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		-14,5	-6,5
Loss of value on equity-consolidated companies		0,0	0,0
Other operational income and charges	7.2	0,0	-300,0
INCOME FROM OPERATIONS		-14,5	-306,5
Share of net income from equity-consolidated companies	7.5	478,2	500,8
INCOME FROM OPERATIONS AFTER THE SHARE IN THE NET EARNINGS OF EQUITY-CONSOLIDATED COMPANIES		463,7	194,3
Income from cash and cash equivalents	7.3	39,6	42,8
Cost of gross financial debt	7.3	-39,6	-42,8
Cost of net financial debt		0,0	0,0
Other financial income and charges	7.4	214,9	315,9
Taxes		-18,1	-24,6
NET INCOME before income from discontinued activities or activities undergoing dis		660,5	485,6
Income net of taxes from discontinued activities or activities undergoing		0,0	0,0
NET INCOME		660,5	485,6
Minority interests		0,0	0,0
NET INCOME - GROUP SHARE		660,5	485,6

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

(in millions of euros)		31/12/2019	31/12/2018
NET INCOME		660,5	485,6
Items that can be reclassified (recyclable) in the net result			
<i>Translation adjustments</i>	0,0	0,0	
<i>Revaluation of financial assets at fair value through equity</i>	0,0	0,1	
<i>Revaluation of hedging derivatives on recyclable elements</i>	0,0	0,0	
<i>Share of gains and losses recognised directly in the equity of equity-consolidated companies</i>	10,3	-6,0	
<i>Other recyclable elements recognised through equity</i>	0,0	0,0	
<i>Related taxes</i>	0,0	0,0	
Items that cannot be reclassified (non-recyclable) in the net result			
<i>Revaluation of fixed assets</i>	0,0	0,0	
<i>Revaluation (or actuarial gains and losses) on defined benefit plans</i>	0,0	0,0	
<i>Revaluation of own credit risk of financial liabilities recognised at fair value through the income statement</i>	0,0	0,0	
<i>Revaluation of equity instruments recognised at fair value through shareholders' equity</i>	-2 007,5	1 710,9	
<i>Share of gains and losses recognised directly in the equity of equity-consolidated companies, not recyclable</i>	479,4	-391,4	
<i>Other elements recorded recognised through equity, not recyclable</i>	0,0	0,0	
<i>Related taxes</i>	76,6	-65,9	
TOTAL GAINS AND LOSSES DIRECTLY RECOGNISED IN SHAREHOLDERS' EQUITY		-1 441,2	1 247,7
NET INCOME AND GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY		-780,7	1 733,3
* Of which Group share		-780,7	1 733,3
* Of which share of minority interests		0,0	0,0

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 2017	9 082,1	1 552,1	221,6		10 855,8
2017 result				699,3	699,3
Income allocated to reserves	0,0	699,3	0,0	-699,3	0,0
Impact of IFRS9 FTA Reclassifications	0,0	37,5	24,7	0,0	62,2
Impact of IFRS9 FTA Reprocessing	0,0	-12,8	41,7	0,0	28,9
Distribution of dividends	0,0	0,0	0,0	0,0	0,0
Change in gains and losses recognised directly in equity	0,0	-101,7	1 338,5	0,0	1 236,8
<i>Change in the value of financial instruments affecting equity</i>	0,0	0,0	1 233,4	0,0	1 233,4
<i>Disposal of financial instruments in FV OCI</i>	0,0	-105,0	105,0	0,0	0,0
<i>Change in the value of financial instruments recognised in income</i>	0,0	3,4	0,0	0,0	3,4
Actuarial gains and losses on defined benefit plans	0,0	0,0	13,6	0,0	13,6
Translation adjustments	0,0	0,0	-2,4	0,0	-2,4
Other transactions	0,0	4,6	-6,1	0,0	-1,5
Capital increase	11 585,6	0,0	0,0	0,0	11 585,6
Situation 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 result				660,5	660,5

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 entirely presented 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 the 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)	31/12/2019	31/12/2018
Consolidated net earnings	660,5	485,6
Net depreciation and provision allowances	0,0	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	0,0	0,0
Share of net income related to equity-consolidated companies	-478,2	-500,8
Dividends (non-consolidated securities)	220,8	264,9
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)	18,1	24,6
Other transactions (specific to guarantee funds)	0,0	0,0
Cash flow before cost of net financial debt and taxes (A)	421,2	274,3
Tax paid (B)	-32,8	-1,6
Change in working capital requirements related to the activity (C)	-11,0	-522,7
Net cash flow generated by the activity (D) = (A+B+C)	377,4	-250,0
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	-120,7	-9 421,8
Receipts related to sales of financial assets	120,7	120,7
Dividends received from equity-consolidated subsidiaries	208,5	280,0
Changes in loans and advances granted	144,0	-1 671,2
Other flows related to investment transactions	-426,5	-949,4
Total net cash flow related to investment activities (E)	-74,0	-11 641,7
Amounts received from shareholders upon the capital increase	205,7	11 585,6
* paid by the shareholders of the parent company	205,7	11 585,6
* paid by the minority shareholders of the consolidated companies	0,0	0,0
Dividends paid during the fiscal year	-165,0	0,0
* dividends paid to the shareholders of the parent company	-165,0	0,0
* dividends paid to the minority shareholders of consolidated companies	0,0	0,0
Receipts related to new loans	500,0	192,3
Loan repayments	-693,9	-117,6
Net financial interest paid	-1,1	-0,3
Other flows related to financing operations	214,4	751,9
Total net cash flow related to financing operations (F)	60,1	12 411,9
Net increase/(decrease) in cash and cash equivalents (D+E+F)	363,5	520,2
Cash and cash equivalents - opening balance	2 846,4	2 326,2
Cash and cash equivalents - closing balance	3 209,9	2 846,4
Change in net cash flow	363,5	520,2

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

Acquisition by Bpifrance Participations of CDC IC and the Fonds Ambition Numérique

Bpifrance Participations acquired all the shares in CDC IC held by the Caisse des Dépôts Group and all the shares held by the French State in the Fonds Ambition Numérique. Various Bpifrance Group entities were involved in this transaction.

Bpifrance Participations acquired CDC IC on 14 December 2018 and the Fonds Ambition Numérique on 21 March 2019, receiving a vendor credit granted by the Caisse des Dépôts Group and by EPIC Bpifrance. EPIC Bpifrance had previously received State funding for the Fonds Ambition Numérique amounting to €205.7 million, on 11 February 2019.

After rebalancing receivables, the Caisse des Dépôts Group and EPIC Bpifrance transferred their receivables in respect of Bpifrance Participations to Bpifrance SA on the basis of the purchase price of these shares, in exchange for a capital increase of €411.4 million on 15 May 2019. A Bpifrance Participations capital increase for the same amount, paid up by offsetting the receivables transferred to Bpifrance SA, was carried out on 30 July 2019 to finalise the transaction.

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 on 31 December 2019

The 2019 consolidated financial statements are prepared in compliance with the IFRS guidelines as adopted by the European Union and applicable on 31 December 2019.

The interpretation of IFRIC 23 "Uncertainty over income tax treatments" sets out procedures for recognising uncertainty over income tax treatments applied when measuring taxable profit. It is necessary to determine the likelihood that the tax treatment used will be accepted by the tax authority, supposing that said authority will conduct a comprehensive audit and will have all relevant information at its disposal during said audit. If there is any doubt as to the acceptance of the tax treatment by the tax authority under tax legislation, said tax treatment is said to be uncertain.

Tax uncertainties are recognised under either "Current tax assets" and "Deferred tax assets" or "Current tax liabilities" and "Deferred tax liabilities". Income and expenditure relating to tax risks on corporation tax are shown under "Tax".

The entry into force of the IFRIC interpretation, on 1 January 2019, had no material impact on the financial statements.

The other standards, amendments and interpretations whose application became mandatory as of 1 January 2019 had no material impact on the financial statements to 31 December 2019.

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 on 31 December 2019.

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 totally 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 within 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 impairment is noted, 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 operations 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 "Interests

in companies accounted for using the equity method” when the acquired company is accounted for using the equity method. When the discrepancy is negative, it is immediately recorded in the 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	31/12/2019 % stake	31/12/2019 % voting rights	31/12/2018 % voting rights
EPIC Bpifrance	Full Equity consolidated	100%	100%	100%
Bpifrance Group		50,00%	50,00%	50,00%

● 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 while 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 (SPPI criteria Solely Payment of Principal and Interest), 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 value of the consideration received, with possible correction for any unrealised profit or loss that might previously have been recognised directly in the 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 obligations 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 2019 was €47.3 million.

Deferred tax

Deferred taxes are recognised when temporary differences are noted 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 applicable fiscal texts, 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 income 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: fluctuations in interest and exchange rates, economic outlook, changes to regulations or legislation, etc.

● Note 6 - Notes to the balance sheet

6.1. Financial assets at fair value through equity

(in millions of euros)	31/12/2019		31/12/2018	
	Fair value	Of which unrealised gains/losses	Fair value	Of which unrealised gains/losses
Bonds and fixed-income securities	0,0	0,0	0,0	0,0
Shares and other variable income securities (*)	8 993,9	-276,5	11 008,6	1 717,4
Total financial assets at fair value through shareholders' equity	8 993,9	-276,5	11 008,6	1 717,4

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

Dividends of €220.8 million received during fiscal year 2019 all came from shares held in the portfolio at 31 December 2019.

Disposals of securities were carried out during the fiscal year for a fair value of €120.7 million and led to the reclassification of losses of €20.1 million in consolidated reserves.

6.2. Holdings in equity-consolidated companies

(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

(in millions of euros)	31/12/2018	
	Equity method value	Of which valuation/acquisition discrepancies
Bpifrance Group	11 421,8	143,6
Total equity interests in companies accounted for using the equity method	11 421,8	143,6

6.3. Other financial assets

(in millions of euros)	31/12/2019	31/12/2018
Loan in Pounds Sterling (1)(2)	7,0	8,9
Loans in euros (2)	1 841,6	2 033,5
PPMTR allowance (3)	48,3	50,8
Innovation and Industry Fund Receivables (4)	54,1	50,8
Reserve Fund (5)	618,6	619,1
French State current account – Agence France Trésor Innovation Capital (6)	1 600,0	1 600,0
Receivables	14,7	15,9
Total other financial assets	4 184,3	4 379,0

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

(2) Loans granted to Bpifrance Financement

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

(4) Receivables related to the Innovation and Industry Fund

(5) Reserve funds with Bpifrance Financement 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

6.4. Customer and miscellaneous receivables

(in millions of euros)	31/12/2019	31/12/2018
Accrued EMTN underwriting fees	32,5	27,5
Interest income receivable (State)	0,0	12,0
Allocation receivable (State)	1 068,8	1 048,5
- <i>Structuring projects for competitiveness</i>	<i>476,0</i>	<i>540,0</i>
- <i>Innovation assistance</i>	<i>211,0</i>	<i>86,5</i>
- <i>Sector support</i>	<i>348,8</i>	<i>375,0</i>
- <i>French Tech</i>	<i>0,0</i>	<i>7,0</i>
- <i>SIA (Incorporation of SATT, incubators and accelerators)</i>	<i>33,0</i>	<i>40,0</i>
Total customer and miscellaneous receivables	1 101,3	1 088,0

6.5. Cash and cash equivalents

(in millions of euros)	31/12/2019	31/12/2018
Bank Account	2,7	13,7
State Current Account - Agence France Trésor	95,8	99,9
State Current Account – Agence France Trésor “Investing in the Future”	2 552,5	2 381,8
State Current Account - Agence France Trésor Innovation (*)	427,1	264,9
Bpifrance Financement Current Account	131,8	86,1
Total cash and cash equivalents	3 209,9	2 846,4

(*) Expendable cash of the Innovation and Industry Fund

6.6 Financial liabilities to lending institutions

(in millions of euros)	31/12/2019	31/12/2018
Loan in Pounds Sterling (European Investment Bank)	7,0	8,9
Debts	0,0	0,0
Total financial debts to lending institutions	7,0	8,9

6.7. Miscellaneous financial debts

(in millions of euros)	31/12/2019	31/12/2018
State loans	1 841,6	2 033,6
Debts	14,7	15,9
Total miscellaneous financial liabilities	1 856,3	2 049,5

6.8. Other financial liabilities

(in millions of euros)	31/12/2019	31/12/2018
Investing in the Future Public Resources	3 604,4	3 430,2
Other public intervention resources	65,4	65,4
Catering-trade Modernisation Fund	50,3	56,9
Allowance payable to Bpifrance Financement	0,0	2,5
Allowance to pay Bpifrance Participations (1)	1,4	0,0
Allowance to pay the Innovation and Industry Fund	32,1	0,0
Other debts (2)	16,9	0,0
Other charges to be paid	0,2	0,7
Expenses payable Bpifrance Financement	4,3	4,8
Total other financial liabilities	3 775,0	3 560,5

(1) As part of the support activity

(2) To pay to the French State

6.9. Trade payables and miscellaneous debts

(in millions of euros)	31/12/2019	31/12/2018
Deferred income	25,6	32,2
Trade payables	9,6	0,6
Total trade payables and miscellaneous debts	35,2	32,8

6.10. Fair value of financial assets and liabilities

(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		8 994,0
Other financial assets		4 259,8		4 259,8
LIABILITIES				
Financial liabilities to lending institutions		7,0		7,0
Miscellaneous financial debts		1 928,8		1 928,8

(in millions of euros)	31/12/2018			
	Level 1	Level 2	Level 3	Total
ASSETS				
Financial assets at fair value through equity	5 373,0	5 635,6		11 008,6
Other financial assets		4 426,2		4 426,2
LIABILITIES				
Financial liabilities to lending institutions		8,9		8,9
Miscellaneous financial debts		2 147,3		2 147,3

6.11. Euro equivalent of foreign currency transactions

(in millions of euros)	31/12/2019	31/12/2018
Assets	7,0	8,9
Liabilities	7,0	8,9

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

7.1. Taxes and duties and external charges

(in millions of euros)	31/12/2019	31/12/2018
Group company services	-1,2	-0,6
External charges	-0,1	0,0
Re-allocation of the Reserve fund	-3,5	-4,8
Other expenses (*)	-8,3	0,0
Subtotal	-13,1	-5,4
Taxes and duties and similar payments	-1,4	-1,1
Subtotal	-1,4	-1,1
Total taxes and duties and external charges	-14,5	-6,5

(*) Expenses related to action programmes of the support activity

7.2. Other operational income and charges

(in millions of euros)	31/12/2019	31/12/2018
Contribution to the mutual funds of Bpifrance Financement's guarantee funds	0,0	-300,0
Total other operating income and expenses	0,0	-300,0

7.3. Cost of net financial debt

(in millions of euros)	31/12/2019	31/12/2018
Funds reinvested with Bpifrance Financement	39,6	42,8
- Loans (in €)	39,5	42,7
- Loans (in foreign currencies)	0,1	0,1
Total proceeds from cash	39,6	42,8

(in millions of euros)	31/12/2019	31/12/2018
Loan (European Investment Bank)	-0,1	-0,1
Loan (State)	-39,5	-42,7
Total cost of gross financial debt	-39,6	-42,8

7.4. Other financial income and charges

(in millions of euros)	31/12/2019	31/12/2018
EDF dividends	120,7	179,1
TSA dividends	100,1	85,8
Interest State current account – Agence France Trésor Innovation Capital	39,8	12,0
Bpifrance Financement guarantee commissions	39,2	34,2
Reserve Fund	3,5	4,8
Other financial expenses (*)	-88,4	0,0
Total other proceeds and financial charges	214,9	315,9

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

7.5. Share of net income from equity-consolidated companies

	31/12/2019	31/12/2018
(in millions of euros)	Share of net income from investments accounted for using the equity method	
Bpifrance Group	478,2	500,8
Total share of net income from companies accounted for using the equity method	478,2	500,8

● **Note 8 - Exposure, management and measurement of risks**

8.1. General risk management organisation

After the operations on 12 July 2013, the status as a financial company was transferred from EPIC Bpifrance to Bpifrance, a holding company that holds the group's operational subsidiaries and consolidates the risks. The group is directly exposed to EPIC Bpifrance's individual risks, since Bpifrance is consolidated using the equity method.

At 31 December 2019, 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)	31/12/2019	31/12/2018
Cash and cash equivalents	3 209,9	2 846,4
Other financial assets	4 081,9	4 277,4
Guarantee commitments given and signature commitments	37 033,2	33 310,0
Total	44 325,0	40 433,8

(*) These commitments guarantee only the loans issued by the banking subsidiary Bpifrance Financement (bonds, CDs, BMTNs, bilateral loans)

Quantitative information on the credit risk

The item “Cash and cash equivalents”, which stood at €3,209.9 million at 31 December 2019, concerns the demand accounts opened with the French State (Agence France Trésor) for €2,979.6 million, as well as current accounts for €131.8 million (excluding related receivables) with Bpifrance Financement.

The item “Other financial assets”, which stood at €4,081.9 million at 31 December 2019, concerns the group for €2,467.2 million (excluding related receivables) and the French State (Agence France Trésor) for €1,600.0 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.

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 Financement. As such, these operations are fully matched on the EPIC Bpifrance balance sheet in terms of rates and liquidity. Finally, to the extent that these outstandings are, in the end, included in the Bpifrance Financement 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 Financement ALM risks.

Analysis of the sensitivity of the cash flows

An interest rate variation of 200 basis points on the closing date would result in an increase (decrease) of the earnings equal to the amounts indicated below.

(in millions of euros)	Increase of 200 basis points	Decrease of 200 basis points
31 December 2019		
Interest-margin sensitivity, 2019	0,0	0,0
Sensitivity of 2019 balance sheet net present value	0,0	0,0
31 December 2018		
Interest-margin sensitivity, 2018	0,0	0,0
Sensitivity of 2018 balance sheet net present value	0,0	0,0

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

Annual flows (in millions of euros)	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)

Annual flows (in millions of euros)	31/12/2018						
	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	2 049,5	-2 049,5	- 15,9	- 50,0	- 142,0	- 1 569,0	- 272,6
Repayment of term borrowings from credit institutions	8,9	- 8,9	-	-	- 2,2	- 6,7	-

Share price risk

This is generated by 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 2019, the sensitivity of the revalued F2I net asset to a 30% drop in the benchmark index (CAC40) was 15.7%.

A drop in the value of F2I assets would have no impact on the solvency of EPIC Bpifrance, the F2I 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'Etat (French State Investments 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".

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 liabilities 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 the interests in equity-consolidated entities 2019 and 2018 – Bpifrance Group consolidated financial statements

(in millions of euros)	Bpifrance Group
Principal place of business	France
Percentage of voting rights	50,00%
Consolidation method	Equity method

ASSETS (in millions of euros)	31/12/2019	31/12/2018	LIABILITIES (in millions of euros)	31/12/2019	31/12/2018
Cash in hand, central banks	1 045,9	1 687,6	Central banks	0,0	0,0
Financial assets at fair value through the income statement	5 567,9	5 021,1	Financial liabilities at fair value through the income statement	1,8	2,9
Hedging derivatives	5,2	5,8	Hedging derivatives	20,7	4,7
Financial assets at fair value through equity	10 830,6	8 725,8	Amounts owed to credit institutions and related entities	11 011,7	12 460,9
Securities at amortised cost	7 538,2	8 360,5	Amounts owed to clients	3 510,5	3 503,6
Loans and receivables due from lending institutions, at amortised cost	1 042,3	1 332,3	Debt represented by a security	30 267,4	27 877,1
Loans and advances to customers, at amortised cost	40 706,4	38 798,5	Fair value adjustments to debt portfolios hedged against interest rate	538,5	295,6
Finance leases and similar operations, at amortised cost	6 223,2	6 076,8	Current and deferred tax liabilities	146,2	210,3
Innovation financing aid	982,8	1 073,3	Accruals and miscellaneous liabilities	1 458,8	1 406,7
Fair value adjustments to debt portfolios hedged against interest rate risk	435,6	289,4	Lease liabilities	96,7	
Current and deferred tax assets	144,6	218,4	Debt related to non-current assets held for sale	0,0	0,0
Accruals and miscellaneous assets	535,9	521,4	Provisions	123,5	90,0
Non-current assets held for sale	84,8	0,0	Net resources for innovation-related activity	1 829,2	1 993,4
Holdings in equity-consolidated companies	4 289,4	4 387,7	Public guarantee funds	5 906,7	5 990,1
Investment property	0,0	0,0	Subordinated debt	7,2	7,3
Tangible fixed assets	216,9	126,4	Shareholders' equity	24 889,6	22 910,4
Intangible fixed assets	156,7	126,3	Shareholders' equity - Group share	24 513,1	22 556,3
Goodwill	2,1	1,7	- Capital and related reserves	20 862,3	20 450,9
			- Consolidated reserves	2 411,8	1 125,6
			- Gains and losses recognised directly in equity	235,0	-40,1
			- Result	1 004,0	1 019,9
			Minority interests	376,5	354,1
			- Reserves	362,1	338,6
			- Result	14,4	15,5
TOTAL ASSETS	79 808,5	76 753,0	TOTAL LIABILITIES	79 808,5	76 753,0

RESULTS (in millions of euros)	31/12/2019	31/12/2018
Interest and related income	1 580,3	1 728,6
Interest and related expenses	-854,7	-1 007,2
Fees (income)	59,5	52,4
Fees (expenses)	-4,7	-2,7
Net gains or losses on financial instruments at fair value through profit or loss	334,7	368,3
Net gains or losses on financial instruments at fair value through equity	244,0	225,3
Net gains or losses resulting from the de-recognition of financial assets at amortised cost	7,4	-0,2
Net gains or losses on available for sale financial instruments	0,0	0,0
Income from other activities	218,9	186,0
Expenses from other activities	-131,8	-105,7
NET BANKING INCOME	1 453,6	1 444,8
General operating expenses	-638,9	-606,1
Depreciation, amortisation & impairment on tangible and intangible fixed assets	-72,3	-42,3
GROSS OPERATING INCOME	742,4	796,4
Cost of risk	-82,6	-40,1
NET OPERATING INCOME	659,8	756,3
Share of net income from equity-consolidated companies	416,4	384,8
Net gains or losses on other assets	19,6	0,3
Change in value of goodwill	20,0	-3,6
INCOME BEFORE TAX	1 115,8	1 137,8
Corporation tax	-97,4	-102,4
Income from discontinued activities or activities undergoing disposal, net	0,0	0,0
NET INCOME	1 018,4	1 035,4
Minority interests	14,4	15,5
NET INCOME - GROUP SHARE	1 004,0	1 019,9
* Earnings per share (in euros)	0,47	0,49
* Diluted earnings per share (in euros)	0,47	0,49

Balance on reconciliation with the book value of these interests	31/12/2019	31/12/2018
<i>Group share of shareholders' equity</i>	2 411,8	1 125,6
<i>Shareholders equity by percentage interest</i>	1 205,9	562,8
<i>Goodwill on acquisition/valuation difference</i>	119,8	143,6
<i>Consolidation adjustments</i>	-	-
Book value of interests in associated company	1 325,7	706,4

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 - Segment information

Contributions within the EPIC Bpifrance group are as follows:

(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-accounted companies	0,0	478,2	478,2

31/12/2018	EPIC Bpifrance	Bpifrance Group	Total
Operating income	-6,5	0,0	-6,5
Financial result	315,9	0,0	315,9
***Share in the net earnings of companies accounted for	0,0	500,8	500,8

(in millions of euros)

Balance sheet outstandings	31/12/2019	31/12/2018
Cash and cash equivalents	3 209,9	2 846,4
Other financial assets	4 184,3	4 328,2
Investments in equity-accounted companies	12 376,4	11 421,8

● Note 12 - Financing and guarantee commitments

(in millions of euros)

	31/12/2019	31/12/2018
Commitments given	37 033,2	33 310,0
Credit financing commitments	0,0	0,0
to credit institutions	0,0	0,0
to clients	0,0	0,0
Guarantee commitments (*)	37 033,2	33 310,0
to credit institutions	37 033,2	33 310,0
to clients	0,0	0,0
Commitments on securities (deliverable securities)	0,0	0,0
Commitments received	0,0	0,0
Credit financing commitments	0,0	0,0
from credit institutions	0,0	0,0
from clients	0,0	0,0
Guarantee commitments	0,0	0,0
from credit institutions	0,0	0,0
from clients	0,0	0,0
Commitments on securities (securities receivable)	0,0	0,0

(*) at 31 December 2019, these commitments include the guarantee given by EPIC Bpifrance to Bpifrance Financement for its issuances of EMTNs and certificates of deposit

Other commitments: a €50 million commitment was given under the agreement between Bpifrance Participations and EPIC Bpifrance to undertake action programmes for the support activity. €6.9 million of this commitment was for 2019.

● 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 Financement are presented in notes 6, 7 and 11.

(in millions of euros)

Balance sheet items	31/12/2019	31/12/2018
Assets	2 646,3	2 791,2
Other financial assets	2 482,0	2 677,5
Customer and miscellaneous receivables	32,5	27,5
Cash and cash equivalents	131,8	86,2
Liabilities	34,9	40,0
Trade payables and miscellaneous debts	34,9	40,0
Profit and Loss Statement Items	31/12/2019	31/12/2018
Financial expenses	0,0	0,0
Financial income	82,3	81,8
Commitments	31/12/2019	31/12/2018
Commitments given	37 033,2	33 310,0
Commitments received	0,0	0,0
Other commitments given	43,1	0,0

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

(in thousands of euros)

	Mazars		KPMG Audit	
	2019	2018	2019	2018
Certification of the financial statements	39	27	39	27
Other services	-	-	-	-
Total	39	27	39	27

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.

Thus, the securities subscribed by EPIC Bpifrance in the SPI Fund (for Industrial Project Companies) as part of the Investing in the Future Programme and in the Amorceage Angel Fund, the PSIM fund, the FNA2 fund and the MC2 fund, representing €265.4 million, €25.5 million, €69.6 million, €13.6 million, €24.3 million and €11.0 million respectively at 31 December 2019, are not shown on the group's balance sheet.

	31/12/2019						
	Assets			Liabilities			Off-balance sheet
	Receivables	Principal's account	Total	Debts	Principal's account	Total	
(in millions of euros)							
SATT activity (*)	415,6	0,0	415,6	0,0	415,6	415,6	0,0
Total	415,6	0,0	415,6	0,0	415,6	415,6	0,0

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

Transfer of the activity from the Caisse des Dépôts to EPIC Bpifrance completed in July 2019.

4. INDIVIDUAL FINANCIAL STATEMENTS

EPIC Bpifrance
INDIVIDUAL PUBLISHABLE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2019

- Publishable balance sheet
- Publishable profit and loss statement

PUBLISHABLE PROFIT AND LOSS STATEMENT EPIC Bpifrance

	Notes	Gross	Depreciation and amortisation Impairments	31/12/2019 Net	31/12/2018 Net
ASSETS (in thousands of euros)					
Fixed assets		23,620,476.9	0.0	23,620,476.9	23,319,481.6
Financial assets		23,620,476.9	0.0	23,620,476.9	23,319,481.6
- Equity interests	3	11,765,692.2	0.0	11,765,692.2	11,299,994.2
- Portfolio securities	4	9,270,418.9	0.0	9,270,418.9	9,291,141.7
- Loans	5	1,863,322.9	0.0	1,863,322.9	2,058,366.3
- Other financial assets	6	721,042.9	0.0	721,042.9	669,979.4
Current assets		5,921,535.5	0.0	5,921,535.5	5,534,427.2
- Other receivables	7	1,111,611.9	0.0	1,111,611.9	1,087,978.3
- Cash	8	4,809,923.6	0.0	4,809,923.6	4,446,448.9
Unrealised foreign exchange losses	9	9,486.8	0.0	9,486.8	5,507.1
Total assets		29,551,499.2	0.0	29,551,499.2	28,859,415.9

PUBLISHABLE PROFIT AND LOSS STATEMENT EPIC Bpifrance

	Notes	31/12/2019	31/12/2018
LIABILITIES (in thousands of euros)			
Shareholders' equity	10	22 533 985,3	22 116 088,7
- Capital		20 873 440,8	20 667 742,8
- Retained earnings		1 283 345,8	1 190 132,0
- Profit or loss for the fiscal year		377 198,7	258 213,9
Financial liabilities		1 863 322,9	2 058 366,3
- Borrowings and other liabilities owed to lending institutions	11	7 025,5	8 910,1
- Miscellaneous financial loans and debts	12	1 856 297,4	2 049 456,2
Operating liabilities		4 194 009,2	3 863 502,2
- Trade payables and related accounts	13	9 610,3	624,9
- Tax and company liabilities	14	278,8	682,8
- Other liabilities	15	4 184 120,1	3 862 194,5
Miscellaneous liabilities		925 110,8	783 749,9
- Accounts payable on non-current assets and related accounts payable	16	925 110,8	772 189,6
- Tax debts (income tax)	17	0,0	11 560,3
Deferred income		25 584,1	32 201,7
- Deferred income	18	25 584,1	32 201,7
Unrealised foreign exchange gains	19	9 486,9	5 507,1
Total liabilities		29 551 499,2	28 859 415,9

PUBLISHABLE PROFIT AND LOSS STATEMENT EPIC Bpifrance

	Notes	31/12/2019	31/12/2018
(in thousands of euros)			
Operating earnings		0,0	0,0
Operating expenses	20	-14 482,5	-6 542,5
- Other purchases and external charges		-4 747,7	-5 418,7
- Taxes and duties and similar payments		-1 401,7	-1 123,8
Salaries & wages		-10,0	0,0
- Social charges		-4,1	0,0
- Other expenses		-8 319,0	0,0
NET OPERATING INCOME		-14 482,5	-6 542,5
Financial income		551 414,8	638 702,8
- Dividends	21	429 298,3	544 926,8
- Other interests and similar income	22	122 116,5	93 776,0
Financial expenses		-128 049,9	-42 787,3
- Other interest and similar charges	23	-128 049,9	-42 787,3
FINANCIAL RESULT		423 364,9	595 915,5
Extraordinary income	24	120 698,3	120 698,3
- Income from disposal of assets		120 698,3	120 698,3
Extraordinary expenses	25	-141 421,5	-430 668,0
- Book values of assets sold		-141 421,1	-430 668,0
- On management transactions		-0,4	0,0
EXTRAORDINARY PROFIT OR LOSS		-20 723,2	-309 969,7
PRE-TAX EARNINGS		388 159,2	279 403,3
- Income tax	26	-10 960,5	-21 189,4
FISCAL YEAR EARNINGS		377 198,7	258 213,9

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

1.1 Significant events during the fiscal year

Acquisition by Bpifrance Participations of CDC IC and the Fonds Ambition Numérique

Bpifrance Participations acquired all the shares in CDC IC held by the Caisse des Dépôts Group and all the shares in the Fonds Ambition Numérique held by the French State. Various Bpifrance Group entities were involved in this transaction.

Bpifrance Participations acquired CDC IC on 14 December 2018 and the Fonds Ambition Numérique on 21 March 2019, receiving a vendor credit granted by the Caisse des Dépôts Group and by EPIC Bpifrance. EPIC Bpifrance had previously received State funding for the Fonds Ambition Numérique amounting to €205.7 million, on 11 February 2019.

After rebalancing receivables, the Caisse des Dépôts Group and EPIC Bpifrance transferred their receivables in respect of Bpifrance Participations to Bpifrance SA on the basis of the purchase price of these shares, in exchange for a capital increase of €411.4 million on 15 May 2019. A Bpifrance Participations capital increase for the same amount, paid up by offsetting the receivables transferred to Bpifrance SA, was carried out on 30 July 2019 to finalise the transaction.

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**

Loans and related debts are classified under the asset or liability items on which interest is due to or from.

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 year-end at the lower of either their cost price or value in use. The latter is determined in particular as a function of net asset value, the outlook for the business and the market value for TIAPs.

Assets and liabilities in foreign currencies are converted into euros at the rate prevailing on the accounts closing date. Unrealised foreign exchange losses and unrealised foreign exchange gains record the differences resulting from this conversion.

- 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.

The differences resulting from the revaluation of elements on the asset and liability sides in foreign currencies are recognised, where applicable, in net financial income.

- **Note 3 - Equity Interests**

	31/12/2019	31/12/2018
(in thousands of euros)		
Equity interests Bpifrance SA (1)	10 431 146,2	10 225 448,2
Equity interests Sociétés de Projets Industriels Fund (2)	424 999,0	424 999,0
Equity interests Ambition Amorçage Angels Fund (3)	49 999,0	49 999,0
Equity interests PSIM Fund (4)	150 000,0	150 000,0
Equity interests National Amorçage Fund (5)	249 749,0	249 749,0
Equity interests Multicap Croissance Fund (6)	359 799,0	199 799,0
Equity interests French Tech Seed Fund (7)	100 000,0	0,0
Net amount	11 765 692,2	11 299 994,2

(1) see note 1.1 Significant events

(2) Subscription to shares in the FPCI Sociétés de Projets Industriels Fund on 27 November 2014.

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

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

(5) Subscription to shares in the FPCI National Amorçage Fund on 26 June 2018.

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

(7) Subscription to shares in the FPCI French Tech Seed Fund on 15 March 2019.

STATEMENTS

Table of Subsidiaries and investments at 31 December 2019

Subsidiaries and equity interests (in thousands of euros)	Financial information				
	Book value of securities held		Loans and advances granted by the company and not yet repaid	Amount of deposits and guarantees given by the company	Dividends received by the company during of the fiscal year
	Gross	Net			
A - Subsidiaries in which over 50% of the capital is owned by the company					
1) French subsidiaries	1 334 546	1 334 546	0	0	0
2) Foreign subsidiaries	0	0	0	0	0
B - Non-consolidated investments (10% to 50% held by the Company)					
1) Equity interests in French companies	10 431 146	10 431 146	0	0	208 500
2) Equity interests in foreign companies	0	0	0	0	0

- **Note 4 - Portfolio securities**

(in thousands of euros)	31/12/2019	31/12/2018
EDF portfolio securities	4 281 351,7	4 302 074,5
TSA portfolio securities	4 989 067,2	4 989 067,2
Net amount	9 270 418,9	9 291 141,7

- **Note 5 - Loans**

(in thousands of euros)	31/12/2019	31/12/2018
Loan in Pounds Sterling (1)(2)	7 024,1	8 907,8
Loans in euros (2)	1 841 570,0	2 033 570,0
Receivables	14 728,8	15 888,5
Total (1)	1 863 322,9	2 058 366,3

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

(2) Loans granted to Bpifrance Financement.

Breakdown of loans by residual maturity at 31 December 2019.

(in thousands of euros)	D ≤ 1 yr	D > 1 yr
Loans (excluding associated receivables)	502 341,4	1 346 252,7
1 848 594,1		



• Note 6 - Other financial assets

(in thousands of euros)	31/12/2019	31/12/2018
PPMTR allowance (1)	48 266,5	50 833,4
Reserve Fund (2)	618 635,1	619 146,0
Innovation and Industry Fund Receivables	54 141,3	0,0
Total	721 042,9	669 979,4

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

(2) Reserve fund with Bpifrance Financement.

Breakdown of other financial assets by residual maturity at 31 December 2019.

(in thousands of euros)	D ≤ 1 yr	D > 1 yr
Other financial assets (before related loans & receivables)	0,0	721 042,9
721 042,9		

• Note 7 - Other receivables

(in thousands of euros)	31/12/2019	31/12/2018
Accrued EMTN underwriting fees	32 544,1	27 478,3
Tax receivables	10 267,6	0,0
Interest income receivable (State)	0,0	12 000,0
Allocation receivable (State)	1 068 800,0	1 048 500,0
- Structuring projects for competitiveness	476 000,0	540 000,0
- Innovation assistance	211 000,0	86 500,0
- Sector support	348 800,0	375 000,0
- French Tech	0,0	7 000,0
- SIA (Incorporation of SATT, incubators and accelerators)	33 000,0	40 000,0
Other receivables	0,2	0,0
Total	1 111 611,9	1 087 978,3

Breakdown of other receivables by residual maturity as of 31 December 2019.

(in thousands of euros)	D ≤ 1 yr	D > 1 yr
Other receivables	1 111 611,9	0,0
1 111 611,9		

• Note 8 - Cash

(in thousands of euros)	31/12/2019	31/12/2018
Bank Account	2 674,7	13 701,5
Bpifrance Financement Current Account	131 830,4	86 152,1
State Current Account - Agence France Trésor	95 852,4	99 879,3
State Current Account - Agence France Trésor "Investing in the Future"	2 552 501,0	2 381 789,2
State current account – Agence France Trésor Innovation (1)	427 065,1	264 926,8
State current account – Agence France Trésor Innovation Capital (2)	1 600 000,0	1 600 000,0
Total	4 809 923,6	4 446 448,9

(1) Expendable cash of the Innovation and Industry Fund.

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

• Note 9 - Unrealised foreign exchange losses

(in thousands of euros)	31/12/2019	31/12/2018
Unrealised foreign exchange losses	9 486,8	5 507,1
Total	9 486,8	5 507,1



• Note 10 - Capital

(in thousands of euros)	31/12/2018	Allocation of earnings	Capital increase	Dividends	2019 result	31/12/2019
Capital	20 667 742,8		205 698,0 (1)			20 873 440,8
Retained earnings	1 190 132,0	258 213,9		-165 000,0 (2)		1 283 345,9
Profit or loss for the fiscal year	258 213,9	-258 213,9			377 198,7	377 198,7
Total	22 116 088,7	0,0	205 698,0	-165 000,0	377 198,7	22 533 985,4

(1) see note 1.1 Significant events

(2) Distribution of a €165,000 thousand dividend to the French State Equity Investments Agency (Agence des Participations de l'Etat).

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

(in thousands of euros)	31/12/2019	31/12/2018
Loan in Pounds Sterling (European Investment Bank)	7 024,1	8 907,8
Debts	1,4	2,3
Total	7 025,5	8 910,1

Breakdown of loans by residual maturity at 31 December 2019.

(in thousands of euros)	D ≤ 1 yr	year < D ≤ 5 years	D > 5 years
Borrowings and other liabilities owed to lending institutions (excluding associated liabilities)	2 341,4	4 682,7	0,0
Total	7 024,1		

- **Note 12 - Financial Loans and Debts**

(in thousands of euros)	31/12/2019	31/12/2018
State loans	1 841 570,0	2 033 570,0
Debts	14 727,4	15 886,2
Total	1 856 297,4	2 049 456,2

Breakdown of financial loans and debts by residual maturity at 31 December 2019.

- **Note 13 - Trade payables and related accounts**

(in thousands of euros)	D ≤ 1 yr	year < D ≤ 5 years	D > 5 years
State loans (excluding associated liabilities)	500 000,0	1 156 600,0	184 970,0
1 841 570,0			

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)	31/12/2019	31/12/2018
Investing in the Future Public Resources	4 013 837,7	3 732 646,9
Other public intervention resources	65 356,4	65 356,4
Catering-trade Modernisation Fund	50 300,2	56 893,9
Allowance payable to the Innovation and Industry Fund	32 054,3	0,0
Allowance payable to Bpifrance Financement	0,0	2 500,0
Allowance payable to Bpifrance Participations (1)	1 392,7	0,0
Expenses payable Bpifrance Financement	4 277,6	4 788,5
Bank account interest	0,0	8,8
Other debts (2)	16 900,0	0,0
Other expenses to be paid	1,2	0,0
Total	4 184 120,1	3 862 194,5

(1) As part of the support activity.

(2) To pay to the French State.

Breakdown of other debts by residual maturity as at 31 December 2019

(in thousands of euros)	D ≤ 1 yr	year < D ≤ 5 years	D > 5 years
Other debts	4 184 120,1	0,0	0,0
4 184 120,1			

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

(in thousands of euros)	31/12/2019	31/12/2018
Sociétés de Projets Industriels Fund securities to be paid up	159 561,0	181 260,9
Ambition Amorçage Angels Fund securities to be paid up	24 499,5	34 499,3
PSIM Fund securities to be paid up	80 400,0	113 250,0
National Amorçage Fund securities to be paid up	236 137,7	244 878,9
Multicap Croissance Fund securities to be paid up	335 512,6	198 300,5
French Tech Seed Fund securities to be paid up	89 000,0	0,0
Total	925 110,8	772 189,6

Breakdown of amounts payable on non-current assets and related accounts by residual maturity at 31 December 2019.

(in thousands of euros)	D ≤ 1 yr	year < D ≤ 5 years	D > 5 years
Accounts payable on non-current assets and related accounts payable	765 110,8	0,0	0,0
765 110,8			

- Note 17 - Tax and social charges payable (corporation tax)**

These debts are all payable in under one year.

- Note 18 - Unearned income**

(in thousands of euros)	31/12/2019	31/12/2018
Bpifrance Financement guarantee commissions to be spread	25,584.1	32,201.7
Total	25,584.1	32,201.7



• Note 19 - Unrealised foreign exchange gains

(in thousands of euros)	31/12/2019	31/12/2018
Unrealised foreign exchange gains	9 486,8	5 507,1
Total	9 486,8	5 507,1

• Note 20 - Operating expenses

(in thousands of euros)	31/12/2019	31/12/2018
Group company services (1)	-1 177,2	-573,3
External charges	-81,4	-57,0
Reserve Fund (2)	-3 489,1	-4 788,4
Subtotal	-4 747,7	-5 418,7
Taxes and duties and similar payments	-1 401,7	-1 123,8
Subtotal	-1 401,7	-1 123,8
Personnel expenses		
- Salaries & wages	-10,0	0,0
- Pension expenses	-1,0	0,0
- Other social charges	-3,1	0,0
Subtotal	-14,1	0,0
Other expenses (3)	-8 319,0	0,0
Subtotal	-8 319,0	0,0
Total	-14 482,5	-6 542,5

(1) The services for Group companies 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 21 - Dividends**

(in thousands of euros)	31/12/2019	31/12/2018
Bpifrance SA dividends	208 500,0	280 000,0
EDF dividends	120 698,3	179 126,8
TSA dividends	100 100,0	85 800,0
Total	429 298,3	544 926,8

- **Note 22 - Interest and similar income**

(in thousands of euros)	31/12/2019	31/12/2018
Interest Bpifrance Financement loans in euros	39 557,8	42 687,6
Interest Bpifrance Financement loans in currency	72,2	71,1
Bpifrance Financement guarantee commissions	39 161,7	34 228,8
Reserve Fund	3 489,1	4 788,5
Interest State current account – Agence France Trésor Innovation Capital	39 835,7	12 000,0
Total	122 116,5	93 776,0

- **Note 23 - Interest and similar expenses**

(in thousands of euros)	31/12/2019	31/12/2018
European Investment Bank loan interest	-72,2	-71,1
Interest State loan	-39 557,8	-42 687,6
Bank account interest	-11,2	-28,6
Other financial expenses (*)	-88 408,7	0,0
Total	-128 049,9	-42 787,3

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



- **Note 24 - Extraordinary Income**

(in thousands of euros)	31/12/2019	31/12/2018
Income from disposal of EDF financial assets	120 698,3	120 698,3
Total	120 698,3	120 698,3

- **Note 25 - Extraordinary expenses**

(in thousands of euros)	31/12/2019	31/12/2018
Book value of EDF financial assets sold	-141 421,1	-130 668,0
Contribution to the mutual fund of the guarantee funds	0,0	-300 000,0
Bpifrance Financement		
Penalties	0,4	0,0
Total	-141 420,7	-430 668,0

- **Note 26 - Corporate income tax**

Tax is booked using the tax payable method.

The taxable income stood at €47,260.8 thousand; the accounting basis was €242,277 thousand.

The main difference was due to the restatement of dividends received.

This amount was recorded in tax liabilities (corporation tax) at 31 December 2019.

- **Note 27 - Off-balance sheet commitments**

	31/12/2019	31/12/2018
(in thousands of euros)		
<u>COMMITMENTS GIVEN</u>		
Financing commitments		
. Commitments to lending institutions		
. Commitments to customers		
Guarantee commitments	37 033 222,2	33 309 977,8
- Commitments on behalf of lending institutions (*)	37 033 222,2	33 309 977,8
. 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		
. Commitments received from customers		
Guarantee commitments		
Commitments received from lending institutions		
Commitments received from customers		
Commitments on securities		
. Securities sold with buyback or takeback option		
. Other commitments received		

(*) Guarantee commitments are commitments given to Bpifrance Financement.

Other commitments: see note 29.

- **Note 28 - Compensation paid to members of administrative bodies**

Directors did not receive any direct annual compensation.



- **Note 29 - Information on related parties**

A €50,000 thousand commitment was given under the agreement between Bpifrance Participations and EPIC Bpifrance to complete action programmes for the support activity. €6,932.5 million of this commitment was for 2019.

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

- **Note 30 - Activities on behalf of third parties**

(in thousands of euros)	31/12/2019					
	Assets			Liabilities		
	Receivables	Principal's account	Total	Debts	Principal's account	Total
SATT activity (*)	415 557,50		415 557,50		415 557,50	415 557,50
Total	415 557,50	0,00	415 557,50	0,00	415 557,50	415 557,50

(*) Equity interests in Technology Transfer Accelerator Companies (SATT) on behalf of the French State.
Transfer of the activity from the Caisse des Dépôts to EPIC Bpifrance completed in July 2019.

5. REPORTS FROM THE STATUTORY AUDITORS

5.1. Report on the consolidated financial statements

EPIC Bpifrance

Report from the Statutory Auditors on the consolidated financial statements

Fiscal period ending 31 December 2019

KPMG S.A

MAZARS



KPMG S.A

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CAPITAL OF €5,497,100 - Nanterre Trade and Companies Register No. 775 726 417

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PUBLIC LIMITED COMPANY OF PUBLIC ACCOUNTING AND STATUTORY AUDITING WITH A MANAGEMENT BOARD
AND A SUPERVISORY BOARD
CAPITAL OF €8,320,000 - Nanterre Trade and Companies Register No. 784 824 153

EPIC Bpifrance

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

Report of the Statutory Auditors on the consolidated financial statements

Fiscal period ended 31 December 2019

KPMG S.A.

MAZARS

Report from the Statutory Auditors on the consolidated financial statements

To the Shareholders,

Opinion

In performing the assignment entrusted to us by the General Meeting, we conducted an audit of the EPIC Bpifrance consolidated financial statements for the fiscal year ended 31 December 2019, as appended hereto. These financial statements were approved by the Board of Directors on 17 March 2020 in the evolving context of the health crisis from the Covid-19 epidemic, based on information available at that date.

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 conducted our audit in compliance with the rules of independence that are applicable to us, during the period from ^{01/01/2018} until the date on which our report was issued, and specifically, we did not provide any services prohibited by Article 5, paragraph 1, of EU Regulation no. 537/2014 or by the professional code of ethics for Statutory Auditors.

Justification of our assessments

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.

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 “Interest in companies accounted for using the equity method” and 3.4 “Consolidation rules”, we verified the appropriateness of the accounting methods referred to above and of the information provided in Notes 6.1 “Interests in companies accounted for using the equity method” and 7.5 “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 our assessment 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.

The assessments thus made are part of our audit of the consolidated financial statements taken as whole, approved under the conditions recalled above, 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.

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 approved on 17 March 2020. 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 management to prepare the consolidated financial statements presenting a true and fair view, in accordance with French accounting rules and principles, as well as to set up the internal control that it deems necessary to prepare consolidated financial statements that do not contain any significant misstatements, whether due to fraud or error.

When preparing the consolidated 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 contention of 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

Audit objective and process

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 judgment throughout the 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, willful 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 management, as well as the information about them provided in the consolidated financial statements;
- he/she appraises the appropriateness of 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 call into question 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.

Drafted in Paris La Défense and Courbevoie, 08 April 2020

The Statutory Auditors, _____

KPMG S.A.

ULRICH SARFATI



MAZARS

MATTHEW BROWN



5.2. Report on the individual financial statements



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EPIC Bpifrance

*Report from the Statutory Auditors on the individual
financial statements*

Fiscal year ended on 31 December 2019
EPIC Bpifrance
27-31, avenue du Général Leclerc - 94710 Maisons-Alfort
This report contains 28 pages



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EPIC Bpifrance

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

Report from the Statutory Auditors on the individual financial statements

Fiscal year ended on 31 December 2019

Ladies and Gentlemen,

Opinion

In execution of the mission entrusted to us by your Board of Directors: we have audited the individual financial statements of EPIC Bpifrance for the fiscal year ended on 31 December 2019, as attached to this report. These financial statements were approved by the Board of Directors on 17 March 2020 in the evolving context of the health crisis from the Covid-19 epidemic, based on information available at that date.

We certify that the individual 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 conducted our audit in compliance with the rules of independence that are applicable to us, during the period from 1 January 2019 until the date on which our report was issued, and specifically, we did not provide any services prohibited by the professional code of ethics for Statutory Auditors.



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Justification of our assessments

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 judgment, related to the appropriate nature of the applied accounting principles, and to the overall presentation of the financial statements, notably with respect to the financial assets as detailed in Note 2 to the individual financial statements.

The assessments thus made are part of our audit of the individual financial statements taken as whole, approved under the conditions recalled above, 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 the sincerity and consistency with the individual 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 individual financial statements

It is the responsibility of senior management to prepare the individual 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 individual financial statements that do not contain any significant misstatements, whether due to fraud or error.

When preparing the individual 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 individual financial statements were approved by the Board of Directors



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

Our responsibility is to prepare a report on the individual financial statements. Our objective is to obtain reasonable assurance that the individual financial statements do not contain any significant misstatement. 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 of 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 judgment throughout the 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 information about them provided in the individual financial statements;
- he/she appraises the appropriateness of 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 individual financial statement 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 individual financial statements and assesses whether the individual financial statements reflect underlying operations and events in such a way as to provide a true and fair view.



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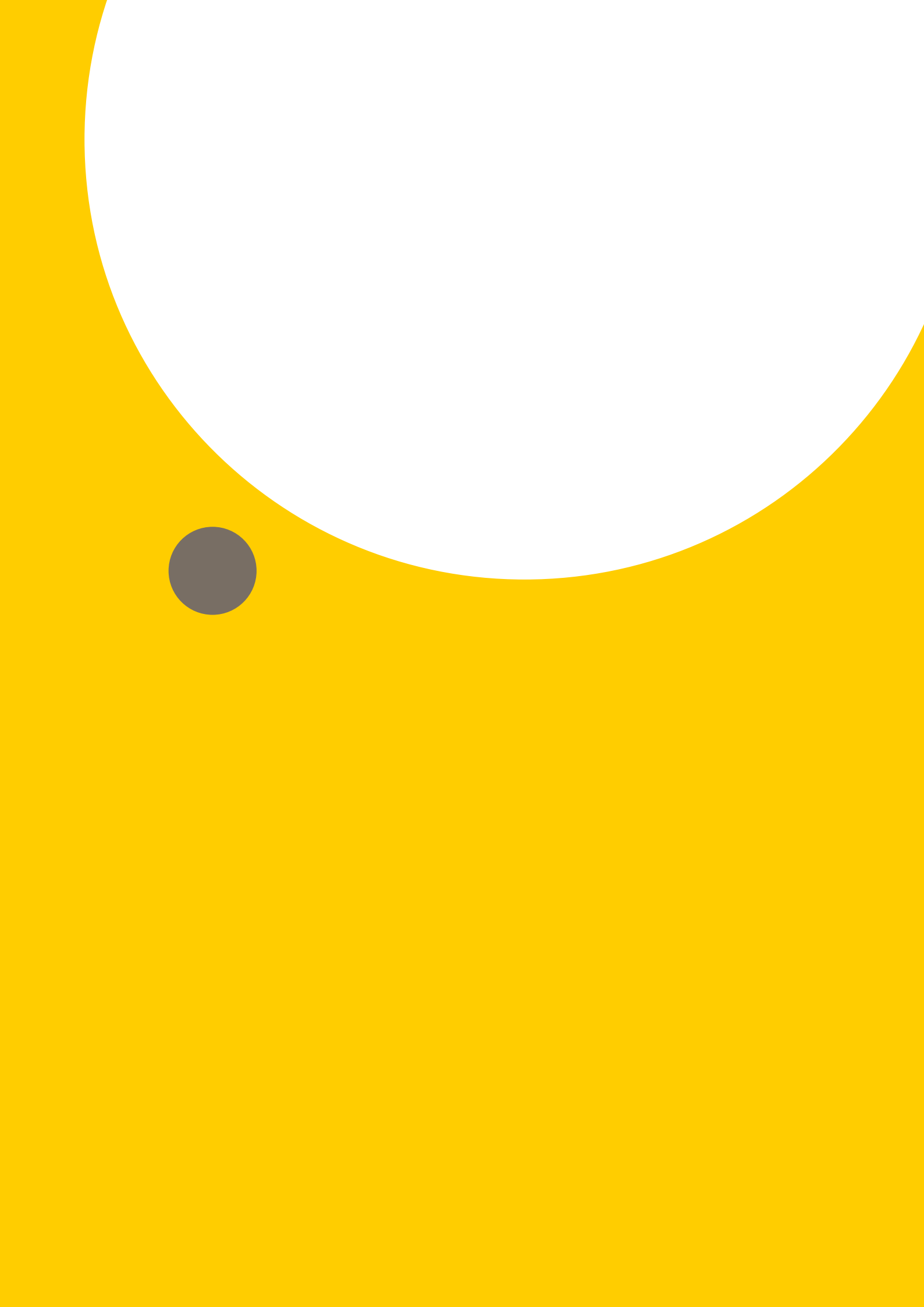
Paris La Défense, 8 April 2020

Courbevoie, 8 April 2020

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