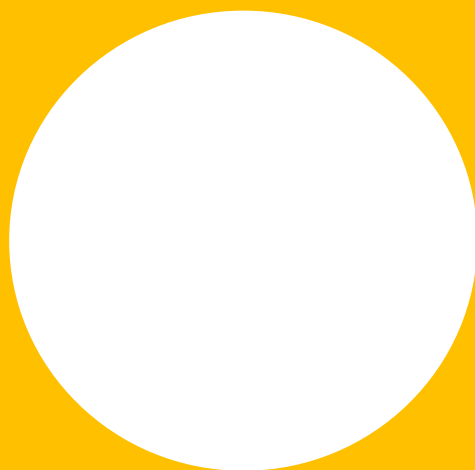




**ANNUAL
REPORT**

EPIC BPIFRANCE

2021





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1. MESSAGE FROM THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The 2021 accounts of EPIC Bpifrance (hereinafter also referred to as "EPIC" or "Bpifrance public institution") show a spectacular recovery compared to the previous year.

The group's share of net profit was €1.106 billion, compared with a loss of €473 million last year, an improvement of nearly €1.6 billion.

This result is due to the strong performance of the public limited company Bpifrance, of which EPIC Bpifrance and Caisse des Dépôts together hold 98.36% of the capital, leading to an increase in the value of EPIC's stake in this latter company, and benefitting French companies, and due to the collection of dividends from EDF and TSA, which had fallen sharply in 2020 and made it more difficult to finance activity under the Innovation and Industry Fund, managed by EPIC.

This result also reflects the involvement of EPIC Bpifrance in all the financing processes of the Bpifrance Group's growing activities.

In fact, over the long term, it is important to note the expansion of the missions entrusted to EPIC by the public authorities, to the benefit of the Bpifrance group, through certain significant figures:

- Since 2015, the amount of EPIC's guarantee commitments in favour of Bpifrance's bond issues has increased from €28bn to €43bn (+53%).
- The size of EPIC's balance sheet has increased significantly: while the balance sheet amount was €17.3bn at the end of 2017, it rose to €30.7bn in 2018, notably with the creation of the Innovation and Industry Fund (thanks to the associated allocations), and to €36.8bn for the financial year that has just ended. The size of the balance sheet has therefore more than doubled in 4 years.
- EPIC is now one of the main operators of the programmes financed by the SGPI. In 2021 alone, the allocations received under PIA 4 amounted to €4.4 billion, while the total resources from the PIAs rose from €3.7 billion to €8.8 billion. These figures are set to increase significantly since, under the France 2030 plan, EPIC is expected to receive nearly €13 billion of the €30 billion planned.
- EPIC's competences have been extended to management on behalf of third parties, first with the SATTs (EPIC holds a €466 million stake in their capital on behalf of the State), then with the creation of the French Tech Sovereignty Fund, for which EPIC has received an endowment of €350 million (and has already invested in three companies on behalf of the State).

EPIC's governance has adapted to the expanded role entrusted to it: The Board of Directors met 12 times in 2021 to manage the funds entrusted to the company, to finance the Bpifrance group's activity supporting companies and to authorise the signing of numerous agreements with the State (the agreement mechanism with the State concerning the PIA has been completely revised), the Regions and professional organisations.

The very good results for 2021 show the strong resilience, after the difficulties caused by the 2020 pandemic, of the Bpifrance group's intervention model and its financing mechanisms, in which EPIC Bpifrance played a decisive role. This resilience will be put to the test in 2022 by Russian aggression in Ukraine, which is creating considerable global economic uncertainty. In this new framework, EPIC will continue to play its role in supporting the Bpifrance group to ensure the stability of French companies.

Christian BODIN
Chairman and CEO of EPIC Bpifrance



2. BOARD OF DIRECTORS' MANAGEMENT REPORT TO THE GENERAL MEETING

2.1. General information concerning Bpifrance

EPIC Bpifrance is a public industrial and commercial institution under French law, registered in the Créteil Trade and Companies Register under number 483 790 069 RCS Créteil (APE code 8413Z) and number LEI 969500ISDAVO0KBJOI22.

EPIC Bpifrance was first registered in the Trade and Companies Register on 24 August 2005 under the name EPIC OSEO.

EPIC Bpifrance's head office is located in France, at 27-31, avenue du Général Leclerc, 94710 Maisons-Alfort Cedex (telephone: 01.41.79.80.00).

2.2. History and development of Bpifrance

The public industrial and commercial institution Bpifrance (formerly EPIC OSEO) was created in 2005 from the merger of ANVAR (Agence nationale de valorisation de la recherche), BDPME (Banque du Développement des PME) and its subsidiary SOFARIS (Société française de garantie des financements des PME). Through these three structures, which became subsidiaries of EPIC OSEO and were renamed OSEO innovation, OSEO financement and OSEO garantie, EPIC OSEO was given the mission of financing and supporting SMEs through three business lines: supporting innovation, financing investments and the operating cycle in partnership with banks, and the guaranteeing of bank financing and equity investments.

In order to improve OSEO's responsiveness and efficiency, and therefore the quality of its services, in particular by clarifying and simplifying its organisation, the project to merge OSEO innovation, OSEO financement and OSEO garantie was launched in 2008. It was made possible by the Banking and Financial Regulation Act of 22 October 2010 and took the form of a merger of OSEO garantie, OSEO innovation and OSEO Bretagne into OSEO financement, which became the public limited company OSEO (now Bpifrance).

On 6 June 2012, the Minister for the Economy announced the creation of the Banque Publique d'Investissement. A public group promoting business financing and development, acting in support of public policies conducted by the State and the Regions, it brings together the activities of OSEO, CDC Entreprises and the Strategic Investment Fund. The creation of the Banque Publique d'Investissement was made official by law n°2012-1559 of 31 December 2012, amending order n°2005-722 of 29 June 2005 relating to the creation of the public institution OSEO (now EPIC Bpifrance), and of the public limited company OSEO. The latter (now called Bpifrance), like the entities grouping the equity activity of CDC Entreprises and the FSI, now called Bpifrance Investissement and Bpifrance Participations respectively, became subsidiaries of a company called BPI-Groupe and then Bpifrance SA.

On 18 December 2020, by decision of the extraordinary general meetings of Bpifrance SA and Bpifrance Financement, Bpifrance SA was absorbed by its subsidiary Bpifrance Financement. Since that date, the corporate name of the holding company of the Bpifrance group is Bpifrance. As at 31 December 2020, EPIC Bpifrance and Caisse des Dépôts each held 49.2% of the capital of Bpifrance. It is also specified that EPIC Bpifrance loaned one Bpifrance share to the French State on 18 December 2020.

In accordance with Order No. 2020-739 of 17 June 2020 with regard to the reorganisation of the Banque Publique d'Investissement, the merger of Bpifrance SA with Bpifrance Financement (now Bpifrance) did not call into question any contracts currently being executed, regardless of their legal status, entered into by Bpifrance SA (or its subsidiaries). Furthermore, the merger is not such as to justify the termination of these contracts, their modification, or the early repayment of the debts that are the subject of them.

2.3. Mission of EPIC Bpifrance

The public institution Bpifrance acts directly or, within the framework of agreements entered into for this purpose, through the intermediary of companies in which it holds a stake or any company in which the State holds, directly or indirectly, at least 50% of the capital.

Its purpose is to:

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

In addition, it also guarantees the securities issued by Bpifrance.

The State, acting unilaterally or by agreement, local authorities and their public limited companies, acting by agreement, may entrust the company with missions of general interest compatible with its purpose.

The public company Bpifrance is authorised to carry out its missions in New Caledonia and its provinces, in French Polynesia and in the Wallis and Futuna Islands, at the request of these authorities.

The choice, organisation and implementation of these missions as well as that of the corresponding instruments are provided for by agreements between the parties. These agreements may provide for the creation of a local steering committee responsible for formulating an opinion as to how the Bpifrance public limited company and its subsidiaries carry out their missions at regional level and as to the consistency of their strategic orientations with the regional economic development strategy. The local steering committee conveys its opinions to the regional management bodies of the Bpifrance public limited company.

The Bpifrance group is a public group promoting business financing and development, acting in support of public policies led by the State and the regions. With a view to supporting sustainable growth, employment and the competitiveness of the economy, it:

- promotes innovation, start-up, development, internationalisation, change and transfer of businesses, by contributing to their financing through loans and equity;
- focuses on women's entrepreneurship, very small businesses, small and medium-sized businesses and intermediate-sized businesses, especially those in the industrial sector;
- invests wisely to finance long-term projects;
- assists the national industrial policy, in particular so as to support sector development strategies;
- participates in the development of sectors of the future, digital conversion and of a socially responsible economy;
- contributes to the development of technological and managerial innovations;
- supports the implementation of the ecological and energy transition;
- promotes the involvement of the banking system as a whole in the projects it supports;
- works in cooperation, where appropriate, with the European Investment Bank;
- develops a range of services and support for businesses throughout their development;
- can stabilise the shareholding of large companies that are a source of growth and competitiveness for the French economy.

2.4. Governance

In 2021, the Board of Directors of EPIC Bpifrance held twelve meetings (two of which were in the form of a written consultation).

- In the meeting of 5 March 2021 and the written consultation which closed on 15 March 2021, the Board:
- authorised the signing of an agreement setting out the provisions common to the agreements relating to the implementation of PIA 4 to be concluded between the State, ADEME, the National Research Agency, Caisse des Dépôts, EPIC Bpifrance and Bpifrance;



- authorised the signing of an agreement relating to the Investing in the Future programme (initiative "Aid for bottom-up innovation", section "Aid scheme") to be concluded between the State, EPIC Bpifrance and Bpifrance;
- authorised the signing of an agreement setting out the general provisions relating to l'Innovation Bpifrance aid to be concluded between the State, EPIC Bpifrance and Bpifrance and
- authorised the signing of an agreement relating to the Investing in the Future programme (action "Demonstration in real conditions, seed and first commercial projects"), to be concluded between the State, ADEME, the National Research Agency, Caisse des Dépôts, EPIC Bpifrance and Bpifrance.

- At the meeting on 23 March 2021, the Board:

- revised the 2021 schedule for the use of FII revenue and decided the schedule and payments for the financial year 2021;
- authorised the signing of an agreement relating to aid for L'Innovation Bpifrance and innovation competitions to be concluded between Bpifrance and EPIC Bpifrance;
- authorised the signing of an agreement relating to the investment guarantee fund "FII aid for L'Innovation Bpifrance according to a co-efficient" to be concluded between Bpifrance and EPIC Bpifrance;
- authorised the signing of an agreement relating to the investment guarantee fund "FII grant aid for Bpifrance L'Innovation" to be concluded between Bpifrance and EPIC Bpifrance;
- authorised the signing of an amendment to the agreement relating to the investment guarantee fund "Deeptech development aid - FII" to be concluded between Bpifrance and EPIC Bpifrance;
- authorised the signing of an amendment to the agreement with regard to the energy transition accelerator to be concluded between ADEME, Bpifrance Participations and EPIC Bpifrance;
- authorised the signing of an amendment to the agreement with regard to the deployment of the Eco-flux diagnosis to be concluded between ADEME, Bpifrance Participations and EPIC Bpifrance;
- authorised the signing of an amendment to the agreement for the deployment of the Ile-de-France international accelerator to be concluded between the Ile-de-France Region, Bpifrance Participations and EPIC Bpifrance;
- approved the parent entity and consolidated financial statements for the year ended 31 December 2020; and
- approved the annual report for the financial year ending 31 December 2020.

- At the meeting on 29 April 2021, the Board:

- revised the 2021 schedule for the use of FII revenue and revised the schedule and payments for the financial year 2021; and
- authorised the signing of an agreement relating to the Investing in the Future programme (initiative "Aides à l'Innovation bottom-up", section "Aides nationales") to be concluded between the State, Bpifrance and EPIC Bpifrance.

- At the meeting on 18 May 2021, the Board:

- revised the allocation of the Grand Challenges programme for the financial year ending 31 December 2019 to the Bpifrance managers and Agence nationale de la recherche (National Research Agency) and approved the payments of the Grand Challenges programme for the financial years 2018 and 2019 to the contribution fund defined in the agreement of 19 March 2019 between the State (Prime Minister) and EPIC Bpifrance relating to the Innovation and Industry Fund;
- authorised the signing of an agreement relating to the Investing in the Future programme (initiative "Technology maturation, R&D partnership, research optimisation and technology transfer") to be concluded between the State, the National Research Agency, ADEME, Bpifrance and EPIC Bpifrance;
- authorised the signing of an agreement relating to the Investing in the Future programme (initiative "Support for deployment") to be concluded between the State, the National Research Agency, the Ademe, the Caisse des Dépôts and Bpifrance; and
- authorised the signing of an amendment No. 2 to the agreement of 20 December 2018 relating to the Investing in the Future programme (initiative "Integration of SATTs, incubators and accelerators") to be concluded between the State, Bpifrance, Bpifrance Investissement and EPIC Bpifrance.

- At the meeting on 27 May 2021, the Board:

- approved the option for payment of the company's dividend for the 2020 financial year in EDF shares;

- At the meeting on 22 June 2021, the Board:

- revised the 2021 schedule for the use of FII revenue and associated payments; and

- authorised the signing of an agreement relating to the Investing in the Future programme (initiative "Bottom-up innovation aid", section " regionalised PIA") to be concluded between the State, Caisse des Dépôts, Bpifrance and EPIC Bpifrance.

- At the meeting on 5 October 2021, the Board:

- examined the half-yearly accounts (parent entity and consolidated) of EPIC Bpifrance as at 30 June 2021;
- approved the standard regional agreement specimen relating to the Investing in the Future programme ("Bottom-up innovation aid" initiative, "Regionalised PIA" section) to be concluded between the State, the Region, Caisse des Dépôts, Bpifrance and EPIC Bpifrance and authorised the signature by the Chairman of the agreements to be concluded with the Regions drawn up in accordance with this standard specimen;
- authorised the signing of an amendment No. 3 to the agreement of 7 April 2017 relating to the Investing in the Future programme (initiative "Support and transformation of industry sectors") to be concluded between the State, Bpifrance, Bpifrance Investissement and EPIC Bpifrance;
- authorised the signing of an agreement for the deployment of Years 5 and 6 of the Nouvelle Aquitaine Accelerator to be concluded between the Nouvelle Aquitaine Region, Bpifrance Participations and EPIC Bpifrance;
- authorised the signing of an agreement for the deployment of Year 5 of the Pays de la Loire SME accelerator to be concluded between the Pays de la Loire Region, Bpifrance Participations and EPIC Bpifrance;
- authorised the signing of an amendment No. 1 to the Booster Agro Bretagne agreement to be concluded between the Brittany Region, Bpifrance Participations and EPIC Bpifrance and
- authorised the signing of an amendment to the agreement for the deployment of Years 1 and 2 of the Grand Est SME accelerator to be concluded between the Grand Est Region, Bpifrance Participations and EPIC Bpifrance.

- At the meeting on 29 October 2021, the Board:

- set the fees for the guarantee that will be granted by EPIC Bpifrance to Bpifrance in the context of its medium and long-term debt issues in 2022 and its short-term loans during the same financial year;
- authorised the changes in the breakdown of the FII allocation to the Bourse French Tech Emergence and Aide au Développement Deeptech schemes and the new financial programme of the Deeptech 2021 initiative of Bpifrance;
- authorised the signing of an amendment No. 1 to the deployment agreement for Years 1 and 2 of the Bourgogne-Franche-Comté SME accelerator to be concluded between the Bourgogne-Franche-Comté Region, Bpifrance Participations and EPIC Bpifrance; and
- authorised the signing of an agreement for the deployment of Year 3 of the Bourgogne-Franche-Comté SME accelerator to be concluded between the Bourgogne-Franche-Comté Region, Bpifrance Participations and EPIC Bpifrance.

- In the written consultation, which ended on 19 November 2021, the Board has:

- approved the option in favour of payment in EDF shares of the interim dividend of this company for the financial year 2021.

- At the meeting on 26 November 2021, the Board:

- authorised the signing of an agreement relating to the Investing in the Future programme, "Accelerating growth (equity)" initiative, relating to the "Ecotechnologies 2 Fund" component to be concluded between the State, Bpifrance Investissement and EPIC Bpifrance; and
- authorised the subscription to the Ecotechnologies 2 fund using the resources made available under the above agreement.

- At the meeting of 16 December 2021, the Board:

- authorised the guarantee of EPIC Bpifrance relating to the Bpifrance 2022 financing plan;
- approved the 2022 budget of EPIC Bpifrance;
- decided on the 2022 financial programme of Grand Challenges and approved the provisional budget for the management costs of the Deeptech and Grand Challenges Plans;
- approved the new programme rules for the use of the revenue from the Innovation and Industry Fund and the 2022 programme for the use of this revenue;
- authorised the signing of a service agreement to be concluded between Bpifrance, Bpifrance Investissement and EPIC Bpifrance;



- authorised the signing of a framework agreement for the management of the Major Common European Hydrogen Interest Project (PIIEC H2) to be concluded between the State, Bpifrance and EPIC Bpifrance;
- authorised the signing of an amendment No. 2 to the agreement with regard to the deployment of the automotive industry support programme to be concluded between the Ministry of the Economy, Finance, Action and Public Accounts, Bpifrance Participations and EPIC Bpifrance; and
- authorised the signing of an amendment No. 2 to the agreement for the deployment of the cash management support module to be concluded between the Ministry of the Economy, Finance, Action and Public Accounts, Bpifrance Participations and EPIC Bpifrance.

2.4.1. Board of Directors as at 31 December 2021

Chairman of the Board of Directors

Christian BODIN

Honorary Head of the Economic and Financial Control Mission

Professional address: EPIC Bpifrance, 27-31, avenue du Général Leclerc, 94710 Maisons-Alfort Cedex

Appointed by Decree of the President of the Republic dated 2 May 2019

Directors representing the State

Marie-Anne LAVERGNE

Head of the office in charge of the control of foreign investments in France at the Directorate General of the Treasury,

Professional address: Directorate General of the Treasury, 139 rue de Bercy, 75572 Paris Cedex 12

Appointed by decree on 30 September 2019

Pierre CHABROL

Deputy Director of Corporate Finance and the Financial Market at the Directorate General of the Treasury

Professional address: Directorate General of the Treasury, 139 rue de Bercy, 75572 Paris Cedex 12

Appointed by decree on 12 October 2021

Géraldine LEVEAU

Deputy Secretary General of the General Secretariat for Investment

Professional address: General Secretariat for Investment, Hôtel de Cassini, 32, rue de Babylone, 75007 Paris

Appointed by decree on 21 June 2021

Vincent TEJEDOR

Deputy Director of Business Development at the Directorate General for Enterprise

Professional address: Directorate General for Enterprise, 61, boulevard Vincent Auriol, 75703 PARIS Cedex 13

Appointed by decree on 20 November 2020

Alban HAUTIER

Deputy Director of the 3rd subdirector of the Budget Directorate

Professional address: Budget Directorate, 139 rue de Bercy, 75572 Paris Cedex 12

Appointed by decree on 11 March 2019

Pierre-Louis AUTIN

Head of the Innovation, Technology Transfer and Regional Action Department at the Directorate General for Research and Innovation of the Ministry of Higher Education, Research and Innovation

Professional address: Ministry of Higher Education, Research and Innovation, 1 rue Descartes, 75231 PARIS CEDEX 05

Appointed by decree on 8 October 2018

By invitation

Emanuel CHARRON

Government Commissioner

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

Bernard ZAKIA

Deputy Government Commissioner

2.4.2. General Management

Director General

Christian BODIN

2.5. Information on the Chief Executive Officer and the directors

Chairman and Chief Executive Officer

Christian BODIN

Non-voting member on the Board of Directors of the National Research Agency

Positions held during the last 5 years:

No other office

Since May 2019, Christian Bodin has been Chairman and Chief Executive Officer of the public industrial and commercial institution Bpifrance, a 49.18% shareholder of the public limited company Bpifrance (on an equal basis with Caisse des Dépôts).

A former student of the ENA (Voltaire class), graduate of Sciences-Po Paris, holder of the CAPA and a degree in private law, he worked at the Ministry of Transport, then at Caisse des Dépôts and from 1985 onwards at the Ministry of the Economy and Finance.

Within this ministry, he worked at the Budget Directorate (1985-1990: head of the Employment and then Culture offices), at the Directorate of External Economic Relations (Regional Economic Mission in Abidjan 1995-1999, Regional Director of Foreign Trade Midi-Pyrénées 1999-2001) and at the General Directorate of the Treasury (Economic Mission in Saudi Arabia 2001-2005, Inspector of External Services 2005-2006). Between 1990 and 1995 he was assigned to the Ministry of Overseas Departments and Territories as Deputy Director of Economic Affairs.

Appointed Controller General of the Economy and Finance in 2006 within the Financial Activities Control Mission (which reports to the General Directorate of the Treasury), he is a Government Commissioner, notably for the Banque Postale, the Caisse de Garantie du Logement locatif social and film financing companies. In parallel to these functions, he contributed, as an external reporter, to the work of the 1st Chamber of the Court of Auditors from 2008 to 2012.

In 2013, Christian Bodin was appointed to the Audit Mission of the French Atomic Energy Commission (CEA), and his responsibilities were extended to economic and financial auditing of the AREVA group in 2014.

In 2015, he was appointed Head of the General Economic and Financial Control Mission, retaining his responsibilities until June 2018.

Christian Bodin is also a non-voting member of the French National Research Agency. He is a Knight of the National Order of Merit.

Directors representing the State

Marie-Anne LAVERGNE

No other office

Positions held during the last 5 years:

Member representing the State on the Supervisory Board of Banque Postale (term of office ends in 2021)

Member representing the State on the Board of Directors of the French State Investment Company (SPPE) (term ends in 2021)

Marie-Anne LAVERGNE has been the head of the office in charge of the control of foreign investments in France at the Directorate General of the Treasury since 2020. A graduate of the Ecole Normale Supérieure de Lyon, and an engineer of bridges, water and forests, she previously held the positions of deputy head of the Industrial Policies, Research and Innovation Office at the Directorate General of the Treasury from 2015 to 2017, then deputy head of the Savings and Financial Markets Office at the Directorate General of the Treasury from 2017 to 2019, and then head of investment at the State Investment Agency from 2019 to 2020.



Pierre CHABROL

Director representing the State on the Board of Directors, member of the Risk Committee of the Institute for Financing the Cinema and Cultural Industries (IFCIC).

Non-voting member of Bpifrance, member of the Audit Committee and the Risk Committee.

Representative of the State by delegation of the Director General of the Treasury to the board of the Autorité des marchés financiers and the board of the Accounting Standards Authority

Positions held during the last 5 years:

No other office

Pierre CHABROL, Senior Advisor of the Administrative Courts and Administrative Courts of Appeal, until now head of the Savings and Financial Market Office (FINENT 1) of the General Directorate of the Treasury, has been appointed Deputy Director of Corporate Financing and the Financial Market within the Economic Financing Department of the General Directorate of the Treasury.

A graduate of the Institut d'études politiques de Paris, with a master's degree in law and history, Pierre CHABROL was appointed as an advisor to the administrative court and the administrative court of appeal in 2008 after graduating from the ENA ("Aristide Briand" class). Advisor at the Administrative Court of Paris (2008-2010), he was assistant to the head of the WTO and EU trade policy office of the Directorate General of the Treasury at Bercy (2010-2012), then assistant to the head of the savings and financial market office within the same Directorate General (2012-2014). Deputy to the Minister Advisor for Economic Affairs, Head of the "Chinese World" Regional Economic Department in Beijing (2014-2017), he was Head of the Trade Policy, Strategy and Coordination Office of the Directorate General of the Treasury (2017-2020). Since February 2020, Pierre CHABROL has been Head of the Savings and Financial Market Office in the same Directorate General.

Géraldine LEVEAU

No other office

Positions held during the last 5 years:

No other office

Géraldine Leveau holds a master's degree in public law and a postgraduate diploma in political administration from the University of Panthéon-Sorbonne (Paris-I). She has been Deputy Secretary General for Investment, in charge of France 2030, since 25 May 2021.

Prior to that, she worked for the Île-de-France region as a project manager between 2005 and 2011, and for four years at the Paris Region Economic Development and Innovation Agency, where she was in charge of the Regional Innovation Network.

She joined the Directorate General for Enterprise in 2016, first as deputy head of the innovation, R&D and industrial property office and then as project director for innovation ecosystems and startups. She was advisor in charge of innovation, start-ups and digital in Frédérique Vidal's office from August 2020 until she took up her position at the SGPI.

Vincent TEJEDOR

No other mandate

Positions held during the last 5 years:

No other office

Vincent TEJEDOR has been Deputy Director of Business Development (SDDE) of the General Directorate of Enterprises within the Ministry of Finance, Economy and Recovery since 2020. A former student of the Ecole Normale Supérieure (Ulm), a Master 2 in public law and Chief Engineer of the Mining Corps, Vincent TEJEDOR was awarded the "Le Monde" prize for academic research at the end of his thesis in physics under the joint supervision of the University of Paris VI and the TU München. Co-founder in 2011 and Managing Director of the start-up Expliseat SAS, he has filed about fifteen patents relating to the construction of lightweight aircraft seats in carbon fibre and titanium. In 2015, he joined the Court of Auditors as rapporteur (defence, industry, energy), then in 2018 the Ministry of the Armed Forces as Deputy Director of Transformation and Innovation (DIRISI).

Alban HAUTIER

Director of the National Research Agency

Director of the National Centre for Scientific Research (CNRS)

Director of the National Centre for Space Studies (CNES)

Director of the Institut Pasteur

Director of the French Atomic Energy Commission (CEA)

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

Positions held during the last 5 years:

Director of the National Agency for Social Housing Control (ANCOLS) (2018 - 2019)

Director of the National Agency for Urban Renewal (ANRU) (2018)

Director of the Caisse de Garantie du Logement Locatif Social (CGLLS) (2017 - 2019)

Director of the National Fund for Housing Subsidies (FNAP) (2017-2019)

Director of the National Housing Agency (ANAH) (2017 - 2019)

Director of Grand Paris Aménagement (2018 - 2019)

Director of Euromed (2017- 2019)

Government Commissioner Action Logement Group

After four years at the General Inspectorate of Finance in auditing, consulting and public policy evaluation, Alban HAUTIER joined the Budget Directorate in 2016, first as Head of the Budget Policy office, then as head of the office for housing, cities and territories. He is currently deputy director of the third sub-directorate, which covers policies on education, higher education, research, innovation, industry, energy, shareholdings and state guarantees.

Pierre-Louis AUTIN

Director of France Brevets

Positions held during the last 5 years:

No other office

A graduate in philosophy of the ENS de Fontenay-Saint-Cloud (1996), and a former student of the ENA (2005), Pierre-Louis AUTIN began his career as a philosophy teacher in higher education, secondary education and in IUFM. After ENA, he became a magistrate at the Administrative Court of Paris (2005-2010), then transferred to the Ministry of Higher Education where he was head of the department of innovation policies through technology transfer (2010-2014). In 2014, he joined the office of Mr Matthias Fekl, Secretary of State for Foreign Trade, Tourism Promotion and French Nationals Abroad at the Ministry of Foreign Affairs (2014-2016) as Special Advisor, then Office Director (2016-2017). He was Advisor to the Minister of the Interior until May 2017 before joining the Ministry of Higher Education, Research and Innovation. He was appointed Head of the Department of Innovation, Technology Transfer and Regional Action in April 2018.

2.6. Statutory Auditors

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 period of six financial years, until the financial year ending 31 December 2022.

KPMG S.A.

Represented by Ulrich SARFATI

2, avenue Gambetta

92066 Paris La Défense Cedex

Member of the Regional Association of Statutory Auditors of Versailles.

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



2.7. Activity report

2.7.1. Key events of EPIC Bpifrance and the Bpifrance Group

(i) Key events in 2021

Key events concerning EPIC Bpifrance

Financing of innovation projects by the Innovation and Industry Fund

- In 2021, the **Innovation and Industry Fund** continued to deploy resources to the targeted innovation programmes, in particular with the conclusion of "Aid Schemes" agreements with Bpifrance and the State on 14 April 2021 and 21 April 2021.
- Disbursements to operators of FII-funded innovation schemes amounted to €137m in 2021 compared to €195m in 2020.

Dividends paid to its shareholder

- EPIC Bpifrance paid a €215 million dividend to its shareholder (the State) in December 2021;
- The payment of this dividend was mainly financed by a dividend of €210,693,495.60 paid by Bpifrance SA to EPIC Bpifrance in December 2021.

Key events concerning the Bpifrance Group

The key events, as well as the business activity, the financial statements as at 31 December 2021 and the 2022 outlook of Bpifrance and its subsidiaries can be viewed in the annual reports of the entities concerned, published on the Bpifrance website (www.bpifrance.fr, "Investors" section).

(ii) Post-balance sheet events

Russia's invasion of Ukraine - on 24 February 2022 - led to instability in the financial markets and the economy in general, as well as the unprecedented implementation of new economic sanctions regulations by the international community.

EPIC Bpifrance holds the State's investment in Bpifrance (general block). In addition, it was endowed with Thales and EDF shares as part of the creation of the Innovation and Industry Fund (FII block).

Because its mission is to finance principally French companies, the Bpifrance group's direct exposure to Russia, Ukraine and Belarus is very limited and of small quantum, at around €10m. About half of this €10m is net exposure related to export credit to Ukrainian buyers in the framework of Bpifrance's support of French exporters. The remainder relates to equity positions taken by Bpifrance Participations in three Russian entities, not targeted to date by French, European or American economic sanctions. However, these equity operations were carried out alongside a Russian partner, which is now subject to European and American economic sanctions. Bpifrance aims to exit this partnership and/or the Russian assets as soon as possible, in compliance with applicable economic sanctions regulations.

The impact of this crisis on the economy, the effects of which we cannot yet measure with certainty and finality, may have consequences on the business activity, profitability and even solvency of client or invested companies. Recent discussions with Bpifrance's significant counterparties have not revealed any critical issues for them at this stage that would be likely to generate provisions and/or specific impairment of our assets at 31 December 2021.

In addition, it should be recalled that the Bpifrance group includes Bpifrance Assurance Export, which acts in the name, on behalf of and under the exclusive control of the French State with regard to support for French exports. As such, this subsidiary is involved in the negotiation, implementation and monitoring of this government support for French exports. These exposures, held directly by the State (and not on Bpifrance's balance sheet), represent a little more than €580m for Russia and around €1.1bn for Ukraine.

Moreover, the crisis does not seem at this stage to have had a negative impact on the financial positions of EDF and Thales.

2.7.2. Activities by business line and key figures

The resources of EPIC Bpifrance enabling it to carry out its business are made up of:

- the amount of fees paid to it by companies in which it holds a stake or any company in which the State holds, directly or indirectly, at least 50% of the capital, in payment for services it provides on their behalf;
- dividends and other income from its holdings in companies in which it has an investment;
- fees for tasks carried out directly in its own name or on behalf of third parties;
- financial assistance from the State and local authorities or their public limited companies;
- all other financial assistance.

EPIC Bpifrance may also make a public offering of securities and issue any type of debt security.

EPIC Bpifrance has four main missions:

- it holds the State's investment, together with Caisse des Dépôts, in the capital of Bpifrance and, in 2020, ensured the proper use of the State's assets;
- it acts as guarantor for issues of securities by Bpifrance Financement, a subsidiary of Bpifrance;
- it implements agreements concluded with the State, particularly in the framework of the PIA;
- it carries the assets of the Innovation and Industry Fund on its balance sheet and manages the programmes.

EPIC Bpifrance's guarantee commitments to Bpifrance amounted to €42.7 billion as at 31 December 2021, which breaks down as follows

- 32.4 billion in bonds issued under EMTN programmes, including €1.2 billion in interest;
- €0.3 billion in bilateral loans, of which €5.6 million is interest;
- €4bn under the NEU MTN programme;
- €6bn under the NEU CP/ EUR CP programme.

The bond resources utilised in 2021 represent a total of €2.75 billion of securities over the year:

2021	Type of transaction	Date issued	Due date	Duration	Nominal (€M)
Trim 2	Syndication	29/04/2021	25/05/2028	7	1 250
	Syndication	28/05/2021	04/06/2031	10	1 000
Trim 4	Private Placement - Retap	14/10/2021	25/11/2026	5	500
Total EMTN 2021					2 750

An addendum was made to the prospectus governing this programme on 12 June 2020 to indicate that the ceiling of the EMTN programme has been increased from €35bn to €45bn.

The EMTN programme thus represented 100% of the medium and long-term refinancing carried out in 2021 by Bpifrance. In total, the breakdown of outstanding refinancing by lender was as follows as at 31 December 2021: investors in the EMTN and BMTN programmes accounted for 58.4% of outstanding amounts; Caisse des Dépôts, 0.6%; the European Central Bank via monetary policy programmes, 39%; EPIC Bpifrance, 1.6%.



Outstanding short-term interbank refinancing (certificates of deposit and securities delivered under repurchase agreements) amounted to €5.2 billion as at 31 December 2021, compared with €7.5 billion as at 31 December 2020, i.e. a decrease of 31%.

This decrease is mainly due to securities given under repurchase agreements, which amounted to €0.435 billion as at 31 December 2021, compared with €3.2 billion as at 31 December 2020, i.e. a decrease of 86%.

2.7.3. Outlook for 2022

In 2022, EPIC Bpifrance will continue to carry out its general interest mission, namely to promote and support innovation, contribute to technology transfer and foster the development and financing of SMEs.

This action will be pursued in particular through the agreements entered into by EPIC Bpifrance and Bpifrance SA pursuant to I and III of Article 6 of Ordinance No. 2005-722 of 29 June 2005 and through the guarantee of Bpifrance's 2022 financing plan. This plan authorises the completion of medium and long-term debt transactions for a maximum amount of €7.8 billion and a target amount of €4.1 billion in nominal terms, which may be realised through bond issues under EMTN/NEU MTN programmes and through bilateral loans, in euros or in their foreign currency equivalent.

2.7.4. General framework of accounting and financial information

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 of 18 November 2015 with regard to the Articles of Association of the public institution Bpifrance and defining the specific terms and conditions of State control.

The consolidated accounts of EPIC Bpifrance incorporate the consolidated financial statements of Bpifrance under the equity-accounting method, as well as the accounts of the parent entity. The balance sheet total amounted to €36.8bn in 2021 compared to €30.3bn in 2020. This increase was mainly due to the rise in current assets (€5,049m), linked in particular to the new contributions to be received by EPIC Bpifrance as part of the implementation of PIA4.

The consolidated profit of EPIC Bpifrance includes the parent entity's own operations, namely

- €352.9 million in financial income from the F2I (dividends and interest on the State's current account);
- Income from Bpifrance Financement guarantee fees of €45.1 million;
- €165.9 million in impairment charges on F2I receivables.

The consolidated profit also incorporates EPIC Bpifrance's share in the amount of €901.9 million in 2021 of Bpifrance's profit (compared to a loss of €66.7 million in 2020). The dividends received from Bpifrance are eliminated under the equity-accounting method.

The group's net profit, was therefore €1,106.5 million in 2021, compared with a loss of €473.5 million in 2020.

Parent entity financial statements

The published parent entity financial statements of EPIC Bpifrance are presented in accordance with French Generally Accepted Accounting Principles.

This year, their main feature is the return on the FII-backed assets, consisting of dividends paid by TSA of €96.0 million and by EDF of €169.4 million and interest on the interest-bearing account of €87.5 million. Bpifrance paid EPIC Bpifrance a dividend of €210.7m in December 2021.

These amounts, recorded in financial income, are in addition to €45.1 million representing the fees for the guarantee granted to Bpifrance in connection with its debt security issues. EPIC Bpifrance's net income is reduced by the impairment of receivables recognised on F2I assets for €165.9 million and by the financing of Bpifrance Investissement's support activity (€11.8 million).

EPIC Bpifrance's operating expenses (€3.0 million) mainly represent the withdrawal of interest capitalised in the reserve fund (€2.2 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 operating expenses corresponds essentially to the invoicing of resources made available by Bpifrance and Bpifrance Investissement to EPIC Bpifrance (which does not employ any employees). EPIC Bpifrance received a CVAE (Cotisation sur la valeur ajoutée des entreprises, a French tax on the added value of companies) rebate in relation to the FII activity for the 2018 and 2019 financial years.

The net profit amounted to €424.2 million.

EPIC Bpifrance's balance sheet totalled €36.2 billion, compared with €30.9 billion as at 31 December 2020. Its off-balance sheet commitments (which reflect guarantees given or commitments) were up by €0.4bn, to €42.7bn.

On the asset side, EPIC Bpifrance's stake in Bpifrance amounted to €10.4bn. The assets of the **Innovation and Industry Fund** were stable in 2021, with the exception of the EDF dividends, which were paid out in shares (equivalent to €169.4m).

The change in EPIC Bpifrance's balance sheet is mainly explained by the new allocations obtained or receivable related to the PIA4.

In addition, new subscription commitments for the MC3 fund (€100m), the PSIM fund (€120m) and the FTA fund (€50m) and the increase in net receivables relating to the F2I activity (+€161.5m) increased the assets of EPIC Bpifrance.

23 March 2022,

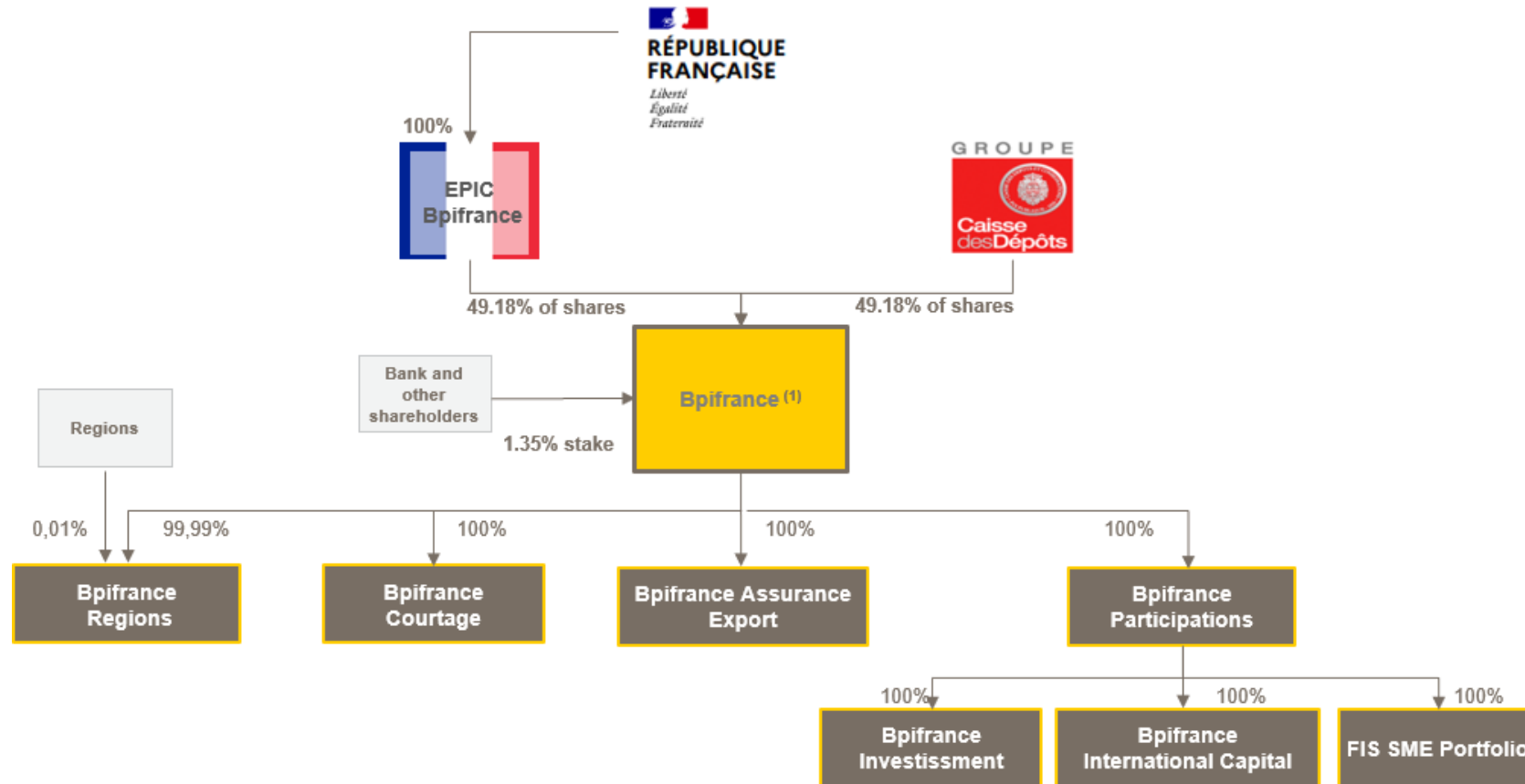
By the Chairman and CEO of EPIC Bpifrance,
Christian BODIN



3. ORGANISATIONAL CHART OF BPIFRANCE

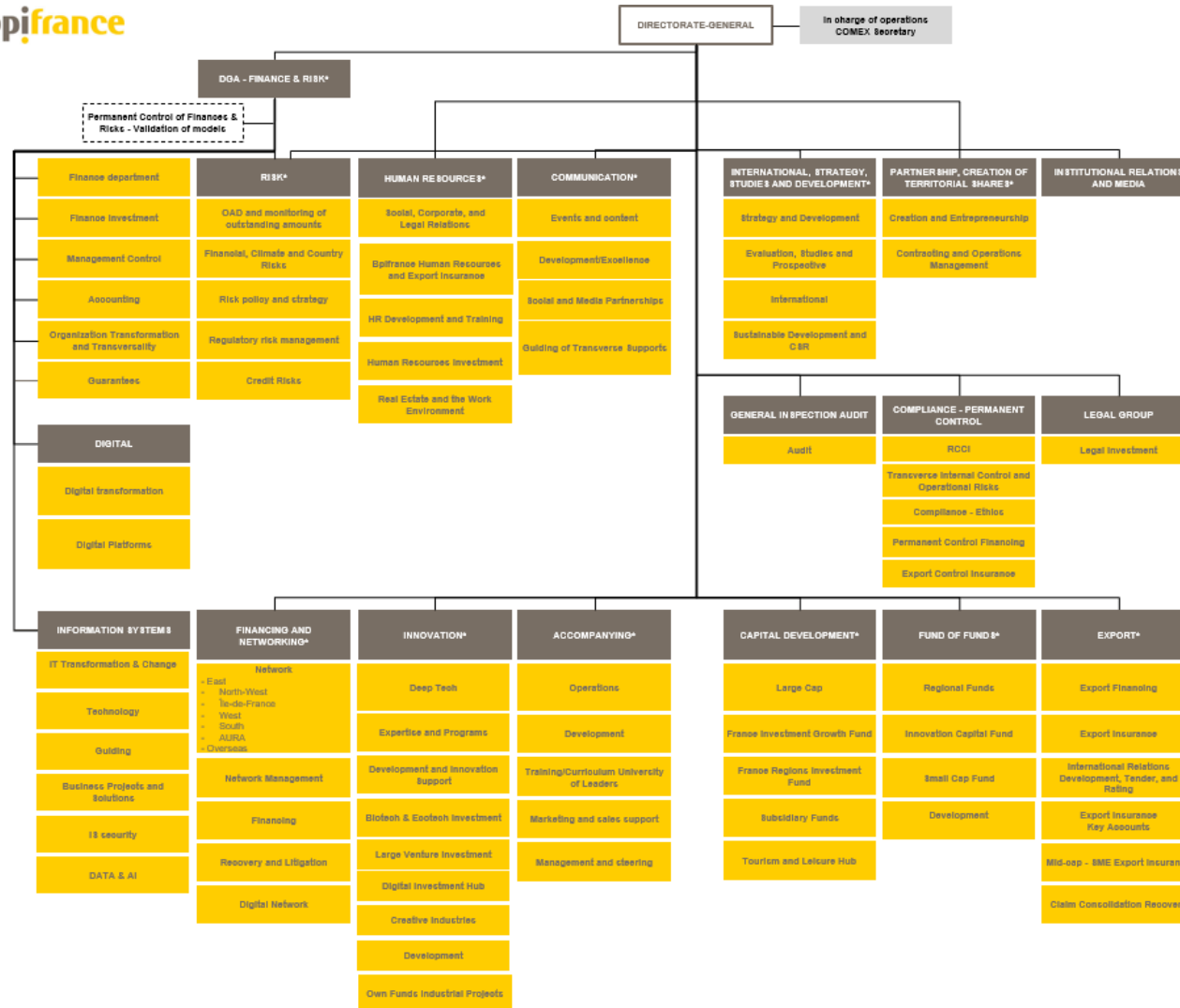
3.1. Capital structure of the Bpifrance group

Organisational chart of the Bpifrance Group as of 31 December 2021



(1) Bpifrance holds a 0.29% stake

3.2. Organisational chart of business lines



4. CONSOLIDATED FINANCIAL STATEMENTS

EPIC Bpifrance Publishable consolidated balance sheet

ASSETS (in millions of euros)	Notes	31/12/2021	31/12/2020
Goodwill		0,0	0,0
Intangible fixed assets		0,0	0,0
Tangible fixed assets		0,0	0,0
Investment properties		0,0	0,0
Financial assets measured at fair value through equity	6.1	7 683,1	8 414,8
Holdings in equity-consolidated companies	6.2	14 085,5	11 968,0
Other non-current financial assets	6.3	5 165,5	5 137,4
Deferred tax assets		0,0	0,0
NON-CURRENT ASSETS		26 934,1	25 520,2
Trade receivables and miscellaneous receivables	6.4	4 970,9	974,8
Current tax assets		5,4	3,1
Other current financial assets	6.3	130,6	516,5
Cash and cash equivalents	6.5	4 761,6	3 325,3
CURRENT ASSETS		9 868,5	4 819,7
Assets held for sale		0,0	0,0
TOTAL ASSETS		36 802,6	30 339,9

EPIC Bpifrance Publishable consolidated balance sheet

LIABILITIES (in millions of euros)	Notes	31/12/2021	31/12/2020
Capital and related reserves		22 136,9	22 136,9
Consolidated reserves		2 896,0	3 605,1
Gains and losses recognised directly in equity		-18,6	-564,5
Profit or loss		1 106,5	-473,5
GROUP SHARE OF SHAREHOLDERS' EQUITY		26 120,8	24 704,0
Minority interests		0,0	0,0
SHAREHOLDERS' EQUITY		26 120,8	24 704,0
Financial debts with credit institutions	6.6	0,0	2,2
Miscellaneous financial debts	6.7	711,6	841,6
Deferred tax debts		8,9	0,0
NON-CURRENT LIABILITIES		720,5	843,8
Financial debts owed to credit institutions	6.6	0,0	2,2
Miscellaneous financial debts	6.7	130,6	514,3
Other financial debts	6.8	9 805,0	4 243,6
Current tax debts		0,0	0,0
Trade payables and miscellaneous debts	6.9	25,7	32,0
CURRENT LIABILITIES		9 961,3	4 792,1
Liabilities held for sale		0,0	0,0
TOTAL LIABILITIES		36 802,6	30 339,9

EPIC Bpifrance Publishable consolidated income statement

(in millions of euros)	Notes	31/12/2021	31/12/2020
Income from normal operations		0,0	0,0
Other income and expenses from operations		0,0	0,0
Taxes and duties	7.1	0,6	-0,5
Staff costs		0,0	0,0
Purchases consumed and external expenses	7.1	-15,4	-13,5
Depreciation and amortisation		0,0	0,0
Allocations or reversals of provisions		0,0	0,0
Other operating income and expenses		0,0	0,0
OPERATING INCOME BEFORE OTHER INCOME AND EXPENSES		-14,8	-14,0
Loss of value on equity-consolidated companies		0,0	0,0
Other operating income and expenses	7.2	0,0	-130,0
Income from disposal of consolidated securities	7.3	0,0	4,3
OPERATING INCOME		-14,8	-139,7
Share of net income from equity-consolidated companies	7.4	901,9	-66,8
OPERATING INCOME AFTER SHARE OF THE NET INCOME OF EQUITY-CONSOLIDATED COMPANIES		887,1	-206,5
Income from cash and cash equivalents	7.5	7,1	37,4
Cost of gross financial debts	7.5	-7,1	-37,4
Cost of net financial debts		0,0	0,0
Other financial income and expenses	7.6	234,3	-257,1
Taxes		-14,9	-9,9
NET INCOME before income from discontinued operations or those in the process of being sold		1 106,5	-473,5
Net income from discontinued operations or those in the process of being sold		0,0	0,0
NET INCOME		1 106,5	-473,5
Minority interests		0,0	0,0
NET INCOME - GROUP SHARE		1 106,5	-473,5

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

(in millions of euros)	31/12/2021	31/12/2020
NET PROFIT	1 106,5	-473,5
Items that can be reclassified (recyclable) to profit or loss		
<i>Conversion differences</i>	0,0	0,0
<i>Revaluation of financial assets at fair value through recyclable equity</i>	0,0	0,0
<i>Revaluation of derivative hedging for recyclable items</i>	0,0	0,0
<i>Share of gains and losses recognised directly in the equity of equity-consolidated companies</i>	16,0	-55,4
<i>Other recyclable items recognised through equity</i>	0,0	0,0
<i>Related taxes</i>	0,0	0,0
Items that cannot be reclassified (non-recyclable) to profit or loss		
<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 subject to an option to be recognised at fair value through profit or loss</i>	0,0	0,0
<i>Revaluation of equity instruments recognised at fair value through equity</i>	-901,1	57,4
<i>Share of gains and losses recognised directly in the equity of equity-consolidated companies, not recyclable</i>	1 387,2	-297,1
<i>Other items recognised through equity, not recyclable</i>	0,0	0,0
<i>Related taxes</i>	0,0	-10,6
TOTAL GAINS AND LOSSES DIRECTLY RECOGNISED IN EQUITY	502,1	-305,8
NET INCOME AND GAINS AND LOSSES DIRECTLY RECOGNISED IN EQUITY	1 608,6	-779,3
Including Group share	1 608,6	-779,3
Including minority interests share	0,0	0,0
Transfer amount to reserve of non-recyclable items	-3,6	116,0

Change in shareholders' equity (Group share)

	Capital and related reserves	Reserves	Gains and losses recognised directly in shareholders' equity	Allocation	Total
(in millions of euros)					
Position at 31 December 2019	20 873,4	2 827,7	-148,4	0,0	23 552,7
2019 income				660,5	660,5
Income allocated to reserves	0,0	660,5	0,0	-660,5	0,0
Distribution of dividends					0,0
Change in gains and losses recognised directly in equity	0,0	116,0	-347,6	0,0	-231,6
<i>Change in value of financial instruments affecting non-recyclable equity</i>	0,0	0,0	-253,1	0,0	-253,1
<i>Change in value of financial instruments affecting recyclable equity</i>	0,0	0,0	21,5	0,0	21,5
<i>Disposal of financial instruments recognised at fair value through non-recyclable equity</i>	0,0	116,0	-116,0	0,0	0,0
Actuarial gains and losses on defined benefit plans	0,0	0,0	2,4	0,0	2,4
Conversion differences	0,0	0,0	-77,0	0,0	-77,0
Change in interest rate percentage	0,0	-12,1	5,5	0,0	-6,6
Other transactions	0,0	13,0	0,6	0,0	13,6
Increase in capital	1 263,5	0,0	0,0	0,0	1 263,5
Position at 31 December 2020	22 136,9	3 605,1	-564,5	0,0	25 177,5
2020 income				-473,5	-473,5
Income allocated to reserves	0,0	-473,5	0,0	473,5	0,0
Distribution of dividends	0,0	-215,0	0,0	0,0	-215,0
Application of the IFRS IC decision on post-employment benefits	0,0	1,3	0,0	0,0	1,3
Change in gains and losses recognised directly in equity	0,0	-3,6	473,5	0,0	469,9
<i>Change in value of financial instruments affecting non-recyclable equity</i>	0,0	0,0	485,1	0,0	485,1
<i>Change in value of financial instruments affecting recyclable equity</i>	0,0	0,0	-15,2	0,0	-15,2
<i>Disposal of financial instruments recognised at fair value through non-recyclable equity</i>	0,0	-3,6	3,6	0,0	0,0
Actuarial gains and losses on defined benefit plans	0,0	0,0	2,0	0,0	2,0
Conversion differences	0,0	0,0	31,1	0,0	31,1
Change in interest rate percentage	0,0	-18,3	39,2	0,0	20,9
Other transactions	0,0	0,0	0,0	0,0	0,0
Increase in capital	0,0	0,0	0,0	0,0	0,0
Position at 31 December 2021	22 136,9	2 896,0	-18,6	0,0	25 014,3
2021 income				1 106,5	1 106,5

Cash flow table

The cash flow table is presented using the indirect method.

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

Tax cash flows are presented in full along with operating activities.

Investing activities represent cash flows for the acquisition and disposal of investments in consolidated and non-consolidated companies, property, plant and equipment, intangible assets and investment properties.

Financing activities result from changes in the financial structure of equity and long-term borrowings.

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

EPIC Bpifrance cash flow statement

(in millions of euros)	31/12/2021	31/12/2020
Consolidated net income	1 106,5	-473,5
Net depreciation and provision allowances	27,7	24,5
Unrealised gains and losses related to changes in fair value	0,0	0,0
Other calculated income and expenses	0,0	0,0
Capital gains and losses on disposal	0,0	-4,4
Share of net income related to equity-consolidated companies	-901,9	66,8
Dividends (non-consolidated securities)	265,4	66,0
Cash flow after cost of net financial debt and tax	0,0	0,0
Cost of net financial debt	0,0	0,0
Tax expense (including deferred taxes)	14,9	10,0
Other transactions (specific to guarantee funds)	0,0	0,0
Cash flow before cost of net financial debt and tax (A)	512,6	-310,6
Taxes paid (B)	-8,3	-2,8
Change in working capital requirements related to activity (C)	-4 002,4	123,4
Net cash flow from operating activities (D) = (A+B+C)	-3 498,1	-190,0
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	-169,4	0,0
Receipts related to disposals of financial assets	0,0	636,5
Dividends received from equity-consolidated companies	210,7	0,0
Change in loans and advances granted	330,1	-1 494,1
Other flows related to investment operations	-265,4	-66,0
Total net cash flow from investing activities (E)	106,0	-923,6
Amounts received from shareholders during a capital increase	0,0	1 263,5
* paid by the shareholders of the parent company	0,0	1 263,5
* paid by minority shareholders of consolidated companies	0,0	0,0
Dividends paid during the financial year	-215,0	0,0
* dividends paid to shareholders of the parent company	-215,0	0,0
* dividends paid to minority shareholders of consolidated companies	0,0	0,0
Receipts related to new loans	130,0	2,2
Loan repayments	-634,4	-504,8
Net financial interest paid	-13,7	-0,4
Other flows related to financing operations	5 561,6	468,5
Total net cash flow from financing operations (F)	4 828,5	1 229,0
Net increase/ (decrease) in cash and cash equivalents (D+E+F)	1 436,4	115,4
Cash and cash equivalents - opening balance	3 325,3	3 209,9
Cash and cash equivalents - closing balance	4 761,7	3 325,3
Change in net cash flow	1 436,4	115,4

Notes to the financial statements

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- **Note 1 - Significant events in the financial year and post balance sheet events**

1.1. Significant events in the financial year

The 2020 financial year was marked by an unprecedented health crisis related to Covid-19. This pandemic continued to affect economic and social activity in 2021, although the overall economic impact was more limited.

In this context, EPIC Bpifrance continues to carry out its general interest missions in support of public policies.

As the core operator of the financing of the Investing in the Future Programme for French start-ups, SMEs and ETIs, Bpifrance is participating in the implementation of the 4th Investing in the Future Programme (PIA4).

1.2 Post balance sheet events

Russia's invasion of Ukraine on 24 February 2022 led to instability in the financial markets and the economy in general, as well as the implementation of sanctions by the international community.

Because its mission is to finance French companies, EPIC Bpifrance has no direct exposure to Russia, Ukraine and Belarus.

The impact of this crisis on the economy, the effects of which cannot yet be measured with certainty and finality, may have consequences on the business activity, profitability and even solvency of the companies that are clients of or invested in by EPIC Bpifrance and/or Bpifrance. At this stage, no critical issue has been identified that would be likely to generate provisions and/or specific impairment of EPIC Bpifrance's assets at 31 December 2021.

- **Note 2 - Applicable accounting standards**

2.1. Accounting standards applicable as at 31 December 2021

The 2021 consolidated financial statements have been prepared in accordance with IFRS as adopted by the European Union and applicable at 31 December 2021.

The entry into force of the standards, amendments and interpretations that are mandatory from 1 January 2021 did not have a material impact on the Group's consolidated financial statements as at 31 December 2021.

The group does not apply the standards, interpretations and amendments whose application is only optional at this time.

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

The European Union has adopted new standards that will be mandatory from 1 January 2022.

The application of these new provisions is not expected to have a material impact on the Group's consolidated financial statements.

- **Note 3 - Consolidation principles and methods**

In accordance with EC Regulation 1606/2002, the Group's consolidated financial statements will be prepared in accordance with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) in force in the European Union as at 31 December 2021.

3.1. Consolidation principles

General principle

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

Notion of control

The notion of control is determined irrespective of the nature of the relationship between the group and the investee. Control is defined as when the group is exposed to or entitled to variable returns and has the ability to influence those returns by virtue of the power it holds.

Therefore, the Group controls a subsidiary if, and only if, all of the following elements are met:

- The Group has the power, where it has effective control, to direct the relevant activities of the subsidiary,
- The Group is exposed or entitled to variable returns, where returns may vary depending on the performance of the subsidiary,
- The Group has the ability to exercise its power to influence the amount of variable returns it earns.

Joint control is the contractual sharing of control over a partnership which may be either a joint activity or a joint venture. Joint control exists only where decisions about the relevant activities require the unanimous consent of the parties sharing control.

Significant influence is the power to participate in decisions with regard to the financial and operating policies of the affiliate company, but not to exercise control or joint control over those policies. This is presumed to be the case when the Group holds, directly or indirectly, 20% or more of the voting rights. It may also result, for example, from representation on the board of directors or equivalent governing body, participation in the policy-making process, significant transactions between the Group and the affiliate company, exchange of management personnel or provision of essential technical information.

3.2 Consolidation method

The consolidation method results from the nature of the control exercised by the Group over the entities to be consolidated, whatever their activity.

The accounts of companies over which complete control is exercised, including companies with a different accounts structure, are consolidated using the full consolidation method.

Investments over which the Group exercises joint control or significant influence are accounted for using the equity method.

3.3. Investments in companies accounted for using the equity method

The equity method consists of replacing the value of the shares with the group's share of the shareholders' equity and the net profit or loss of the companies concerned. The income statement reflects the Group's share of the net profit or loss of the companies accounted for using the equity method.

The entire equity investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets, where there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the equity investment and these events have an impact on the forecast cash flows of the equity investment, which can be reliably estimated.

The book value of the equity investment is then compared to its recoverable amount, which is the higher of value-in-use and the fair value less selling costs.

When an impairment loss is recognised, it is allocated to the equity-accounted investment in the balance sheet, allowing the impairment loss to be reversed if there is an improvement in value-in-use or market value.

3.4. Consolidation rules

Restatements and eliminations

Restatements necessary to harmonise the valuation methods of the consolidated companies are made when they are significant.

Intra-group dividends, provisions in relation to consolidated securities, capital gains on internal sales and accelerated depreciation are eliminated in an amount equal to the share held of companies accounted for by the equity method.

Goodwill

The identifiable assets, liabilities, contingent liabilities and off-balance sheet items of the acquired entities are recognised at their fair values at the date of acquisition. This initial value may be adjusted within twelve months of the acquisition date.

A positive difference between the acquisition cost of the entity and the acquired share of the net assets thus revalued is recorded on the assets side of the consolidated balance sheet under the heading "Investments in companies accounted for by the equity method" when the company acquired is accounted for by the equity method. When the difference is negative, it is immediately recorded in the income statement.

When the recoverable amount is less than the book value, an irreversible impairment of goodwill is recognised in the income statement. The recoverable amount is generally measured using the discounted cash flow method.

3.5. Presentation of the financial statements and balance sheet date

Presentation of the consolidated financial statements

The presentation of the interim reports used is in accordance with that proposed by Recommendation No. 2013-03 of 7 November 2013 of the French Accounting Standards Authority (ANC) on the format of consolidated financial statements of companies prepared in accordance with international accounting standards.

Balance sheet assets and liabilities are classified as "Current" and "Non-current" as defined by IAS 1 "Presentation of Financial Statements". An asset or a liability is classified as "Current" if it will be sold or settled within twelve months from the balance sheet date. Conversely, sales and settlements that will take place more than twelve months after the balance sheet date are classified as "Non-current".

Balance sheet date

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

- **Note 4 - Scope of consolidation**

The table below identifies the consolidated companies, the proportion of their capital held directly and indirectly, and their consolidation method.

As EPIC Bpifrance exercises joint control with CDC over Bpifrance, EPIC Bpifrance consolidates this joint venture using the equity method, in accordance with IFRS 11 "Partnerships".

Denomination	Consolidation method	31/12/2021 % interest	31/12/2021 % of voting rights	31/12/2020 % of voting rights
EPIC Bpifrance	Full Equity Consolidated	100%	100%	100%
Bpifrance Group		49,32%	49,32%	49,29%

- **Note 5 - Accounting principles and assessment methods**

5.1. Determination of fair value

IFRS 13 establishes the framework for determining fair value and provides guidance on how to measure the fair value of assets and liabilities, both financial and non-financial. Fair value is the price that would be received for the disposal of an asset or paid for the transfer of a liability in a normal transaction between market participants at the valuation date. Fair value is therefore based on the exit price.

On initial recognition, the value of a financial instrument is normally the trading price (i.e. the value of the consideration paid or received).

In subsequent valuations, the fair value of assets and liabilities should be estimated and determined using observable market data as a priority, while ensuring that the set of parameters that make up the fair value is consistent with the price that "market participants" would use in a transaction.

5.1.1 Fair value hierarchy

The three levels of fair value

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

Level 1: valuation using quoted market prices in a liquid market. These are instruments whose fair value is determined from quoted prices in active markets.

Level 2: valuation using observable market data. This fair value level includes instruments quoted in an illiquid market and instruments valued using a valuation technique with observable parameters either directly (price) or indirectly (price derivative).

Level 3: valuation using unobservable market data. This level includes instruments valued using unrecognised valuation models and/or based on unobservable market parameters where these are likely to significantly affect the valuation.

Transfers between fair value levels

Transfers between fair value levels can occur when instruments meet the criteria for classification of the new level, which are dependent on market and product conditions. Changes in observability and the passage of time and events affecting the life of the instrument are the main factors that trigger transfers. Transfers are deemed to have occurred at the end of the period.

5.1.2 Assessment techniques

General framework

The best estimate of value is the market price of the instrument when it is traded in a liquid market (quoted and published prices). The Group uses the bid price for the fair value of a long position (asset) and the ask price for a short position (debt).

In the absence of market or reliable data, fair value is determined by an appropriate method in accordance with the valuation methodologies used in the financial markets: reference to the market value of a comparable instrument, valuation models and, more generally, discounting of estimated future cash flows.

The fair value amounts of financial assets and liabilities represent estimates made at the reporting date. These estimates may change at a later date due to changes in market conditions or other factors. The calculations made are based on a number of assumptions. In practice, and under the going concern convention, all of these financial instruments are not sold immediately at their estimated value.

5.2. Accounting for financial assets and liabilities

All financial assets and liabilities within the scope of IFRS 9, except those whose fair value is determined from their profits or losses, are initially recognised at fair value plus/minus transaction costs attributable to their acquisition. Transaction costs for financial assets and liabilities whose fair value is determined from their profits or losses are recorded directly in the income statement on the date they are first recognised.

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

Investments in equity instruments are accounted for, by default, at their fair value, as determined from their profits or losses, on the date they are first recognised and subsequently. However, when initially recognising them, the group has the option to irrevocably designate investments in equity instruments that are not held for trading or as part of a business combination as being held at fair value, as determined from their shareholders' equity. This option is exercised on a transaction-by-transaction basis and the Group has decided to apply it to its entire equity portfolio. Changes in the fair value of these instruments are shown in shareholders' equity, with no subsequent impact on the income statement in the event of disposal. These financial assets are not subject to impairment. Dividends are recorded under "Other financial income and expenses" in the income statement.

"Other financial assets" include receivables and loans. As debt instruments held in a business model where the objective is to collect the contractual cash flows and where the cash flows only give rise to payments of principal and interest on the remaining principal due at specified dates (SPPI Solely Payment of Principal and Interests criterion), they are carried at amortised cost and are subject to impairment determined using a simplified low credit risk approach. Interest is calculated using the effective interest rate method and accrued interest is recorded in the related receivables account and offset against the income statement. However, the reserve fund and receivables relating to the Innovation and Industry Fund are recognised at fair value, as determined from their profits or losses, as their income does not meet the SPPI criterion.

5.3. Cash and cash equivalents

Cash and cash equivalents include cash in hand and on-demand deposits, short-term (less than 3 months), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of change in value. Cash equivalents are held for the purpose of meeting short-term cash commitments.

5.4. Debts

Debts issued by the group are initially recorded at cost, which corresponds to the fair value of the amounts borrowed net of transaction costs. These debts are valued on the balance sheet date at amortised cost using the effective interest rate method and are recorded in the balance sheet under "Financial debts to credit institutions" or "Other financial debts".

Accrued interest on these debts is recorded in the related debts financial statement with a corresponding entry in the income statement.

5.5. Derecognition of financial assets and liabilities

The Group derecognises a financial asset when the contractual rights to receive cash flows from the financial asset have expired, or when those contractual rights and substantially all the risks and rewards of ownership have been transferred. The rights and obligations created or retained on transfer are, where appropriate, recognised separately as assets or liabilities.

On derecognition of a financial asset in its entirety, a gain or loss on disposal is recognised in the income statement in an amount equal to the difference between the book value of the asset and the value of the consideration received, adjusted where appropriate for any unrealised gain or loss previously recognised directly in shareholders' equity.

The Group derecognises a financial liability only when that financial liability is extinguished, i.e. when the obligation specified in the contract is extinguished, cancelled or has expired.

5.6. Provisions

A provision is established when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation arising from a past event and when the amount of the obligation can be reliably estimated. The amount of the obligation is discounted to determine the amount of the provision, if the impact of discounting is material.

5.7. Current and deferred taxes

Current tax

The current corporation tax charge is determined on the basis of the rules and rates in force in France, as the Group companies are exclusively located in France.

The taxable profit as at 31 December 2021 amounts to €20.7 million.

Deferred tax

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

The global calculation method, which consists of capturing all temporary differences regardless of the date on which the tax will become payable or recoverable, is used to calculate deferred taxes.

The tax rate and tax rules used to calculate deferred taxes are those resulting from current tax legislation and which will be applicable when the tax becomes recoverable and payable.

Deferred taxes are offset against each other at the level of each tax entity in the consolidated group. Deferred tax assets are only recognised if it is probable that the entity concerned will be able to recover them within a specified period.

Deferred taxes are recognised as tax income or expense in the income statement, except for deferred taxes on unrealised gains and losses on assets at fair value, as determined by shareholders' equity, for which the related deferred taxes are recognised in shareholders' equity.

Tax uncertainty

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

5.8. Net cost of financial debt and other financial income and expenses

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

Income from cash and cash equivalents consists of income relating to the cash items defined in 5.3.

The net cost of financial debt consists of all costs related to financial liabilities.

Other financial income and expenses consist of income and expenses of a financial nature that are not of an operational kind and do not form part of the net cost of financial debt.

5.9. Share of net profit of companies accounted for by the equity method

Bpifrance, whose shares are consolidated using the equity method, is considered to be of an operational nature as an extension of the Group's activity.

As a result, the share of net profit from equity affiliates is presented after operating income, in accordance with ANC recommendation no. 2013-03 of 7 November 2013.

5.10. Use of estimates in the preparation of financial statements

The preparation of financial statements requires the use of assumptions and estimates that involve uncertainties as to their future realisation. These estimates, using information available at the balance sheet date, involve the exercise of management's judgement. Future outcomes are affected by many factors, including changes in interest rates, exchange rates, economic conditions, regulations and legislation.

- Note 6 - Notes related to the balance sheet

6.1. Financial assets measured at fair value through shareholders' equity

(in millions of euros)	31/12/2021		31/12/2020	
	Fair value	Of which unrealised	Fair value	Of which unrealised
Bonds and fixed income securities	0,0	0,0	0,0	0,0
Shares and other variable income securities (*)	7 683,1	-1 081,2	8 414,8	-180,1
Total financial assets at fair value through equity	7 683,1	-1 081,2	8 414,8	-180,1

(*) Allocation in non-expendable securities paid by the State as part of the establishment of the Innovation and Industry Fund

The dividends received in the 2021 financial year in the amount of €265.4 million are exclusively from shares held in the portfolio on 31 December 2021.

6.2. Investments in companies accounted for using the equity method

(in millions of euros)	31/12/2021	
	Equity value	Including valuation/goodwill
Bpifrance Group	14 085,5	108,0
Total investments in companies accounted for using the equity method	14 085,5	108,0

(in millions of euros)	31/12/2020	
	Equity value	Including valuation/goodwill
Bpifrance Group	11 968,0	108,0
Total investments in companies accounted for using the equity method	11 968,0	108,0

6.3. Other financial assets

(in millions of euros)	31/12/2021	31/12/2020
Loans in Pounds Sterling	0,0	4,4
Loans in euros (1)	841,5	1 341,6
PPMTR grant (2)	46,7	47,5
Receivables for Innovation and Industry Fund	289,7	128,1
Reserve fund (3)	617,6	618,0
French State current account - Agence France Trésor Innovation Capital (4)	3 500,0	3 500,0
Related receivables	0,6	14,3
Total of other financial assets	5 296,1	5 653,9

(1) Loans granted to Bpifrance, a repayment at maturity of 500 million euros on 13 April 2021

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

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

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

6.4. Trade and other receivables

(in millions of euros)	31/12/2021	31/12/2020
Guarantee commissions for Bpifrance securities to be received	39,1	39,7
Allocations to be received by the State	4 931,8	935,1
- <i>Structuring projects for competitiveness</i>	232,0	376,0
- <i>Innovation competition</i>	0,0	83,5
- <i>Support for sectors</i>	98,3	403,8
- <i>French Tech</i>	0,0	1,8
- <i>SIA (Integration of SATTs, incubators and accelerators)</i>	50,0	70,0
- <i>Piave (Industrial projects for the future)</i>	150,3	0,0
- <i>PIA4 Finance aids</i>	140,0	0,0
- <i>PIA4 Demonstration</i>	780,0	0,0
- <i>PIA4 National aid</i>	1 201,2	0,0
- <i>PIA4 Deployment Support</i>	1 350,0	0,0
- <i>PIA4 Maturation</i>	525,0	0,0
- <i>PIA4 Regionalised</i>	405,0	0,0
Total trade and other receivables	4 970,9	974,8

6.5. Cash and cash equivalents

(in millions of euros)	31/12/2021	31/12/2020
Bank account	4,6	3,3
Bpifrance current account	1,1	21,7
State current account - Agence France Trésor	95,9	95,9
State current account - Agency France Trésor Investissements d'Avenir	4 211,8	2 837,5
State current account - Agence France Trésor Innovation (*)	410,2	366,9
Cash deposit account with the Treasury	38,0	0,0
Total cash and cash equivalents	4 761,6	3 325,3

(*) Expendable cash for the Innovation and Industry Fund

6.6. Financial debts owed to credit institutions

(in millions of euros)	31/12/2021	31/12/2020
Loans in pounds sterling (European Investment Bank)	0,0	4,4
Related debts	0,0	0,0
Total financial debts owed to credit institutions	0,0	4,4

6.7. Miscellaneous financial debts

(in millions of euros)	31/12/2021	31/12/2020
Loans from the State (*)	841,6	1 341,6
Related debts	0,6	14,3
Total miscellaneous financial debts	842,2	1 355,9

(*) Repayment at maturity of 500 million euros carried out in the 2021 financial year

6.8. Other financial liabilities

(in millions of euros)	31/12/2021	31/12/2020
Investing in the Future Public resources	8 798,2	3 665,0
Other public intervention resources	65,3	65,3
Catering-trade Modernisation Fund	48,8	49,6
Allocation payable to Bpifrance	4,4	0,0
Allocation payable to Bpifrance Participations	0,1	0,5
Allocation payable to the Innovation and Industry Fund	539,5	351,9
Other liabilities (*)	345,5	107,7
Other accrued charges	0,0	0,0
Bpifrance accrued charges	3,2	3,6
Total other financial liabilities	9 805,0	4 243,6

(*) Liabilities to the French State

6.9. Trade debts and miscellaneous debts

(in millions of euros)	31/12/2021	31/12/2020
Deferred income	13,5	19,5
Trade payables	12,2	12,5
Total trade debts and miscellaneous debts	25,7	32,0

6.10. Fair value of financial assets and liabilities

(in millions of euros)	31/12/2021			
	Level 1	Level 2	Level 3	Total
ASSETS				
Financial assets at fair value through equity	3 552,1	4 131,0	0,0	7 683,1
Other financial assets	0,0	5 307,2	0,0	5 307,2
LIABILITIES				
Financial liabilities owed to credit institutions	0,0	0,0	0,0	0,0
Miscellaneous financial debts	0,0	853,2	0,0	853,2

(in millions of euros)	31/12/2020			
	Level 1	Level 2	Level 3	Total
ASSETS				
Financial assets at fair value through equity	4 234,1	4 180,7	0,0	8 414,8
Other financial assets	0,0	5 696,5	0,0	5 696,5
LIABILITIES				
Financial liabilities owed to credit institutions	0,0	4,4	0,0	4,4
Miscellaneous financial debts	0,0	1 398,5	0,0	1 398,5

6.11. Euro equivalent of foreign currency transactions

(in millions of euros)	31/12/2021	31/12/2020
Asset	0,0	4,4
Liabilities	0,0	4,4

- Note 7 - Notes related to the income statement

7.1. Taxes and duties and external charges

(in millions of euros)	31/12/2021	31/12/2020
Services provided by Group companies	-1,2	-1,3
External expenses	-0,1	-0,1
Reallocation from the Reserve Fund	-2,2	-2,8
Other expenses (*)	-11,9	-9,3
<i>Subtotal</i>	-15,4	-13,5
Taxes and Duties and similar payments	0,6	-0,5
<i>Subtotal</i>	0,6	-0,5
Total taxes and duties and external charges	-14,8	-14,0

(*) Expenses relating to the action programs of the Support operation

7.2. Other operating income and expenses

(in millions of euros)	31/12/2021	31/12/2020
Contribution to the mutual fund of Bpifrance's guarantee fund	0,0	-115,0
Contribution to the automotive cash-strengthening fund	0,0	-15,0
Total other operating income and expenses	0,0	-130,0

7.3. Income from disposal of consolidated shares

(in millions of euros)	31/12/2021	31/12/2020
Bpifrance Group diluted earnings	0,0	5,9
Decrease in goodwill for the Bpifrance group following dilution	0,0	-1,6
Total income from disposal of consolidated securities	0,0	4,3

7.4. Share of net profit of equity-consolidated companies

(in millions of euros)	31/12/2021	31/12/2020
	Share of net profit of equity-consolidated companies	
Bpifrance Group	901,9	-66,8
Total share of net profit of equity-consolidated companies	901,9	-66,8

7.5. Cost of net financial debt

(in millions of euros)	31/12/2021	31/12/2020
Funds reinvested with Bpifrance	7,1	37,4
- Loans (in €)	7,1	37,4
- Loans (in foreign currency)	0,0	0,0
Total proceeds from cash	7,1	37,4

(in millions of euros)	31/12/2021	31/12/2020
Loan (European Investment Bank)	0,0	0,0
State loan	-7,1	-37,4
Total cost of gross financial debt	-7,1	-37,4

7.6. Other financial income and expenses

(in millions of euros)	31/12/2021	31/12/2020
EDF dividends	169,4	0,0
TSA dividends	96,0	66,0
State current account interest - Agence France Trésor Innovation Capital	87,5	59,6
Guarantee commissions for Bpifrance issues	45,1	45,7
Reserve fund	2,2	2,8
Other financial expenses (*)	-165,9	-431,2
Total other financial income and expenses	234,3	-257,1

(*) Losses and impairments on receivables relating to the Innovation and Industry Fund

- **Note 8 - Risk exposure, management and measurement**

8.1. General organisation of risk management

The Group is only exposed to the risks of EPIC Bpifrance as a parent entity, Bpifrance being consolidated using the equity method.

As at 31 December 2021, the risks inherent in the business activities of EPIC Bpifrance are limited to:

- the risk of loss due to the inability of a counterparty to meet its financial obligations,
- the risk of loss due to changes in market prices and rates.

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

Maximum credit risk exposure

(in millions of euros)	31/12/2021	31/12/2020
Cash and cash equivalents	4 761,6	3 325,3
Other financial assets	4 959,8	5 478,3
Guarantee commitments given and commitments by signature (*)	42 723,1	42 300,1
Total	52 444,5	51 103,7

(*) The guarantee commitments given, i.e. €42,723.1 million, are representative of the guarantee granted by EPIC Bpifrance to investors in Bpifrance's issuance programs

Quantitative information on credit risk

"Cash and cash equivalents", which amounted to €4,761.6 million as at 31 December 2021, is made up of current accounts opened with the French State (Agence France Trésor) for €4,622.0 million and current accounts with Bpifrance for €1.1 million (excluding related receivables).

The "Other financial assets" item, which amounted to €4,959.8 million as at 31 December 2021, relates to the Bpifrance group in the amount of €1,459.1 million (excluding related receivables) and the French State (Agence France Trésor) in the amount of €3,500 million.

8.3. Financial risks

Financial risks are defined as the risks of loss of economic value caused by adverse changes in market parameters, affecting all on- and off-balance sheet positions.

EPIC Bpifrance is exposed to two main families of risks: structural interest rate risk and share price risk.

8.3.1 Structural interest rate risk

EPIC Bpifrance's balance sheet items exposed to interest rate risk are limited to cash and lending/borrowing operations. For the latter, EPIC Bpifrance receives financing and grants mirror loans to Bpifrance. Thus, these operations are perfectly matched in terms of interest rate and liquidity; the sensitivity to structural interest rate risk is zero. Lastly, insofar as these loans are ultimately included in Bpifrance's balance sheet as financial debt, the structural risks attached to these loans are integrated into the overall system for managing and monitoring Bpifrance's ALM risks.

EPIC Bpifrance uses two indicators to monitor structural interest rate risk:

- the measurement of income risk, via the net interest margin, which aims to assess the impact of different interest rate scenarios on the company's net interest margin, by applying similar rate shocks to all short rates; and
- the measurement of value risk, via the net present value of the portfolio of transactions (capital and interest flows) at fixed rates, excluding equity, which aims to monitor the evolution of the net present value in the event of a change in rates (EVE - Economic Value of Equity).

Due to the structure of EPIC Bpifrance's balance sheet, as at 31 December 2021, the sensitivity of these two indicators to a 200bps rise/fall in interest rates is almost nil.

Maturity of financial assets and liabilities

The tables below show the undiscounted contractual flows (capital and interest).

Annual flows (in millions of euros)	31/12/2021						
	Book value	Total incoming (outgoing) flows	On demand	Less than 3 months	Between 3 and 12 months	Between 1 year and 5 years	After 5 years
Repayment of term loans to the State	842,1	-1 048,7	-	- 0,5	- 131,5	- 849,2	- 67,4
Repayment of term loans with credit institutions	-	-	-	-	-	-	-
Repayment of term loans with the State	842,1	-1 048,7	-	- 0,5	- 131,5	- 849,2	- 67,4
Repayment of term loans from credit institutions	-	-	-	-	-	-	-

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

8.3.2 Share price risk

EPIC Bpifrance is subject to share price risk due to the equity investments contributed by the State in the context of the creation of the Innovation and Industry Fund (F2I). These equity investments should be acquired by the State in return for cash contributions, financed by future sales of equity investments in other companies in the shareholder State's portfolio.

As at 31 December 2021, the sensitivity of the F2I's net asset value to a 30% fall in the benchmark index (CAC40) is 23.5%.

- **Note 9 - Disclosure of interests in other entities**

9.1. Important assumptions and judgements

In January 2018, the State transferred 13% of the capital and 8% of the voting rights of EDF, for a value of €4.312 billion, as well as - via the holding company TSA - 26% of the capital and 36% of the voting rights of Thalès. As this transaction does not modify the exclusive competence of the Agence des Participations de l'Etat (French Government Shareholding Agency) to carry out the missions of the State as shareholder in EDF and Thalès, these securities are recognised in "Financial assets measured at fair value through shareholders' equity".

As at 31 December 2021, EPIC Bpifrance held 11% of the capital and 6% of the voting rights of EDF, and 26% of the capital and 35% of the voting rights of Thalès.

9.2 Interests held in subsidiaries

EPIC Bpifrance has no minority interests.

The Group has no material legal, regulatory or contractual restrictions on its ability to access the Group's assets or to settle the Group's liabilities.

9.3. Interests held in partnerships and equity-consolidated companies

Partnership Interests

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

Table of interests in entities accounted for by the equity method in 2021 and 2020 - Bpifrance group consolidated financial statements

(in millions of euros)	Bpifrance Group
Main place of business	France
Percentage of voting rights	49,32%
Consolidation method	Equity method

ASSET (in millions of euros)	31/12/2021	31/12/2020	LIABILITIES (in millions of euros)	31/12/2021	31/12/2020
Cash, central banks	8 600,4	7 819,2	Central banks	0,0	0,0
Financial assets at fair value through profit or loss	6 312,2	5 943,6	Financial liabilities at fair value through profit or loss	0,0	1,5
Hedging derivatives	11,0	5,9	Hedging derivatives	36,5	84,2
Financial assets at fair value through equity	18 479,8	12 288,3	Liabilities to credit institutions and similar	21 414,3	18 801,0
Securities at amortised cost	8 053,1	8 041,3	Liabilities to customers	2 443,2	3 014,2
Loans and receivables from credit institutions, at amortised cost	1 715,9	1 461,2	Liabilities represented by a title	36 402,5	36 347,0
Loans and receivables due from customers, at amortised cost	45 932,8	44 419,6	Revaluation differences on rate-hedged portfolios	264,5	727,5
Finance lease and similar transactions, at amortised cost	6 154,6	6 185,5	Current and deferred tax liabilities	168,8	129,7
Innovation financing aid	964,3	988,4	Accruals and miscellaneous liabilities	2 844,1	2 489,6
Revaluation differences on rate-hedged portfolios	124,0	586,0	Rental liabilities	140,5	122,4
Current and deferred tax assets	318,2	260,2	Liabilities related to non-current assets held for sale	0,0	0,0
Accruals and miscellaneous assets	762,2	826,6	Provisions	137,7	143,7
Non-current assets held for sale	0,0	0,0	Net resources for innovation-related activity	1 931,4	1 916,3
Equity investment in equity-consolidated companies	2 929,4	5 052,8	Public guarantee funds	6 690,8	6 455,6
Investment property	0,0	0,0	Subordinated liabilities	7,2	7,3
Fixed assets	262,7	250,3	Equity	28 366,6	24 076,0
Intangible assets	225,4	185,0	Equity, Group share	28 340,5	24 061,7
Goodwill	2,1	2,1	- Capital and related reserves	21 122,4	21 122,4
			- Consolidated reserves	3 235,2	3 832,3
			- Gains and losses recognised directly in equity	2 154,3	-779,9
			- Result	1 828,6	-113,0
			Minority interests	26,1	14,3
			- Reserves	26,0	22,0
			- Result	0,1	-7,7
TOTAL ASSETS	100 848,1	94 316,0	TOTAL LIABILITIES	100 848,1	94 316,0

INCOME (in millions of euros)	31/12/2021	31/12/2020
Interest and similar income	1 827,4	1 631,7
Interest and similar expenses	-944,6	-877,9
Fees (income)	85,0	73,2
Fees (expenses)	-3,1	-3,8
Net gains or losses on financial instruments at fair value through profit or loss	1 269,2	167,4
Net gains or losses from financial instruments at fair value through equity	544,2	189,2
Net gains or losses resulting from the de-recognition of financial assets at amortised cost	0,0	0,0
Net gains or losses on available-for-sale financial assets	0,0	0,0
Income from other activities	259,3	225,4
Charges for other activities	-121,3	-165,9
NET BANKING INCOME	2 916,1	1 239,3
General operating expenses	-786,9	-717,3
Depreciation and amortisation of tangible and intangible fixed assets	-82,8	-75,8
GROSS OPERATING INCOME	2 046,4	446,2
Cost of risk	-74,6	-461,6
OPERATING INCOME	1 971,8	-15,4
Share of net income from equity-consolidated companies	225,2	-123,6
Net gains or losses on other assets	-170,0	0,4
Changes in value of goodwill	-13,1	-0,4
INCOME BEFORE TAXES	2 013,9	-139,0
Corporate income taxes	-185,2	18,4
Net income from activities discontinued or in the process of being sold	0,0	0,0
NET INCOME	1 828,7	-120,6
Minority interests	0,1	-7,6
NET INCOME - GROUP SHARE	1 828,6	-113,0
Earnings per share (in euros)	2,70	-0,17
Diluted earnings per share (in euros)	2,70	-0,17

Reconciliation with the book value of these interests	31/12/2021	31/12/2020
<i>Equity group share</i>	3 235,2	3 832,3
<i>Equity to percentage interest</i>	1 595,6	1 888,9
<i>Valuation/goodwill difference</i>	108,0	108,0
<i>Consolidation adjustments</i>	-	-
Book value of interests in equity-consolidated companies	1 703,6	1 996,9

9.4 Interests held in unconsolidated structured entities

The Group does not hold any interests structured entities.

- **Note 10 - Compensation paid to members of administrative bodies**

No remuneration was paid to directors.

- **Note 11 - Sector reporting**

The contributions within the EPIC Bpifrance group are as follows:

(in millions of euros)

31/12/2021	EPIC Bpifrance	Bpifrance Group	Total
Operating income	-14,8	0,0	-14,8
Financial result	234,3	0,0	234,3
Share of net income of MEEs	0,0	901,9	901,9

(in millions of euros)

31/12/2020	EPIC Bpifrance	Bpifrance Group	Total
Operating income	-14,0	0,0	-14,0
Financial result	-382,8	0,0	-382,8
Share of net income of MEEs	0,0	-66,7	-66,7

(in millions of euros)

31/12/2021	EPIC Bpifrance	Bpifrance Group	Total
Cash and cash equivalents	4 761,6	0,0	4 761,6
Other financial assets	5 296,1	0,0	5 296,1
Investments in MEE companies	0,0	14 085,5	14 085,5

(in millions of euros)

31/12/2020	EPIC Bpifrance	Bpifrance Group	Total
Cash and cash equivalents	3 325,3	0,0	3 325,3
Other financial assets	5 653,9	0,0	5 653,9
Investments in MEE companies	0,0	11 968,0	11 968,0

- **Note 12 - Financing and guarantee commitments**

(in millions of euros)	31/12/2021	31/12/2020
Commitments given	42 723,1	42 300,1
Loan financing commitments	0,0	0,0
<i>in favour of credit institutions</i>	0,0	0,0
<i>in favour of customers</i>	0,0	0,0
Guarantee commitments (*)	42 723,1	42 300,1
<i>in favour of credit institutions</i>	42 723,1	42 300,1
<i>in favour of customers</i>	0,0	0,0
Securities commitments (securities to be delivered)	0,0	0,0
Commitments received	0,0	0,0
Loan financing commitments received from credit institutions	0,0	0,0
Guarantee commitments received from credit institutions	0,0	0,0
Commitments on securities (securities to be received)	0,0	0,0

(*) The guarantee commitments given, i.e. €42,723.1 million, are representative of the guarantee granted by EPIC Bpifrance to investors in Bpifrance's issuance programs

Other commitments: a commitment of €50m has been given in the framework of the agreement between Bpifrance Participations and EPIC Bpifrance to undertake programmes of initiatives in relation to the Support activity. €9.8m was committed in the 2021 financial year and €7.7m in the 2020 financial year, bringing the total utilised commitment to €17.5m.

- **Note 13 - Other information**

13.1. Related parties

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

Transactions with Bpifrance are presented in notes 6, 7 and 11.

(in millions of euros)	31/12/2021	31/12/2020
Balance sheet items		
Assets	1 499,9	2 039,7
Other financial assets	1 459,7	1 978,3
Trade receivables and miscellaneous receivables	39,1	39,7
Cash and cash equivalents	1,1	21,7
Liabilities	23,6	30,4
Trade payables and miscellaneous debts	23,6	30,4
Profit and Loss Statement Items		
Financial expenses	0,0	0,0
Financial income	52,2	83,1
Commitments		
Commitments given	0,0	0,0
Commitments received	0,0	0,0
Other commitments given	25,5	35,3

13.2 Statutory Auditors' fees included in the income statement for the financial year (amounts excl. VAT)

(in thousands of euros)	Mazars		KPMG Audit	
	2021	2020	2021	2020
Certification of accounts	39	40	39	40
Other services		-		-
Total	39	40	39	40

13.3. Activities on behalf of third parties

The operations managed by the Group on behalf of the State are not included in the consolidated balance sheet of the public institution.

(in millions of euros)	31/12/2021						
	Asset			Liabilities			Off-balance sheet
	Securities and receivables	Principal's account	Total	Debts	Principal's account	Total	
SATT activity (1)	466,1	0,0	466,1	0,0	466,1	466,1	0,0
French Tech Sovereignty (2)	350,0	0,0	350,0	0,0	350,0	350,0	0,0
Industrial Projects Companies Fund	319,7	0,0	319,7	0,0	319,7	319,7	0,0
Ambition Seed Angels Fund	33,2	0,0	33,2	0,0	33,2	33,2	0,0
PSIM funds	80,9	0,0	80,9	0,0	80,9	80,9	0,0
National Seed Fund	55,4	0,0	55,4	0,0	55,4	55,4	0,0
Multicap Growth Fund	160,7	0,0	160,7	0,0	160,7	160,7	0,0
French Tech Seed Fund	152,9	0,0	152,9	0,0	152,9	152,9	0,0
French Tech Acceleration Fund	1,3	0,0	1,3	0,0	1,3	1,3	0,0
Total	1 620,2	0,0	1 620,2	0,0	1 620,2	1 620,2	0,0

(1) Equity Interests in Technology Transfer Acceleration Companies (SATT) on behalf of the French State.

(2) Equity Interests in companies developing future technologies on behalf of the State

(in millions of euros)	31/12/2020						
	Asset			Liabilities			Off-balance sheet
	Securities and receivables	Principal's account	Total	Debts	Principal's account	Total	
SATT activity (*)	443,3	0,0	443,3	0,0	443,3	443,3	0,0
Industrial Projects Companies Fund	377,5	0,0	377,5	0,0	377,5	377,5	0,0
Ambition Seed Angels Fund	31,1	0,0	31,1	0,0	31,1	31,1	0,0
PSIM funds	75,3	0,0	75,3	0,0	75,3	75,3	0,0
National Seed Fund	36,5	0,0	36,5	0,0	36,5	36,5	0,0
Multicap Growth Fund	81,2	0,0	81,2	0,0	81,2	81,2	0,0
French Tech Seed Fund	150,0	0,0	150,0	0,0	150,0	150,0	0,0
Total	1 194,9	0,0	1 194,9	0,0	1 194,9	1 194,9	0,0

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

5. PARENT ENTITY FINANCIAL STATEMENTS

EPIC Bpifrance
PARENT ENTITY PUBLISHABLE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

- Publishable balance sheet
- Publishable income statement

EPIC Bpifrance PUBLISHABLE BALANCE SHEET

	Notes	Gross	Depreciation and amortisation Impairments	31/12/2021 Net	31/12/2020 Net
ASSETS (in thousands of euros)					
Fixed Assets		26 552 636	52 255	26 500 381	26 631 985
Financial assets		26 552 636	52 255	26 500 381	26 631 985
- Equity Investments	3	12 440 012	0	12 440 012	12 383 165
- Long-term investments in portfolio securities	4	8 764 246	0	8 764 246	8 594 844
- Loans	5	842 148	0	842 148	1 360 306
- Other financial assets	6	4 506 230	52 255	4 453 975	4 293 670
Current assets		9 737 936	0	9 737 936	4 303 263
- Other receivables	7	4 976 272	0	4 976 272	977 980
- Cash and cash equivalents	8	4 761 664	0	4 761 664	3 325 283
Unrealised foreign exchange losses	9	0	0	0	12 958
Total assets		36 290 572	52 255	36 238 317	30 948 206

EPIC Bpifrance PUBLISHABLE BALANCE SHEET

	Notes	31/12/2021	31/12/2020
LIABILITIES (in thousands of euros)			
Shareholders' Equity	10	23 556 552	23 347 307
- Capital		22 136 906	22 136 906
- Retained earnings		995 401	1 660 544
- Profit or loss for the financial year		424 245	-450 143
Financial debts		842 148	1 360 306
- Loans and other debts owed to credit institutions	11	0	4 432
- Financial loans and financial debts	12	842 148	1 355 874
Operating debts		10 621 352	5 007 731
- Trade payables and related accounts	13	12 178	12 498
- Tax and social security debts	14	79	0
- Other debts	15	10 609 095	4 995 233
Miscellaneous debts		1 204 750	1 200 363
- Debts on fixed assets and related accounts	16	1 204 750	1 200 363
Deferred income	17	13 515	19 542
Unrealised foreign exchange gains	18	0	12 957
Total liabilities		36 238 317	30 948 206

EPIC Bpifrance PUBLISHABLE INCOME STATEMENT

(in thousands of euros)	Notes	31/12/2021	31/12/2020
Operating earnings		0	0
Operating expenses	19	-14 785	-13 990
- Other purchases and external expenses		-3 553	-4 170
- Taxes and duties and similar payments		597	-545
- Social security charges		0	1
- Other expenses		-11 829	-9 276
NET OPERATING INCOME		-14 785	-13 990
Financial income		618 045	211 476
- Dividends	20	476 096	66 000
- Interest and similar income	21	141 949	145 476
Financial expenses		-173 058	-468 641
- Interest and similar expenses	22	-173 058	-468 641
FINANCIAL RESULT		444 987	-257 165
Extraordinary income	23	0	11 067 681
- Income from disposal of assets		0	11 067 681
Extraordinary expenses	24	0	-11 236 721
- Book values of assets sold		0	-11 236 721
- On management operations		0	0
EXCEPTIONAL PROFIT OR LOSS		0	-169 040
CURRENT INCOME BEFORE TAXES		430 202	-440 195
- Corporate income taxes	25	-5 957	-9 948
FINANCIAL YEAR EARNINGS		424 245	-450 143

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- **Note 1 - Significant events and post balance sheet events**

1.1 Significant events in the financial year

The year 2020 was marked by an unprecedented health crisis related to Covid-19. This pandemic continued to affect economic and social activities in 2021, although the overall economic impact was more limited.

In this context, EPIC Bpifrance continues to carry out its general interest missions in support of public policies.

As the core operator of the financing of the Investing in the Future Programme for French start-ups, SMEs and ETIs, Bpifrance is participating in the implementation of the 4th Investing in the Future Programme (PIA4).

1.2 Post balance sheet events

Russia's invasion of Ukraine on 24 February 2022 led to instability in the financial markets and the economy in general, as well as the implementation of sanctions by the international community.

Because its mission is to finance French companies, EPIC Bpifrance has no direct exposure to Russia, Ukraine and Belarus.

The impact of this crisis on the economy, the effects of which cannot yet be measured with certainty and finality, may have consequences on the activity, profitability and even solvency of the companies that are clients of or invested in by EPIC Bpifrance and/or Bpifrance. At this stage, no critical issue has been identified that would be likely to generate provisions and/or specific depreciation of EPIC Bpifrance's assets at 31 December 2021.

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

The annual financial statements of EPIC Bpifrance are prepared and presented in accordance with ANC regulation no. 2014-03 relating to French Generally Accepted Accounting Principles.

Balance sheet

Related receivables and debts are grouped with the asset or liability items to which they relate.

The heading shareholders' equity includes the items subscribed capital, retained earnings and the result of the financial year.

In the "Financial Assets" item, equity investments include securities whose long-term ownership is considered useful for the company's business, particularly because it enables it to exercise influence over the issuing company or to control it. Long-term portfolio securities (TIAP) include securities intended for portfolio activity, which consists of investing all or part of the assets in a portfolio of securities in order to obtain a satisfactory return in the medium or long term and which is carried out without intervening in the management of the companies whose securities are held. These securities are valued at the end of the financial year at the lower of their cost or their value-in-use. The latter is determined in particular on the basis of net asset value, business prospects and the market value in the case of TIAP.

Foreign currency receivables and debts denominated in foreign currencies are recorded in the financial statements on the basis of the exchange rate of the currency concerned on the day of the transaction. At the end of the financial year, they are revalued in euros on the basis of the latest exchange rate. Conversion differences are recorded in the balance sheet under "Conversion differences".

Income statement

Income and expenses are classified by category.

Interest and guarantee fees are recorded in the income statement according to the accrual method.

Dividends are recorded as soon as the distribution decision is taken by the authorised body of the distributing company.

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

- **Note 3 – Equity Investments**

(in thousands of euros)	31/12/2020	Subscriptions	Refunds	31/12/2021
Bpifrance Investment	10 431 146			10 431 146
Industrial Projects Companies Fund Investment	661 111		156 531	504 580
Ambition Seed Angels Fund Investment	49 085		4 351	44 734
PSIM Fund Investment	142 275	120 000	31 178	231 097
National Seed Fund Investment	349 749			349 749
Multicap Growth Fund Investment	499 799	99 900	3 928	595 771
French Tech Seed Fund Investment	250 000		17 065	232 935
French Tech Acceleration Fund Investment	0	50 000		50 000
Total	12 383 165	269 900	213 053	12 440 012

Table of subsidiaries and investments as at 31 December 2021

Subsidiaries and holdings (in thousands of euros)	Financial information									
	Capital	Shareholders' equity other than capital	Share of capital held as a percentage	Gross book value of securities held	Net book value of securities held	Loans and advances granted by the company and not yet reimbursed	Amount of guarantees and endorsements given by the company	Net sales or net banking income for the last financial year	Income (profits or losses for the last closed financial year)	Dividends received by the company during the financial year
A - Detailed information concerning subsidiaries and holdings representing at least 1% of the company's capital										
1. Subsidiaries (more than 50% of capital held)										
2. Equity interests (10% to 50% of the capital held)										
Bpifrance siren 320 252 489 27-31 avenue du General Leclerc 94710 Maisons Alfort	5 440 000	16 936 621	49.2%	10 431 146	10 431 146	841 570	42 723 084	1 190 323	494 532	210 694
B - General information concerning subsidiaries and shareholdings representing less than 1% of the company's capital										
1. Subsidiaries not included in paragraph A										
a. French subsidiaries (all)										
b. Foreign subsidiaries (all)										
2. Equity interests not included in paragraph A										
a. In French companies (all)										
b. In foreign companies (all)										

- Note 4 - Long-term investments in portfolio securities**

Long-term investments in portfolio securities represent the non-expendable securities endowment paid by the State in connection with the establishment of the Innovation and Industry Fund.

(in thousands of euros)	31/12/2021	31/12/2020
EDF portfolio fixed securities (*)	3 775 179	3 605 777
TSA portfolio securities	4 989 067	4 989 067
Net	8 764 246	8 594 844

(*) Payment in shares of the 2020 dividend for 69 million euros on 8 June 2021 and payment in shares of an interim dividend for 100.4 million euros on 27 December 2021.

- Note 5 - Loans**

(in thousands of euros)	31/12/2021	31/12/2020
Loan in pounds sterling (*)	0	4 432
Loans in euros (*)	841 570	1 341 570
Related receivables	578	14 304
Total	842 148	1 360 306

(*) Loans granted to Bpifrance, repayment at maturity of 500 million euros on 13 April 2021 and an early repayment of the loan in pounds sterling on 21 December 2021.

Breakdown of loans by remaining term as at 31 December 2021.

(in thousands of euros)	D ≤ 1 year	D > 1 year
Loans (excluding associated receivables)	130 000	711 570
841 570		

- **Note 6 - Other financial assets**

(in thousands of euros)	31/12/2021	31/12/2020
PPMTR allowance (1)	46 733	47 562
Reserve fund (2)	617 558	617 966
Innovation and Industry Fund Receivables	289 684	128 142
French State current account - Agence France Trésor Innovation Capital (3)	3 500 000	3 500 000
Total	4 453 975	4 293 670

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

(2) Reserve fund with Bpifrance.

(3) Non-expendable principal of the cash allocation paid by the French State under the Innovation and Industry Fund.

Breakdown of other financial assets by remaining term as at 31 December 2021.

(in thousands of euros)	D ≤ 1 year	D > 1 year
Other financial assets (excluding associated receivables)	0	4 453 975
	4 453 975	

- **Note 7 - Other receivables**

(in thousands of euros)	31/12/2021	31/12/2020
Guarantee commissions for Bpifrance issues to be received	39 056	39 665
Tax receivables	5 400	3 175
Grants to be received from the State	4 931 816	935 140
- Structuring projects for competitiveness	232 000	376 000
- Innovation competition	0	83 500
- Support for sectors	98 300	403 800
- French Tech Springboard	0	1 840
- SIA (Integration of SATTs, incubators and accelerators)	50 000	70 000
- Piave (Industrial projects for the future)	150 273	0
- PIA4 Finance aids	140 000	0
- PIA4 Demonstration	780 000	0
- PIA4 National aid	1 201 243	0
- PIA4 Deployment Support	1 350 000	0
- PIA4 Maturation	525 000	0
- PIA4 Regionalised	405 000	0
Total	4 976 272	977 980

Breakdown of other receivables by remaining term as at 31 December 2021.

(in thousands of euros)	D ≤ 1 year	D > 1 year
Other receivables	4 976 272	0
	4 976 272	

- **Note 8 - Cash and cash equivalents**

(in thousands of euros)	31/12/2021	31/12/2020
Bank account	4 638	3 287
Bpifrance current account	1 081	21 703
Treasury Funds Deposit Account	38 000	0
State current account - Agence France Trésor	95 892	95 855
State current account - Agency France Trésor Investissement d'Avenir	4 211 819	2 837 511
State current account - Agence France Trésor Innovation (*)	410 234	366 927
Total	4 761 664	3 325 283

(*) Expendable cash from the Innovation and Industry Fund.

- **Note 9 – Unrealised foreign exchange losses**

(in thousands of euros)	31/12/2021	31/12/2020
Unrealised foreign exchange losses (*)	0	12 958
Total	0	12 958

(*) Repayment of the loan and the borrowing in pound sterling over the 2021 financial year (see notes 5 and 11).

- **Note 10 – Shareholders' Equity**

(in thousands of euros)	31/12/2020	Allocation of earnings	Capital increase	Income 2021	31/12/2021
Capital	22 136 906				22 136 906
Retained earnings	1 660 544	-450 143	-215 000 (*)		995 401
Profit or loss for the financial year	-450 143	450 143		424 245	424 245
Total	23 347 307	0	-215 000	424 245	23 556 552

(*) Distribution of a dividend of 215 million euros to the Agence des Participations de l'Etat, according to the decree of 22 December 2021.

Pursuant to Article 79 of the Amending Finance Act No. 2001-1276 of 28 December 2001 (amended by Article 88 of the Amending Finance Act for 2003 No. 2003-1312 of 30 December 2003), a dividend may be received by the State. The dividend is deducted in priority from the distributable profit for the financial year, within the meaning of Article L.232-11 of the Commercial Code. It may be deducted from available reserves. Capital contributions received by public institutions do not give rise to fees. After examining the financial position of the public institution and establishing the existence of distributable sums, on the basis of the report of the Board of Directors, the Minister responsible for the economy and the Minister responsible for the budget shall determine by order the amount of the dividend paid to the State.

- **Note 11 - Loans and other debts owed to credit institutions**

(in thousands of euros)	31/12/2021	31/12/2020
Loan in pounds sterling (European Investment Bank) (*)	0	4 432
Total	0	4 432

(*) Early repayment of the loan in pounds sterling on 21 December 2021.

- **Note 12 – Financial loans and financial debts**

(in thousands of euros)	31/12/2021	31/12/2020
Loans from the State (*)	841 570	1 341 570
Related debts	578	14 304
Total	842 148	1 355 874

(*) The repayment at maturity of 500 million euros carried out in the 2021 financial year

Breakdown of loans and financial debts by remaining term as at 31 December 2021.

(in thousands of euros)	D ≤ 1 year	1 year < D ≤ 5 years	D > 5 years
Loans from the State (excluding associated liabilities)	130 000	711 570	0
	841 570		

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

These debts all have a maturity of less than 1 year.

- **Note 14 - Tax and social security debts**

These debts all have a maturity of less than 1 year.

- **Note 15 - Other debts**

(in thousands of euros)	31/12/2021	31/12/2020
Investing in the Future Public Resources	9 602 280	4 416 646
Other public intervention resources	65 356	65 356
Catering-trade Modernisation Fund	48 806	49 598
Allocation payable to Innovation and Industry Fund	539 475	351 900
Allocation payable to Bpifrance Participations (1)	128	461
Allocation payable to Bpifrance (2)	4 377	0
Bpifrance accrued expenses	3 200	3 608
Other liabilities (3)	345 472	107 664
Accrued expenses	1	0
Total	10 609 095	4 995 233

(1) As part of the support services.

(2) As part of the support services for entrepreneurs from priority neighborhoods of city policies.

(3) French Tech Sovereignty Agreement for 345.0 million euros and 0.5 million euros for the activity of the SATTs management on behalf of the State.

Breakdown of other debts by remaining term as at 31 December 2021.

(in thousands of euros)	D ≤ 1 year	1 year < D ≤ 5 years	D > 5 years
Other debts	10 609 095	0	0
	10 609 095		

- **Note 16 - Debts on fixed assets and related accounts**

(in thousands of euros)	31/12/2021	31/12/2020
Securities remaining to be released to Industrial Projects Companies Fund	184 930	283 606
Securities remaining to be released to Angels Seed Ambition Fund	11 500	18 000
Securities remaining to be released to PSIM Fund	150 175	66 975
Securities remaining to be released to National Seed Fund	294 314	313 200
Securities remaining to be released to Multicap Growth Fund	435 081	418 582
Securities remaining to be released to French Tech Seed Fund	80 000	100 000
Securities remaining to be released to French Tech Acceleration Fund	48 750	0
Total	1 204 750	1 200 363

Breakdown of debts on fixed assets and related accounts according to the remaining term as at 31 December 2021.

(in thousands of euros)	D ≤ 1 year	1 year < D ≤ 5 years	D > 5 years
Accounts payable on non-current assets and related accounts	1 204 750	0	0
	1 204 750		

- **Note 17 - Deferred income**

(in thousands of euros)	31/12/2021	31/12/2020
Bpifrance guarantee commissions to be spread	13 515	19 541
Total	13 515	19 541

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

(in thousands of euros)	31/12/2021	31/12/2020
Unrealised foreign exchange gains (*)	0	12 958
Total	0	12 958

(*) Repayment of the loan and the borrowing in pounds sterling over the 2021 financial year (see notes 5 and 11).

- **Note 19 - Operating expenses**

(in thousands of euros)	31/12/2021	31/12/2020
Services provided by Group companies (1)	-1 202	-1 258
External charges	-106	-93
Reserve fund (2)	-2 245	-2 820
Taxes and duties and similar payments	597	-545
Staff costs	0	1
Other expenses (3)	-11 829	-9 275
Total	-14 785	-13 990

(1) Services provided by Group companies consist of personnel re-invoicing.

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

(3) Expenses relating to the action programs of the support services.

- **Note 20 - Dividends**

(in thousands of euros)	31/12/2021	31/12/2020
Bpifrance dividends	210 694	0
EDF dividends	169 402	0
TSA dividends	96 000	66 000
Total	476 096	66 000

- **Note 21 - Interest and similar income**

(in thousands of euros)	31/12/2021	31/12/2020
Bpifrance loan interest in euros	7 124	37 327
Bpifrance loan interest in foreign currencies	2	23
Guarantee commissions for Bpifrance issues	45 082	45 707
Reserve fund	2 244	2 820
State Current account interest-Agence France Trésor Innovation Capital	87 497	59 599
Total	141 949	145 476

- **Note 22 - Interest and similar expenses**

(in thousands of euros)	31/12/2021	31/12/2020
State loan interest	-7 124	-37 327
European Investment Bank loan interest	-2	-23
Bank account interest	-8	-10
Other financial charges (*)	-165 924	-431 281
Total	-173 058	-468 641

(*) Losses and impairments on receivables relating to the Innovation and Industry Fund.

- **Note 23 - Extraordinary income**

(in thousands of euros)	31/12/2021	31/12/2020
Income from disposal of Bpifrance financial assets	0	10 431 146
Income from disposal of EDF financial assets	0	636 535
Total	0	11 067 681

- **Note 24 - Extraordinary expenses**

(in thousands of euros)	31/12/2021	31/12/2020
Book value of Bpifrance financial assets sold	0	-10 431 146
Book value of EDF financial assets sold	0	-675 575
Contribution to the mutual fund of Bpifrance's guarantee funds	0	-115 000
Contribution to the automotive cash-strengthening fund	0	-15 000
Total	0	-11 236 721

- **Note 25 – Corporate income tax**

Tax is accounted for using the tax payable method.

Taxable profit amount to €20.7 million, the accounting profit of the FII-exempt sector is €186.6 million and that of the taxable sector is €243.5 million.

The corporate income tax was recognised in other receivables as at 31 December 2021.

Non-taxable sector of the Innovation and Industry Fund

(in thousands of euros)	31/12/2021	31/12/2020
External expenses	-309	-240
<i>Operating income</i>	<i>-309</i>	<i>-240</i>
Dividends	265 402	66 000
State Current account interest-Agence France Trésor Innovation Capital	87 497	59 599
Other financial expenses	-165 924	-431 281
<i>Financial result</i>	<i>186 975</i>	<i>-305 682</i>
Income from disposal of EDF financial assets	0	636 535
Book value of EDF financial assets sold	0	-675 575
<i>Extraordinary profit or loss</i>	<i>0</i>	<i>-39 040</i>
<i>Pre-tax earnings</i>	<i>186 666</i>	<i>-344 962</i>
<i>Profit or loss for the financial year</i>	<i>186 666</i>	<i>-344 962</i>

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

(in thousands of euros)	31/12/2021	31/12/2020
<u>COMMITMENTS GIVEN</u>		
Financing commitments		
. Commitments to credit institutions		
. Commitments to customers		
Guarantee commitments	42 723 084	42 300 140
. Commitments on behalf of credit institutions (*)	42 723 084	42 300 140
. Commitments on behalf of customers		
Securities commitments		
. Securities acquired with the option of buyback or takeback		
. Other commitments given		
<u>COMMITMENTS RECEIVED</u>		
Financing commitments		
. Commitments received from credit institutions		
Guarantee commitments		
. Commitments received from credit institutions		
Securities commitments		
. Securities sold with the option of buyback or takeback		
. Other commitments received		

(*) Guarantee commitments given, i.e. €42,723.1 million, are representative of the guarantee granted by EPIC Bpifrance to investors in Bpifrance's issuance programs.

Other commitments: see note 28.

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

No remuneration was paid to directors.

- **Note 28 – Information on related parties**

€50 million was committed under the agreement between Bpifrance Participations and Epic Bpifrance to undertake programmes of initiatives in relation to the Support activity. €9.8 million was committed in the 2021 financial year and €7.7 million in the 2020 financial year, bringing the total utilised commitment to €17.5 million.

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

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

The operations managed by EPIC Bpifrance on behalf of the State do not appear on the balance sheet of the public company.

(in thousands of euros)	31/12/2021					
	Asset			Liabilities		
	Securities and receivables	Principal's account	Total	Debts	Principal's account	Total
SATT activity (1)	466 086		466 086		466 086	466 086
French Tech Sovereignty (2)	349 961		349 961		349 961	349 961
Total	816 047	0	816 047	0	816 047	816 047

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

(2) Equity interests in companies developing future technologies on behalf of the French State.

(in thousands of euros)	31/12/2020					
	Asset			Liabilities		
	Securities and receivables	Principal's account	Total	Debts	Principal's account	Total
SATT activity	443 326		443 326		443 326	443 326
Total	443 326	0	443 326	0	443 326	443 326

6. REPORTS FROM THE STATUTORY AUDITORS

6.1. Report on the consolidated financial statements

mazars

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France

KPMG

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CS 80055
92088 Paris La Défense Cedex
France

EPIC Bpifrance

Report of the statutory auditors on the consolidated financial statements

Financial year ended 31 December 2021

EPIC Bpifrance

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

Share capital: €22,136,905,793.57

Report of the statutory auditors on the consolidated financial statements

Financial year ended 31 December 2021

Ladies and gentlemen,

Opinion

In compliance with the engagement entrusted to us by your Board of Directors, we have audited the consolidated financial statements of EPIC Bpifrance for the financial year ended 31 December 2021, as attached to this report.

We certify that the consolidated financial statements, in accordance with the IFRS standards adopted by the European Union, give a true and fair view as at the end of the financial year of the assets and liabilities and of the financial position of the Group, consisting of the legal entities included in the consolidation, and of the financial results of its operations for the year then ended.

Basis for the opinion

Audit guidelines

We conducted our audit in accordance with the professional standards applicable in France. We believe that the audit evidence we have obtained provides an adequate and appropriate basis for our opinion.

Our responsibilities pursuant to these standards are set out in the section in this report entitled "Responsibilities of the statutory auditors relating to the audit of the consolidated financial statements".

Independence

We conducted our audit, over the period from 1 January 2021 to the date on which our report was issued, in compliance with the independence rules provided for in the French Commercial Code and the Statutory Auditors' Code of Ethics.

Justification for our assessments

The global crisis related to the COVID-19 pandemic created exceptional conditions for the preparation and audit of the financial statements for this year. Indeed, this crisis and the exceptional measures taken in the context of the state of health emergency had numerous consequences for businesses, in particular on their operations and financing, and created greater uncertainty as to their future prospects. Some of those measures, such as travel restrictions and working from home, also had an impact on the internal organisation of companies and the way in which audits could be performed.

It is in this complex and evolving context that, in accordance with the provisions of Articles 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 findings that, in our professional judgement, were the most significant for the audit of the consolidated financial statements for the year.

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

As indicated in Note 4 "Scope of consolidation", your company accounts for Bpifrance shares using the equity method. As part of our assessment of the accounting rules and principles observed by your company, as presented in Notes 3.3 "Investments accounted for using the equity method" and 3.4 "Consolidation rules", we verified the appropriateness of the above accounting policies and the information provided in Notes 6.2 "Investments accounted for using the equity method" and 7.4 "Share of the net profit or loss of investments accounted for using the equity method". We also verified that the above accounting rules and principles had been correctly applied.

As stated in Note 6.1 "Financial assets fair-valued using shareholders' equity", your company recognises, in the item "Shares and other variable income securities", an endowment of non-expendable securities funded by the government in the context of setting up the Innovation and Industry Fund. As part of our assessment of the accounting rules and principles observed by your company, as set out in Note 5.2 "Accounting for financial assets and liabilities", we verified the appropriateness of the above accounting policies and the information provided in Notes 6.1 "Financial assets fair-valued

using shareholders' equity" and 7.2 "Other income and operating expenses". We also verified that the above accounting rules and principles had been correctly applied.

Specific verification

We also performed, in accordance with the professional standards applicable in France, the specific verification required by law and regulation of the information provided with regard to the group in the management report of the Board of Directors.

We have no matters to report as to its accuracy or its consistency with the consolidated financial statements.

Other verifications or information required by law or regulation

Responsibilities of management and those charged with governance in respect of the consolidated financial statements

Management is responsible for preparing consolidated financial statements that give a true and fair view in accordance with IFRS as adopted in the European Union, and for implementing the internal control procedures they deem necessary for the preparation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

When preparing the consolidated financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing in its financial statements, as applicable, required matters relating to going concern, and applying the going concern basis of accounting, unless they expect to liquidate the company or cease trading.

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

Responsibilities of the statutory auditors relating to the audit of the consolidated financial statements

It is our responsibility to prepare a report on the consolidated financial statements. Our objective is to obtain reasonable assurance that the consolidated financial statements taken as a whole are free of material misstatement. Reasonable assurance is a high level of comfort, but it is not, however, a guarantee that an audit conducted in accordance with professional standards will always detect every material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or taken together, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code, our statutory audit does not include assurance as to the viability or quality of management of your company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgement throughout the audit. Furthermore:

- he/she identifies and assesses the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures in response to these risks, and obtains audit evidence considered to be adequate and appropriate to provide a basis for his/her opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the circumvention of internal controls;
- he/she obtains an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- he/she evaluates the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the consolidated financial statements;
- he/she assesses the appropriateness of management's use of the going concern principle of accounting and, based on the audit evidence gathered, whether a material uncertainty exists relating to events or circumstances that may cast doubt on the company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, subsequent events or circumstances may call into question the company's ability to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, he/she draws attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are irrelevant, issues a qualified opinion or declines to sign-off the accounts.
- he/she evaluates the overall presentation of the consolidated financial statements and assesses whether these statements give a true and fair view of the underlying business and events;
- with regard to the financial information in respect of the legal entities included within the consolidation scope, he/she obtains audit evidence considered sufficient and appropriate to express an opinion on the consolidated financial statements. He/she is responsible for the

management, supervision and carrying out of the audit of the consolidated financial statements and for the opinion expressed on those financial statements.

The Statutory Auditors,

Mazars

Courbevoie, 23 March 2022

KPMG S.A.

Paris La Défense, 23 March 2022

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Matthew BROWN

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Ulrich SARFATI

6.2. Report on the parent entity financial statements



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EPIC Bpifrance

Report of the statutory auditors on the annual
financial statements

Financial year ended 31 December 2021
EPIC Bpifrance
27-31 , Avenue du Général Leclerc - 94710 Maisons-Alfort



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France

EPIC Bpifrance

Registered office: 27-31 Avenue du Général Leclerc - 94710 Maisons-Alfort
Share capital: €22,136,905,793.57

Report of the statutory auditors on the annual financial statements

Financial year ended 31 December 2021

Ladies and gentlemen,

Opinion

In compliance with the engagement entrusted to us by your Board of Directors, we have audited the annual financial statements of EPIC Bpifrance for the financial year ended 31 December 2021, as attached to this report.

We certify that the annual financial statements, with respect to French accounting rules and principles, give a true and fair view of the assets and liabilities and of the financial position of the company as at the end of the financial year, and of the financial results of its operations for the year then ended.

Basis for the opinion

Audit guidelines

We conducted our audit in accordance with the professional standards applicable in France. We believe that the audit evidence we have obtained provides an adequate and appropriate basis for our opinion.

Our responsibilities pursuant to these standards are described in the section in this report entitled "Responsibilities of the statutory auditors relating to the audit of the annual financial statements".

Independence

We conducted our audit, over the period from 1 January 2021 to the date on which our report was issued, in compliance with the independence rules provided for in the French Commercial Code and the Statutory Auditors' Code of Ethics.

Justification for our assessments

The global crisis related to the Covid-19 pandemic created exceptional conditions for the preparation and audit of the financial statements for this year. Indeed, this crisis and the exceptional measures taken in the context of the state of health emergency had numerous consequences for businesses, in particular on their operations and financing, and created greater uncertainty as to their future prospects. Some of those measures, such as travel restrictions and working from home, also had an impact on the internal organisation of companies and the way in which audits could be performed.

It is in this complex and evolving context that, pursuant to the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we hereby inform you of the most important findings, in our professional judgement, relating to the appropriateness of the accounting principles applied and the overall presentation of the financial statements, in particular with regard to the long-term financial assets detailed in Note 2 to the annual financial statements.

The assessments thus made are part of our audit of the annual financial statements taken as a whole, and have contributed to the opinion we expressed above. We do not provide an opinion on individual items in the annual financial statements.

Specific verifications

In accordance with the professional standards applicable in France, we have also performed the specific verifications required by French law and regulation.

We have no matters to report as to the accuracy and the consistency with the annual financial statements of the information given in the Board of Directors' management report and in the other documents with respect to the company's financial position and the annual financial statements provided to members of the Board of Directors.

Responsibilities of management and those charged with governance in respect of the annual financial statements

Management is responsible for preparing annual financial statements that give a true and fair view in accordance with French accounting principles, and for implementing the internal control procedures they deem necessary for the preparation of annual financial statements that are free of material misstatement, whether due to fraud or error.

When preparing the annual financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing in these financial statements, as applicable, required matters relating to going concern, and applying the going concern basis of accounting, unless they expect to liquidate the company or cease trading.

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

Responsibilities of the statutory auditors relating to the audit of the annual financial statements

It is our responsibility to prepare a report on the annual financial statements. Our objective is to obtain reasonable assurance that the annual financial statements taken as a whole are free of material misstatement. Reasonable assurance is a high level of comfort, but it is not, however, a guarantee that an audit conducted in accordance with professional standards will always detect every material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or taken together, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code, our statutory audit does not include assurance as to the viability or quality of management of your company.

As part of an audit conducted in accordance with the professional standards applicable in France, the statutory auditor exercises professional judgement throughout the audit. Furthermore:

- he/she identifies and assesses the risks of material misstatement in the annual financial statements, whether due to fraud or error, designs and performs audit procedures in response to these risks, and obtains audit evidence considered to be adequate and appropriate to provide a basis for his/her opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the circumvention of internal controls;
- he/she obtains an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- he/she evaluates the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management and the related disclosures in the annual financial statements;
- he/she assesses the appropriateness of management's use of the going concern accounting principle and, based on the audit evidence gathered, whether a material uncertainty exists relating to events or circumstances that may cast doubt on the company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, subsequent events or circumstances may call into question the company's ability to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, he/she draws attention in the audit report to the related disclosures in the annual financial statements or, if such disclosures are not provided or are irrelevant, issues a qualified opinion or declines to sign-off the accounts.
- he/she evaluates the overall presentation of the annual financial statements and assesses whether these statements give a true and fair view of the underlying business and events.



EPIC Bpifrance
Report of the statutory auditors on the annual financial statements
22 March 2022

The Statutory Auditors

Paris La Défense, 23 March 2022

Courbevoie, 23 March 2022

KPMG S.A.

Mazars

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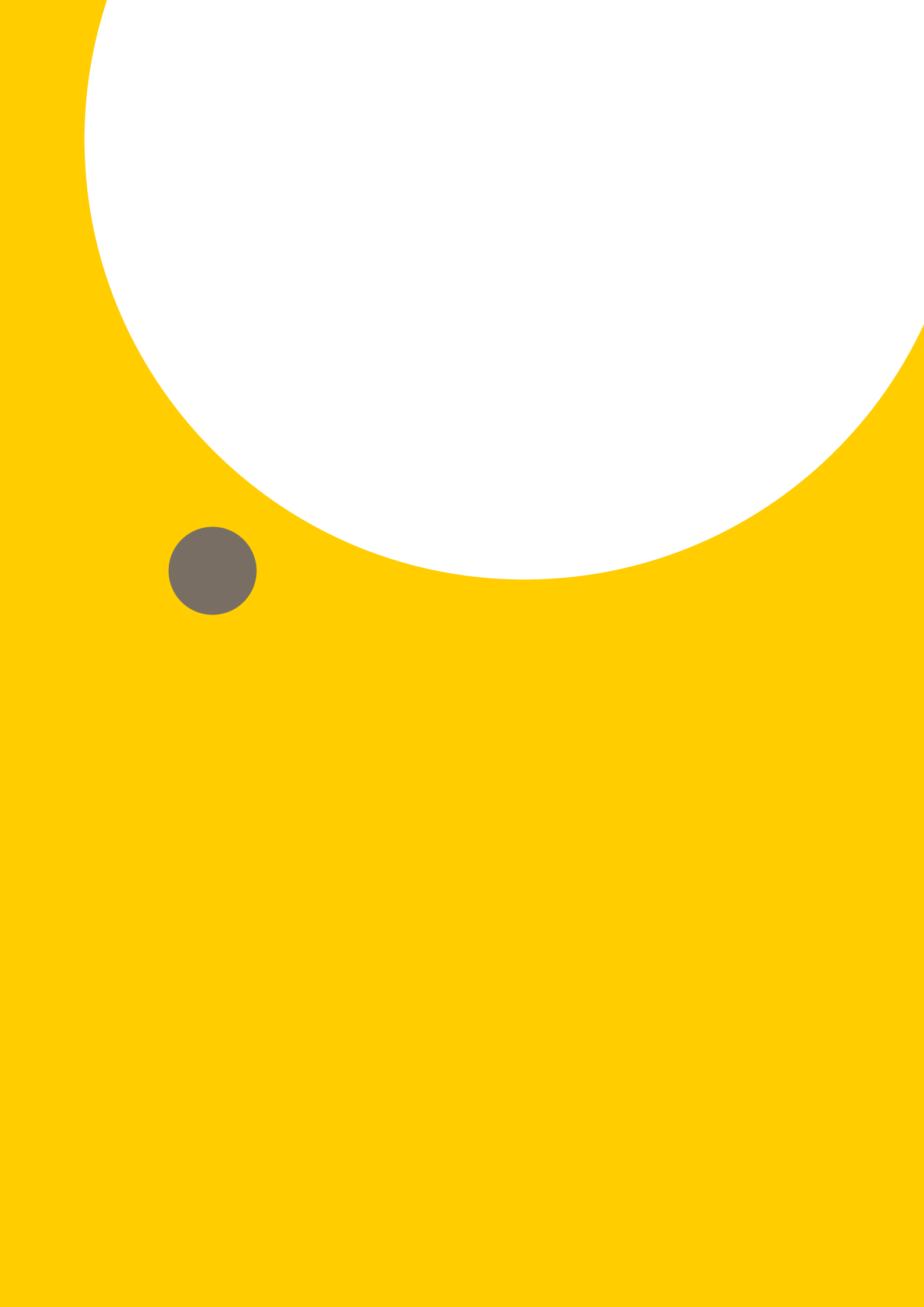
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Partner

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Partner





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