

ACTIVITY REPORT
2020

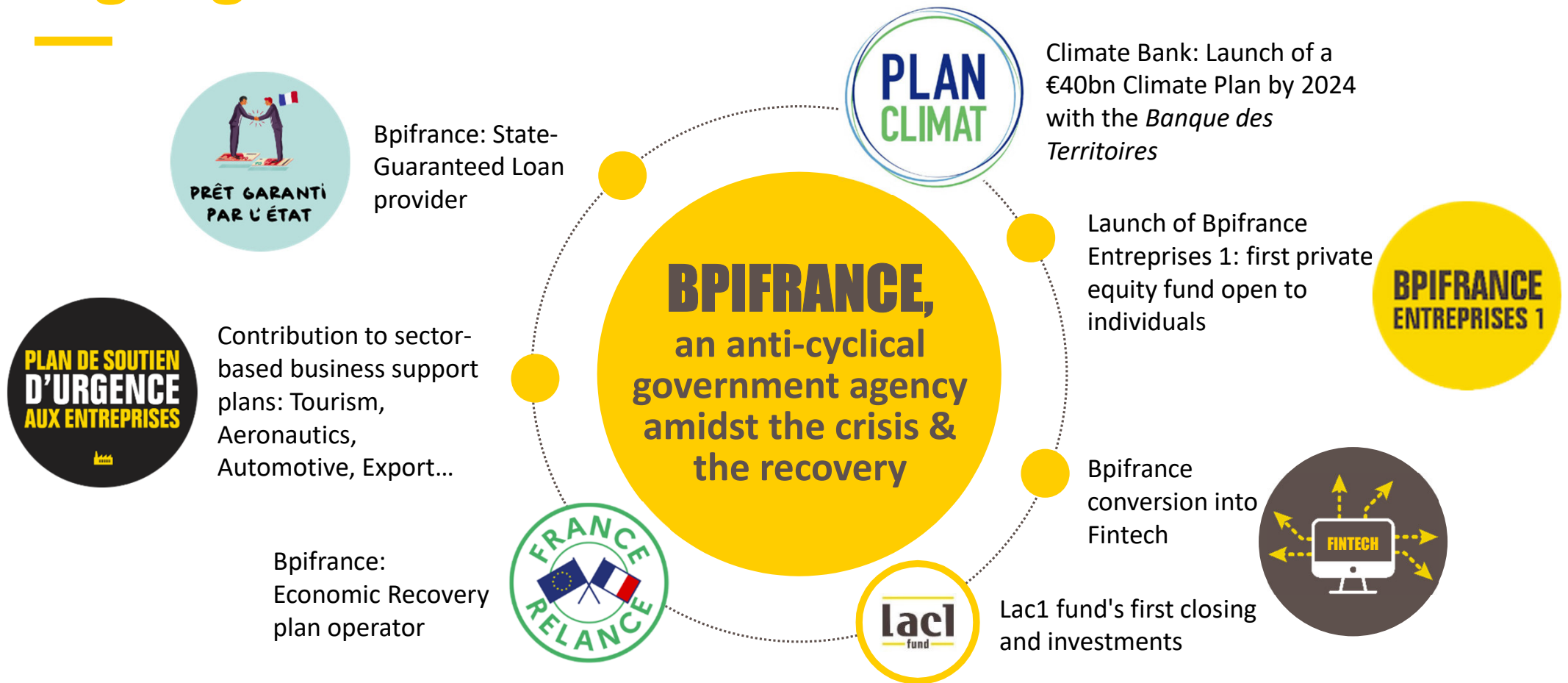
4 FEBRUARY 2021

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ACTIVITY REPORT 2020

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Bpifrance in 2020 Highlights



The guarantee: flagship for supporting businesses



TOTAL
€6.2Bn

2019

2020

GUARANTEE

	Amount (€Bn)	No. of businesses	Amount (€Bn)	No. of businesses	Change (€)
French bank loans guaranteed by Bpifrance*	8.5	57,969	6.2	40,568	-27%

2020

SGL

	Amount (€Bn)	No. of businesses
State-Guaranteed Loans	110.6	634,720
Seasonal State-Guaranteed Loans (Tourism)	€664m	4,424

TOTAL
€110.6bn

**Bpifrance engages the State's direct guarantee for companies with less than 5,000 employees or a turnover of less than €1.5bn*

- The successful deployment of State-Guaranteed Loans (SGL) has replaced Bpifrance's "standard" guarantee tool.
- €110 billion of State-Guaranteed Loans were granted by banks in 2020 to strengthen the cash flow of businesses impacted by the crisis.

Very strong support to financing and innovation **with over €20bn**

TOTAL FINANCING
(Including Innovation)
€20.5bn
(+9.5%)

FINANCING

	2019		2020		
	Amount (€Bn)	No. of businesses	Amount (€Bn)	No. of businesses	Change (€)
Medium and long-term loans	8.1	6,459	10.3	19,830	+27%
<i>Including guaranteed loans</i>	5.7	2,624	4.6	2,049	-19%
<i>Including no-guaranteed loans</i>	2.3	3,835	5.7	17,990	+144%
<i>Focus on special Covid-19 crisis measures:</i>					
• <i>Atout Loans</i>			2.4	1,662	
• <i>Regional Rebound Loans (target: micro-businesses)</i>			€800m	13,090	
• <i>Tourism Loans</i>			€274m	868	
• <i>Bpifrance Stat Guaranteed Loans</i>			€800m	920	
Short-Term Loans	9.3	7,194	7.1	6,790	-23%
Competitiveness and Employment Tax Credit [CIC] advances	€428m	1,543	€213m	213	-50%



- Very intense Financing activity with over €20.5bn granted (+9.5%), including €4bn of non-guaranteed loans specifically created as part of the extraordinary measures implemented since March
 - **€2.4bn of Atout** loans for SMEs and intermediate-sized enterprises (ISEs)
 - **€800m of Rebound Loans** granted with the support of 15 regions
 - Bpifrance is accelerating its conversion to a **Fintech model**, especially with the launch of a new totally digitized product (Digitized Rebound Loans) in 6 French regions enabling **€275m** to be granted to micro-businesses

Very strong support to financing and innovation **with over €20bn**



TOTAL
€3bn
(+138%)

FINANCING INNOVATION

2019

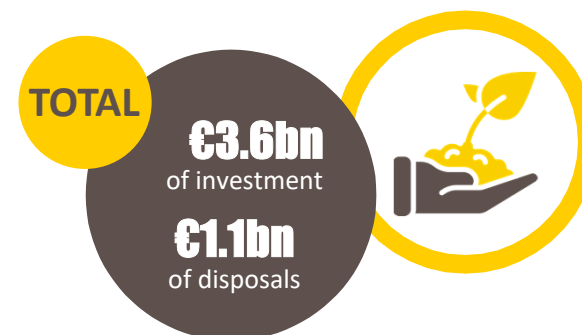
2020



	Amount (€Bn)	No. of businesses	Amount (€Bn)	No. of businesses	Change (€)
Innovation Subsidies and Loans	€1.3bn	5,929	€3.0bn	6,256	+138%
Including loans to innovative businesses:	€440m	€1,447m	€930m	2,237	+111%
• Innovation Support Loans*			€460m	1,067	
Including Battery Plan			€701m		
Including France Recovery Plan Calls for Proposals (Automotive industry, Aeronautics, <i>Territoires d'Industrie</i> and <i>Résilience</i> development programmes)			€420.5m	512	
TOTAL FINANCING + INNOVATION	€18.7bn		€20.5bn		+9.5%

- Very strong innovation financing activity (€3bn granted in 2020, i.e. **+138% growth**) in connection with specific French Tech supporting measures, especially the Innovation Support Loan for €460m.
- Reinforced by the France Recovery Plan's backing for industrial sectors.
- Bpifrance is the State's agency for Calls for Proposals aiming at supporting industrial investment in companies in strategic sectors.



Investment: Bpifrance is fully committed to its anti-cyclical role for its equity interests and is maintaining a high level of activity in the market



		2019		2020		Change (€)
INVESTMENT		Amount (€Bn)	No. of funds / businesses	Amount (€Bn)	No. of funds / businesses	
Investments	Funds of Funds – Subscriptions in partner funds incl. Aeronautical Funds 	1,082	62	1,226 200	59	+13%
	Innovation Capital Investments incl. French Tech Bridge	314	101	463 71	143 27	+48%
	Direct investment in SMEs	156	89	145	70	-7%
	Mid & Large Cap Investments incl. Lac1 	947	47	1,779 801	40 2	+88%
Disposals	Capital Innovation Disposals	170	23	28	15	-83%
	SME Disposals	147	97	98	78	-33%
	Mid & Large Cap Disposals	1,291	37	939	26	-27%
	Funds of Funds Disposals (Bpifrance Entreprises 1)			100		

- **€3.6bn of investment** in equity capital and in the French investment fund ecosystem
 - With over €1,226bn invested in 59 partner funds, the **Funds of funds activity remained at the high level recorded in 2019**, affirming Bpifrance's position as a key government agency driving the French market
 - **Innovation Capital has grown very strongly at €463m (+48%)** despite the Covid-19 crisis with bolstered support for portfolio equities and sustained activity in new investments.
 - **Mid & Large Cap Development Capital reached a record level of €1.7bn**, with support to the Ingénico and Worldline merger, and the first closing of the **Lac1** fund, which made its first investment in Arkema
- **€1.16bn of disposals**, reflecting the health crisis and the general drop in disposal transactions, but also marked by the creation of Bpifrance Entreprises 1

International: fall in activity in an adverse context, **but strong use of anti-cyclical tools**

TOTAL
€14.9bn



	2019		2020		
INTERNATIONAL	Amount (€Bn)	No. of businesses	Amount (€Bn)	No. of businesses	Change (€)
Medium-Long Term Credit Insurance	11,658	114	12,690	122	+9%
Market Research Insurance (excluding A3P)	321	1,485	239	1,224	-26%
Security and prefinancing guarantee	727	386	1,088	402	+50%
Exchange insurance	663	75	635	85	-4%
Export Credit	172	11	217	15	+26 %
International support actions	15 missions	139	9 missions	163	+17% businesses supported

- **Credit Insurance (which is continuing to democratise to SMEs and ISEs) and Security Guarantee** recorded a renewed increase in the number of recipient businesses and the amounts covered, which illustrates the anti-cyclical role of the Export Guarantee.
- **Export Credit continues to grow with 63% of SMEs and ISEs amongst the customers supported.** In 2020, the prominence of Africa was confirmed in the trade portfolio (90% of transactions concluded).
- **After two years of growth, there is a marked decline in Market Research Insurance in an adverse worldwide context for market research operations.**

Extra-financial support : A very strong consulting momentum for executives. Bpifrance has redesigned its whole offer in order to advise executives during the crisis

EXTRA-FINANCIAL SUPPORT 2019 2020

Accelerator programs	No. of businesses	No. of businesses	Change
New businesses accelerated	756	430	-43%
Total businesses accelerated (alumni + active)	1,355	1,785	+32%

One off guidance	No. of missions	No. of missions	Change
SME/ISE Consulting Missions incl. one-off outside accelerator	1,106 254	1,398 453	+26% +78%
Innovation Consulting Missions	789	747	-5%
International Guidance Actions	2,675	2,680	+1%
E-learning training sessions: People trained via e-learning	17,100	29,813	74%
Digital self-diagnostics	650	2,037	216%
Collective training sessions (face-to-face and digital)	138	190	+38%



- Thanks to digitization, the Accelerator Programme has adapted and is continuing to support SMEs and ISEs Directors, bringing the total number of companies accelerated since the programme started in 2015 to 1,785 (+32% in 2020).
- There has been a very sharp increase in “one off” consultancy missions. E-learning courses have been followed by almost 30,000 businesses and digital self-diagnostics has increased by +216%.
- A specific “Rebound” programme implemented under the Recovery Plan notably with an offer dedicated to Tourism (with in particular an Accelerator program).
- Bpifrance has designed **two broad range of support on the Climate and the French Fab**, to prepare for the large-scale green and industrial transitions.

Bpifrance Création and entrepreneurship for all: actions are continuing to be implemented especially in **weakened regions**



ENTREPRENEUR
POUR TOUS

BPIFRANCE CRÉATION

2019

2020

Supporting and financing business founders	No.	No.	Change
Support for mentoring networks	314	320	+2%
Direct start-up loans for company founders	-	1,047	
Entrepreneurship for all	No	No	Change
Roadshow (No. of events)	38	200	X5
CitésLab "Priority Urban Policy Districts" support initiative	66	78	+18%
Accelerators (total accelerated)	206	395	+92%

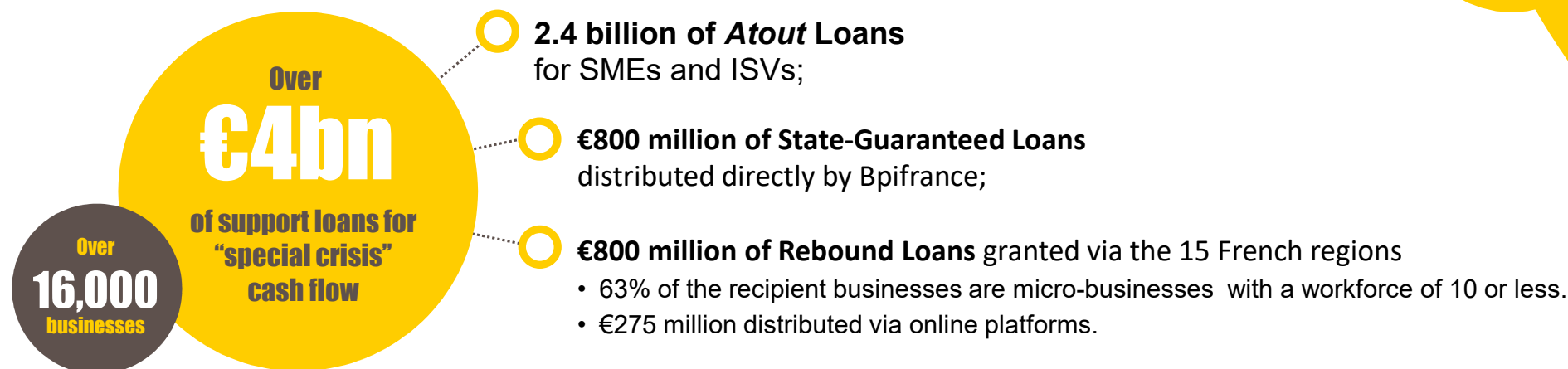
- Bpifrance has taken significant action to create awareness, inform, guide, support and finance business founders: it backed start-ups through **30 mentoring networks** on almost 1,800 French sites and via the [bpifrance-creation.fr](https://www.bpifrance-creation.fr) website.
- Bpifrance launched the 100% online **Solidarity Start-up Loan (*Prêt d'Honneur Solidaire*)** in partnership with mentoring networks to support entrepreneurship by weakened population groups. This development is continuing in 2021 with the launch of 2 platforms: Recovery Creation Start-up Loans (*Prêts d'honneur Création Reprise*) and Consolidation Start-up Loan (*Prêts d'honneur Renfort*).
- Bpifrance has also continued to implement its **Entrepreneurship for All** support programme for "Priority Urban Policy Districts". 15 new actions to promote Emergence and Creation Accelerators were also launched to provide support for 395 entrepreneurs who are either in business or will be.

Bpifrance, **Climate Bank and Bank** **for emergency support** **measures to** **businesses**

Anne Guérin,
Executive director, Financing

Respond to the economic emergency

- A **toll-free number** was set up in March 2020 to guide and find a solution for each French company facing difficulties with the support of over 670 volunteers in Bpifrance,
- **50 regional sites were mobilized** to provide support for businesses.
- **Repayment holidays (principal & interests)** for the majority of the loans granted by Bpifrance, for 6 months from 24 March.



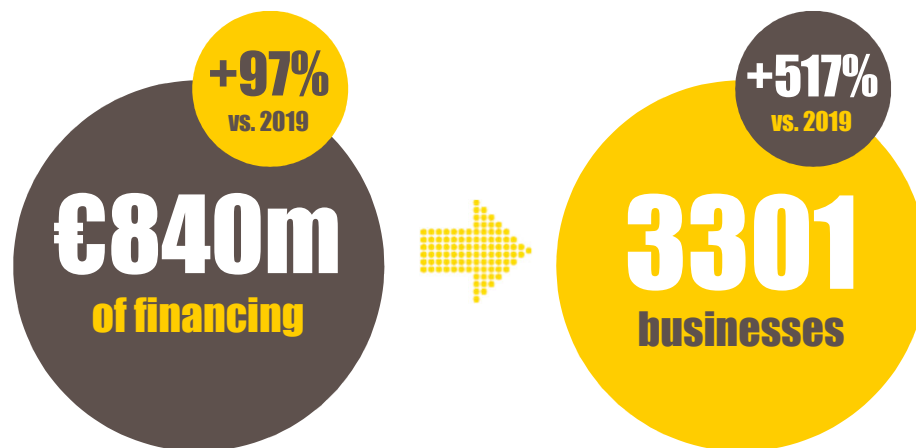
**PLAN DE SOUTIEN
D'URGENCE
AUX ENTREPRISES**



A targeted action for a highly impacted sector: Tourism

- A 12 month extension to the repayment holiday for loans granted by Bpifrance to businesses in the sector

€840m of financing injected into 3,300 tourism companies, a sector which has been badly affected by the Covid-19 crisis



Products tailored to businesses' needs

- **Tourism and Tourism Recovery Loan**
in partnership with the *Banque des Territoires*
(over 870 customers)
 - 2 to 10 year loan
 - From €50,000 to €2,000,000
 - Deferred by 10 to 24 months
- **Rebound Loan**
(2,000 customers, including more than 1,200 customers via the Internet)
 - 7 year loan
 - From €10,000 to €300,000
 - Deferred by 2 years
- **Convertible Bonds – Fast Funds**
(launched in December)
 - 6 to 8 year maturities
 - From €50,000 to €400,000

Advocate and support the environmental transition of businesses

Encourage the development of renewable energies:

Bpifrance **Climate Plan**



€1.7bn
for financing
the Energy and
Green
Transition
in **2020**

Launch of the
Green Loan
in partnership
with **ADEME**



Creation of the **COQ VERT**
label which offers to its
members a practical
toolkit to encourage the
exchange and
highlighting of best
practices and to drive
their green and energy
transition.

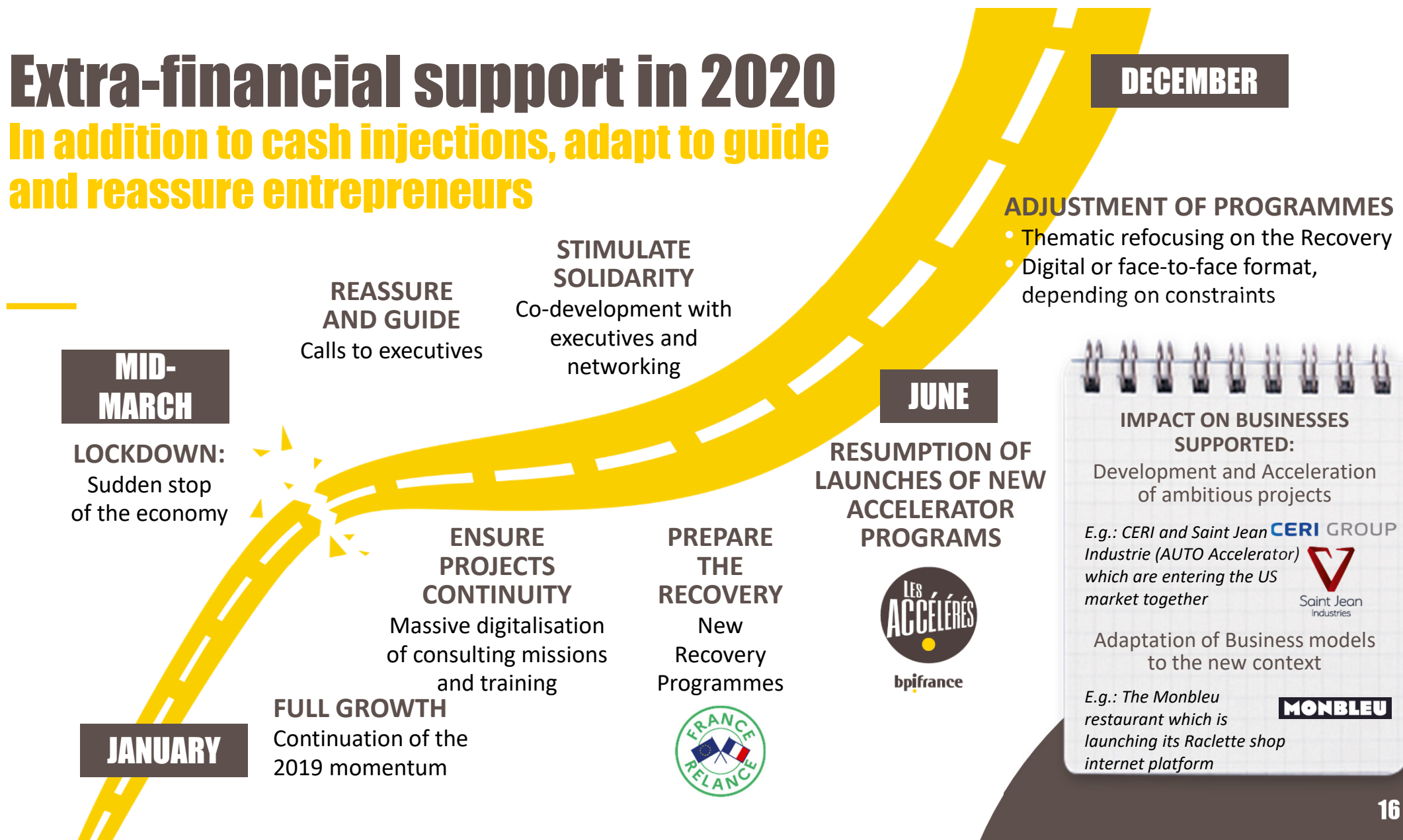
Launch of the
"Diag Eco-Flux" in
September
to the whole
Bpifrance network:
116 Businesses
benefited from this
support this year

Bpifrance, **The Extra-financial support Bank**

**Guillaume Mortelier,
Executive Director, Extra-financial support**

Extra-financial support in 2020

In addition to cash injections, adapt to guide and reassure entrepreneurs





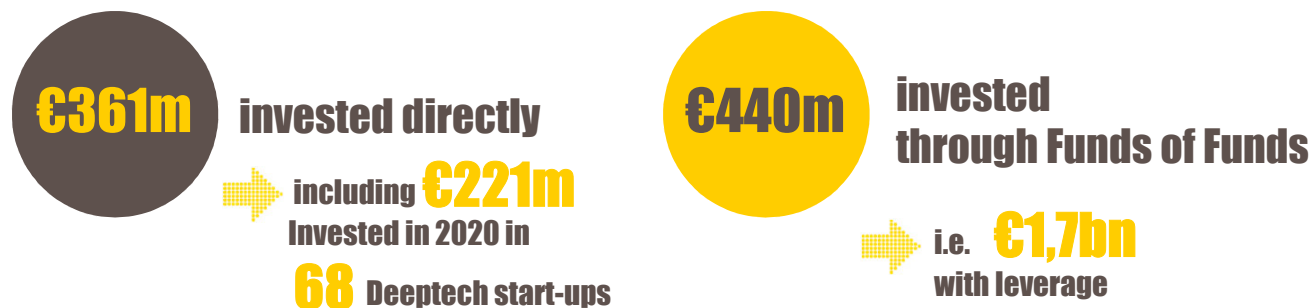
Innovation **and the Economic** **Recovery Plan**

Paul-François Fournier,
Executive Director, Innovation

Accelerate the roll-out of the Deeptech Plan despite the crisis

2020 overview of Deeptech financial tools

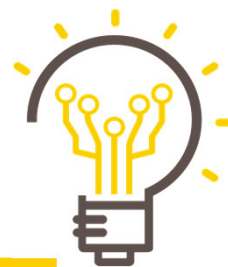
2019 and 2020 Deeptech investment



➔ Ahead of the commitment to invest €1.3bn by 2024 (€300m directly and €1bn through Funds of Funds)

2020 Deeptech Roadshow

16 dates, 640 contributors, 200 partners, 11,000 participants face-to-face and online

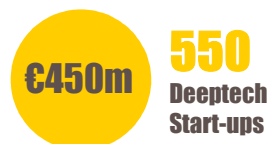


Deeptech Financing

	ADD	BFTE	FTS
Financing	€56.6m	€10.9m	€27.8m
Average amount	€1.1m	€87.90m	€0.26m
No. of start-ups in 2020	51	124	105
No. of start-ups in 2019	36	94	41

Exceptional subsidies

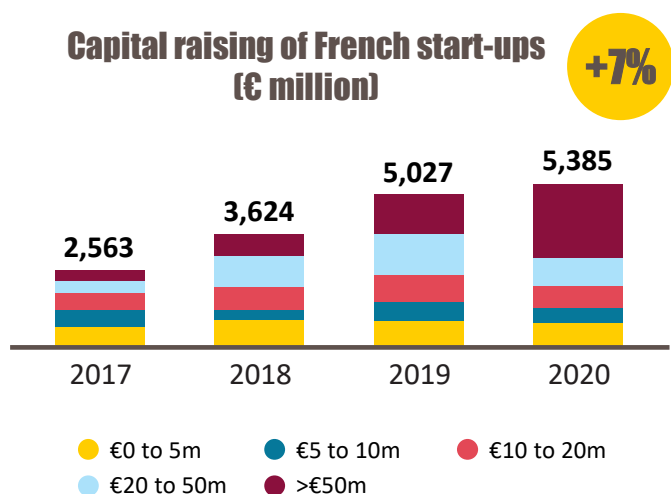
State-Guaranteed Loans



Recovery Loan, *Atout* Loan, French Tech Bridge, Recovery Plan



Tech weathered the crisis



2020 European comparison

United Kingdom

VENTURE CAPITAL	GROWTH EQUITY
8.19bn raised 1,114 transactions	4,52 Md€ levés 22 opérations
12.71bn raised / Δ +11%	1,136 transactions / Δ +12%

Germany

VENTURE CAPITAL	GROWTH EQUITY
3.85bn raised 364 transactions	1.40bn raised 8 transactions
5.24bn raised / Δ -14%	372 transactions / Δ -28%

France

VENTURE CAPITAL	GROWTH EQUITY
3.71bn raised 611 transactions	1.68bn raised 9 transactions
5.39bn raised / Δ +7%	620 transactions / Δ -16%

Δ : variation 2020/2019


In 2020, French start-ups raised €5.4bn through 620 transactions, i.e. a **+7% increase** in value compared to 2019. Very good results which are mainly driven by a sharp raise in rounds of above €50m which have increased by 88% in a year to €2.4bn in 2020. In particular, there were 9 fund-raising of over €100m in 2020 compared to 4 in 2019. France has therefore overtaken Germany (in value and above all in volume) but remains behind the United Kingdom.

Source: Ernst & Young venture capital barometer in 2020, Bpifrance analysis

Bpifrance,

A major player in the Economic Recovery Plan



	No. of files* and €Millions decided in 2020	No. of files and €Millions decided in 28/01/2021 (2020 and 2021 combined)
	255 files €146m	359 files €194m
Automotive Calls for Proposals	164 files €112m	269 files €188m
Aeronautics Calls for Proposals	151 files €99m	230 files €147m
Résilience Calls for Proposals	43 files €63m	98 files €123m

*A company can participate in several Calls for proposals
Territoires d'Industrie call for proposals available since September 2020 up until the exhaustion of the funds.
Recovery plan for Industry call for proposals– Strategic sector (national phase) available until 1 June 2021.

Examples of projects



Nidaplast (production of alveolar blocks or plates by extrusion)
Relocation in France of a production activity which historically was subcontracted abroad (Poland) and modernisation of the factory
Subsidy: €800 k



Creation of 2 new automatic and digitised production lines in response to REACH standards requiring a review of processes.



Construction of the 1st production plant for nanowire microLeds microcomponents
Subsidy: €5.1m



Bpifrance Entreprises 1: **A product dedicated to** **non-professional** **investors**

Benjamin Paternot,
Executive director, Funds of Funds

An innovative product which opens access to private equity to individuals

Objective

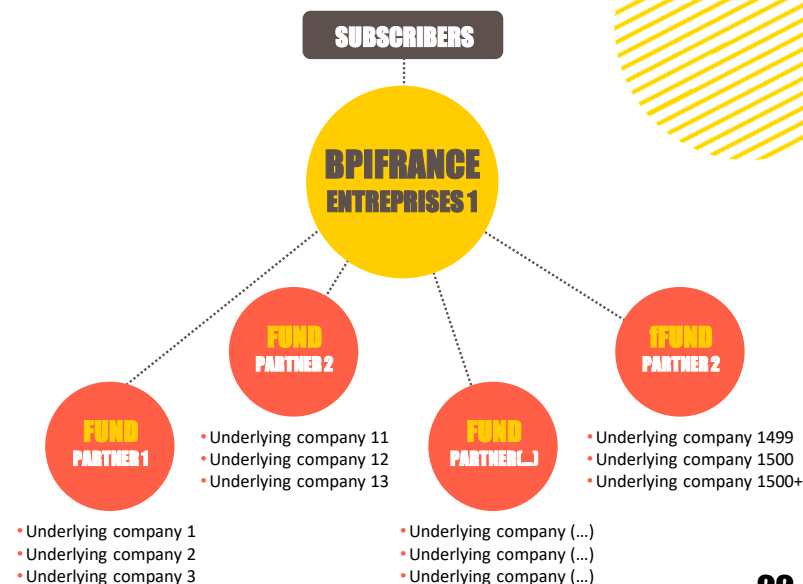
Enable French citizens to invest some of their savings in a portfolio of essentially non-listed companies – especially SMEs and start-ups – and to contribute to the recovery through an innovative product based on Bpifrance's expertise.

Bpifrance created the Bpifrance Entreprises 1 Venture Capital mutual fund to which it transferred some of its Funds of Funds investment portfolio.

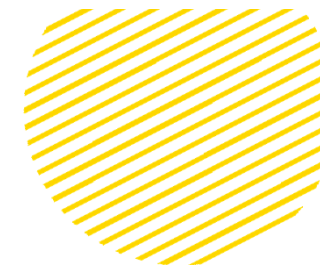
Target: Non-professional individuals with their tax residence in France.

A unique product which enables French citizens to access a class of assets which are traditionally reserved for professional investors, **to support the real economy** and to **contribute to the economic recovery**.

- The Fund with a size of **€95m** is a venture capital mutual fund whose assets are composed of an **already constituted portfolio** corresponding to **5% of the Bpifrance's investments between 2005 and 2016** in private equity funds on its own behalf. The portfolio is therefore indirectly exposed mainly to **unlisted French and European start-ups and SMEs**. The Fund was approved by the French financial markets regulator, the AMF on 1 September 2020.
- The portfolio is composed of the shares of 145 Bpifrance partner funds which indirectly represents aggregate investments in over 1,500 companies (start-ups, micro-businesses, SMEs and ISEs) in all regions. The portfolio is **diversified**, especially by the number of underlying companies, company profiles and business sectors.
- The product is **inherently risky and targets performance between 5% and 7%**. In this respect, it should be pointed out that this objective was defined by the Fund's management company based on assumptions of future distributions for each of the 145 partner funds comprising the Fund's portfolio. These assumptions are not a commitment to the Fund's final performance. **The Fund is not subject to any capital or performance guarantee**. Thus subscribers could lose all or part of the amounts invested. This target performance is also gross of tax and social security deductions which apply to each of the subscribers in accordance with their personal circumstances and the category of shares through which they subscribe in the Fund.
- The duration of the Fund is 6 years, and can be extended to 7 years.



A wide-ranging portfolio of over 1,500 companies constituted by 145 partner funds

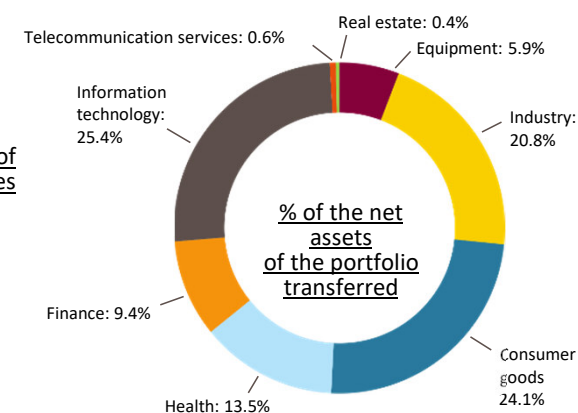
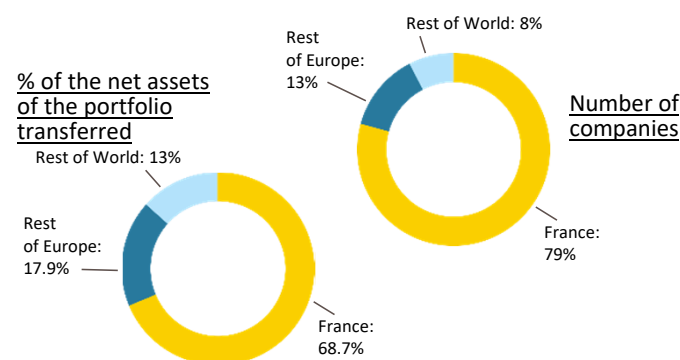
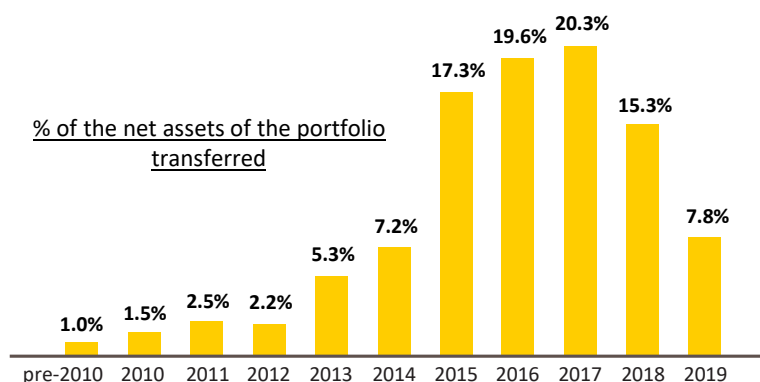


The selection of the partner funds portfolio is based on a systematically applied methodology which is certified by an independent firm.

The portfolio is therefore constituted of **145 partner funds** managed by around 80 management companies, is invested in more than **1,500 companies** and is diversified in terms of business sectors, region (but mainly throughout all the regions of France) and growth stages.

Breakdown of the companies in which the partner funds have invested, by maturity, region and sector

Bpifrance Investissement data on 31/12/2019



The portfolio valuation was fixed by professional and independent purchasers based on a secondary disposal of the same portfolio in September 2020 after a competitive and open process enabling an unbiased market price to be fixed. This transaction was carried out after the occurrence of the Covid-19 crisis.

The liquidity horizon is established: the lifespan of the fund is 6 years, and can be extended to 7 years at maximum, in line with the lifespan of the partner funds in the portfolio. The shares of the Fund are blocked throughout the lifespan of the Fund and therefore are non-transferable during the life of the Fund except in cases of early release provided for by law.

Subscription is reserved for individuals whose tax residence is located in France with a minimum investment ticket of €5,000.

A multichannel distribution since 1 October in partnership with 123 IM

Partnership with 123 IM, a management company approved by the French financial market regulator, the AMF, and which is active in the management and commercialisation of private equity funds for non-professional clients. 123 IM is the Fund' reference distributor and as such is responsible for collecting subscriptions as well as for managing part of the Fund's liabilities.

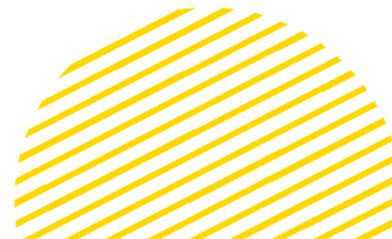
The Fund is marketed through different channels:

- Directly on an on-line platform dedicated to the Fund on <https://fonds-bpifrance.123-im.com/>;
- Through several bank and insurance networks since the end of January 2021
- Two retirement savings managers

Two categories of shares in the Fund are offered for non-life insurance and non-retirement saving subscriptions:

- Shares where their holders benefit from the preferential tax status applicable on any capital gains realized, in exchange for a five-year lock-up period on any distribution.
- Shares eligible for the common tax system for any distributions received over time (eligible SME-share saving plan tax category).

Subscriptions are open until 30 September 2021 at the latest, unless the maximum subscription limit (€95m) is reached before this date



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