

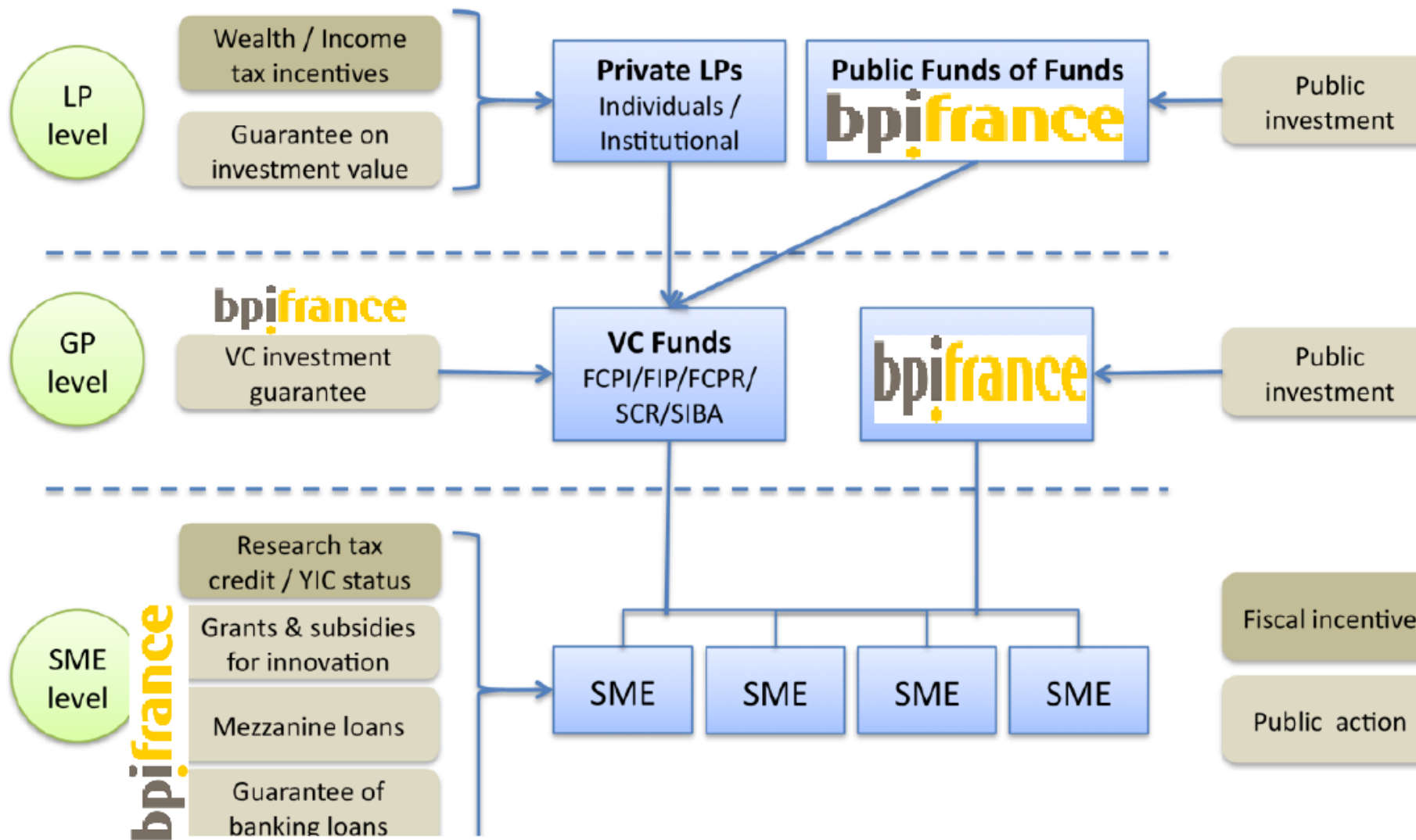


## **ROLE OF EQUITY AND MEZZANINE FINANCE**

*24 September 2021 - AECM Panel*

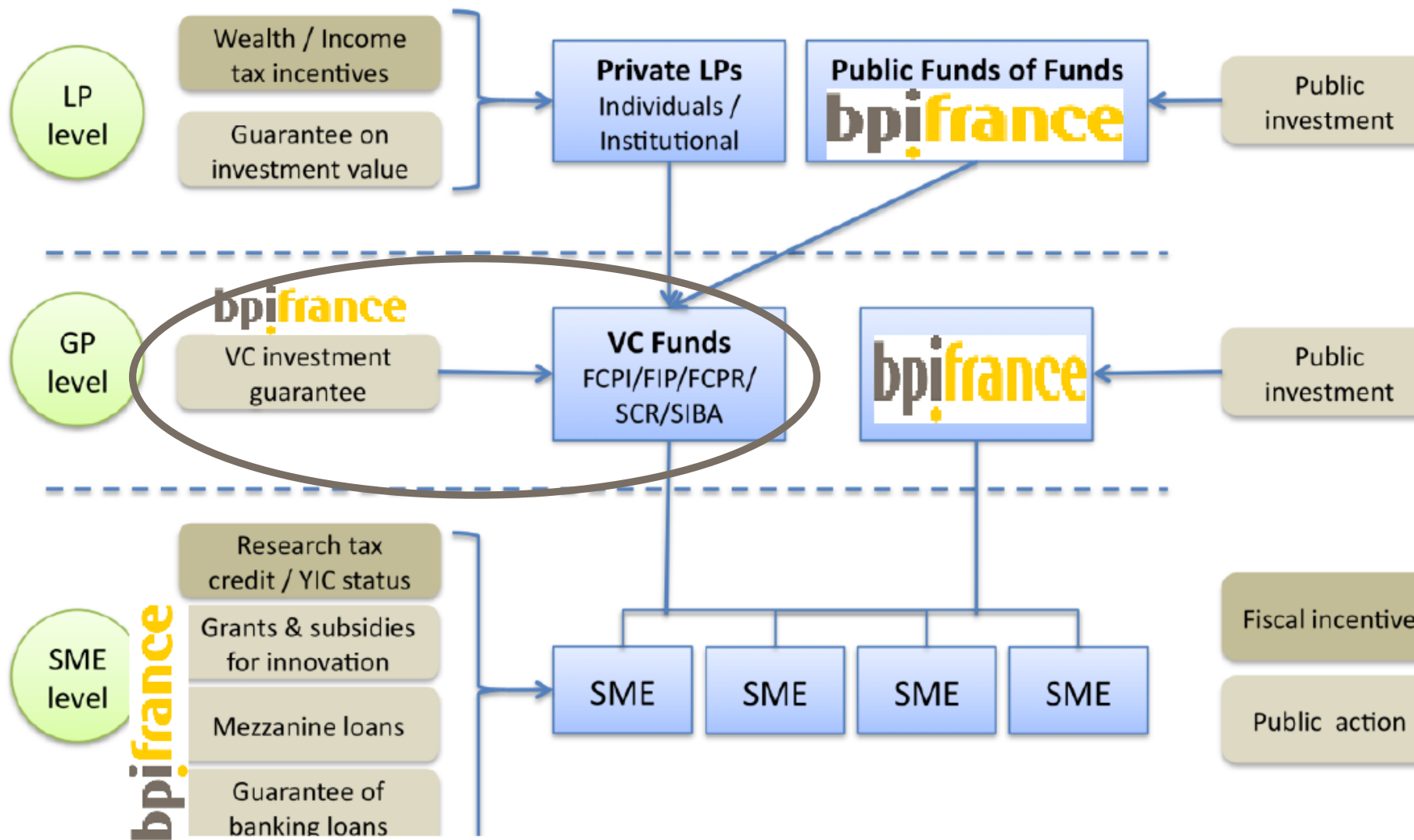
# An equity guarantee scheme to address market gaps

## Context



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## Objectives

### Directing investments to reduce market failures

1. Supporting the segment of **small seed tickets**
2. Supporting **regional venture-capital**
3. Enabling **first time teams** to through themselves into the market to professionalise
4. Democratising **impact investing** practices

### Equity guarantee is popular with capital investors

- Bpifrance guarantees €120M of investments
- The overall demand is €350-400M per year

The innovation capital activity is highly risky. There are fewer and fewer investors in this segment. They need support to finance the investments of tomorrow's SMEs.

## A scheme benefiting to **regional investors**



- 1994 – creation of the scheme
- €3,5bn guaranteed investments
- 23.000 supported SMEs

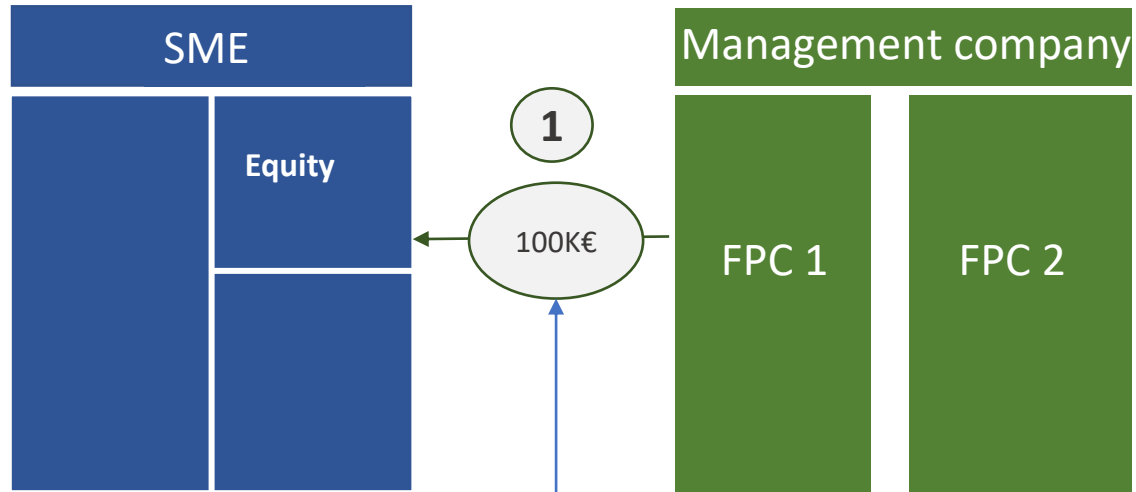


- 500 accredited organizations since 1994
- 150 active organizations in 2019



- Seed stage
- Strong regional focus
- Significant share of funds dedicated to Social Economy

# Curent setting of the FIG scheme



**2**  
Bpifrance guarantees the investment of €100K if it complies with the eligibility conditions. The investor then pays an annual guarantee fee.

## Bpifrance - bilan

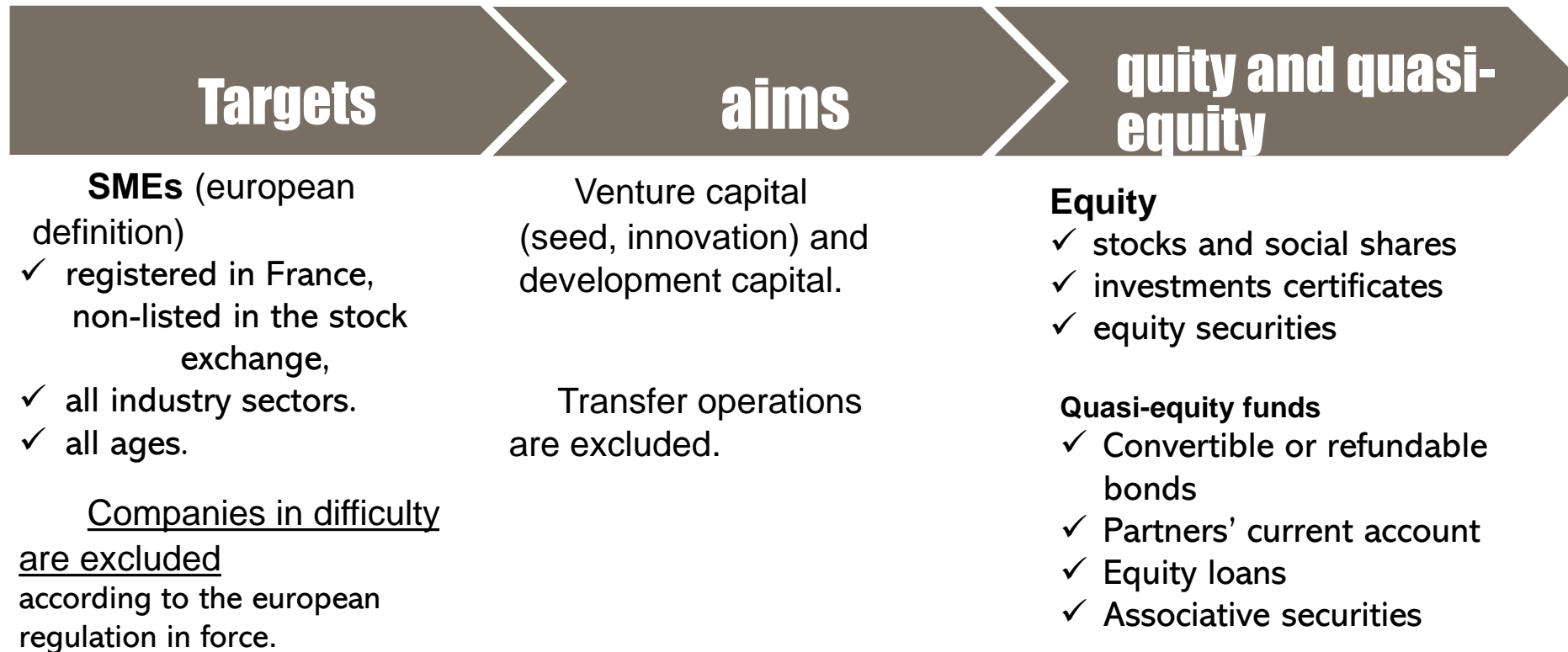
Sum of the lessor's allocations (treasury)	Guarantee Fund (debt to lessor)
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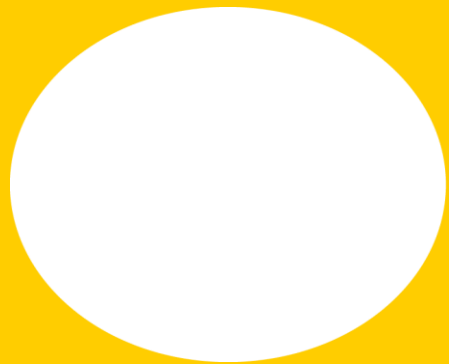
### 3 2 possible scenarios

**Scenario - 1: in case of court-ordered liquidation; receivership and amicable liquidation or disposal with capital loss**  
Bpifrance compensates FPC-1 for 70% or 50% of its loss with the cash-flow from the lessor's endowment

**Scenario 2: Exit with capital gain**  
Investment of 100K€ is sold at a value higher than the entry price → can then capture up to 10% of the capital gain realised by the FCP. This capital gain is then credited to the fund's accounting balance (cash in the bank's assets corresponding to the balance of the guarantee fund).

# Current settings – recovery plan





**SERVIR  
L'AVENIR**

