LUMIBIRD

MORE THAN LASERS

Universal Registration Document

2020

2020
Universal Registration Document

This Universal Registration Document has been filed on 2 April 2021 with the Autorité des Marchés Financiers (AMF), as competent authority under Regulation (EU) 2017/1129, without prior approval pursuant to article 9 of said regulation.

The Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if completed by a securities note and, if applicable, a summary and any amendments to the Universal Registration Document. The whole is approved by the AMF in accordance with Regulation (EU) 2017/1129.

The English language version of this report is a free translation from the original, which was prepared and filed with the AMF in French. All possible care has been taken to ensure that the translation is an accurate presentation of the original. However, in all matters of interpretation, views or opinions expressed in the original language version of the document in French take precedence over the translation.

In accordance with Article 19 of European Regulation 2017/1129 dated 14 June 2017, the following elements are incorporated by reference in this Universal Registration Document (hereafter the "Universal Registration Document"):

- For the year ended 31 December 2018: the Board of Directors' management report, the Group's consolidated financial statements, the Statutory Auditors' report on the consolidated financial statements at 31 December 2018, the Statutory Auditors' special report on regulated agreements and commitments for this financial year, and the review of the LUMIBIRD Group's financial position and earnings for 2018, as presented in the Registration Document filed with the AMF on 26 April 2019 under number D.19-0423 (the "2018 Registration Document").
- For the year ended 31 December 2019: the Board of Directors' management report, the Group's consolidated financial statements, the Statutory Auditors' report on the consolidated financial statements at 31 December 2019, the Statutory Auditors' special report on regulated agreements and commitments for this financial year, and the review of the QUANTEL Group's financial position and earnings for 2019, as presented in the Universal Registration Document filed with the AMF on 22 April 2020 under number D.18-0335 (the "2019 Universal Registration Document").

The information included in these two Registration Documents, other than the information mentioned above, has been replaced and/or updated by the information included in this Universal Registration Document, as relevant.

Copies of the 2018 Registration Document, the 2019 Universal Registration Document and this Universal Registration Document are freely available from LUMIBIRD's registered office or its website (www.lumibird.com), as well as the AMF website (www.amf-france.org).

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Message from the CEO

Dear shareholders,

I am beginning this letter as I did last year, wishing you and your loved ones good health and good spirits during this health and economic crisis. Although it has seemed to go on forever, an end is finally in sight, thanks to the quickening pace of the vaccination campaign.

For LUMIBIRD, the crisis has not been as lengthy. Our principal markets affirmed how resilient they were, and while logistical and organisational restrictions slowed our activities during the first half of 2020, the efforts our teams put in place to adapt bore their fruits starting in the summer; record levels of activity were even recorded in the fourth quarter, with nearly €50 million in revenues. The result, in this year of major crisis for the global economy, was that the Group's current operational profitability stayed above 11%.

This performance reflects the dynamic nature of past activities, but also the smooth integration of the companies that were acquired over the past two years: the medical laser manufacturer Optotek, the atmospheric Lidar sensor Halo Photonics, the Scandinavian distributor of medical devices Essmed, and the most important in terms of size, our Australian competitor in laser ultrasound scanners for ophthalmology, Ellex. Not only were these last two transactions, which were finalised over the year, successfully completed in a climate of health restrictions, but the initial synergies were successfully established and integrated across all of these new subsidiaries. In particular, we combined the sales teams under a single global department, optimised the distribution networks, and created a joint R&D team. The only regrettable malfunction was the payment fraud that Halo Photonics suffered when the new subsidiary was not yet fully integrated within our financial processes. We have learned from the experience, which has ultimately strengthened our financial structure.

This history of successful external growth has made us stronger– recall that LUMIBIRD was born from the merger between Quantel and Keopsys (our first success in terms of consolidation), and has made us sure that our mixed organic and external growth strategy is the right one. We have consequently strengthened our financial structure over the course of this fiscal year, putting in place new banking lines and setting up drawdowns to finance the acquisition of Ellex, all while consolidating equity through a capital increase. The Group is thus keeping significant financial resources to seize upcoming opportunities for external growth, such as, for example, the plan to resume the Saab group's laser defence rangefinder activities, which was announced in March 2021.

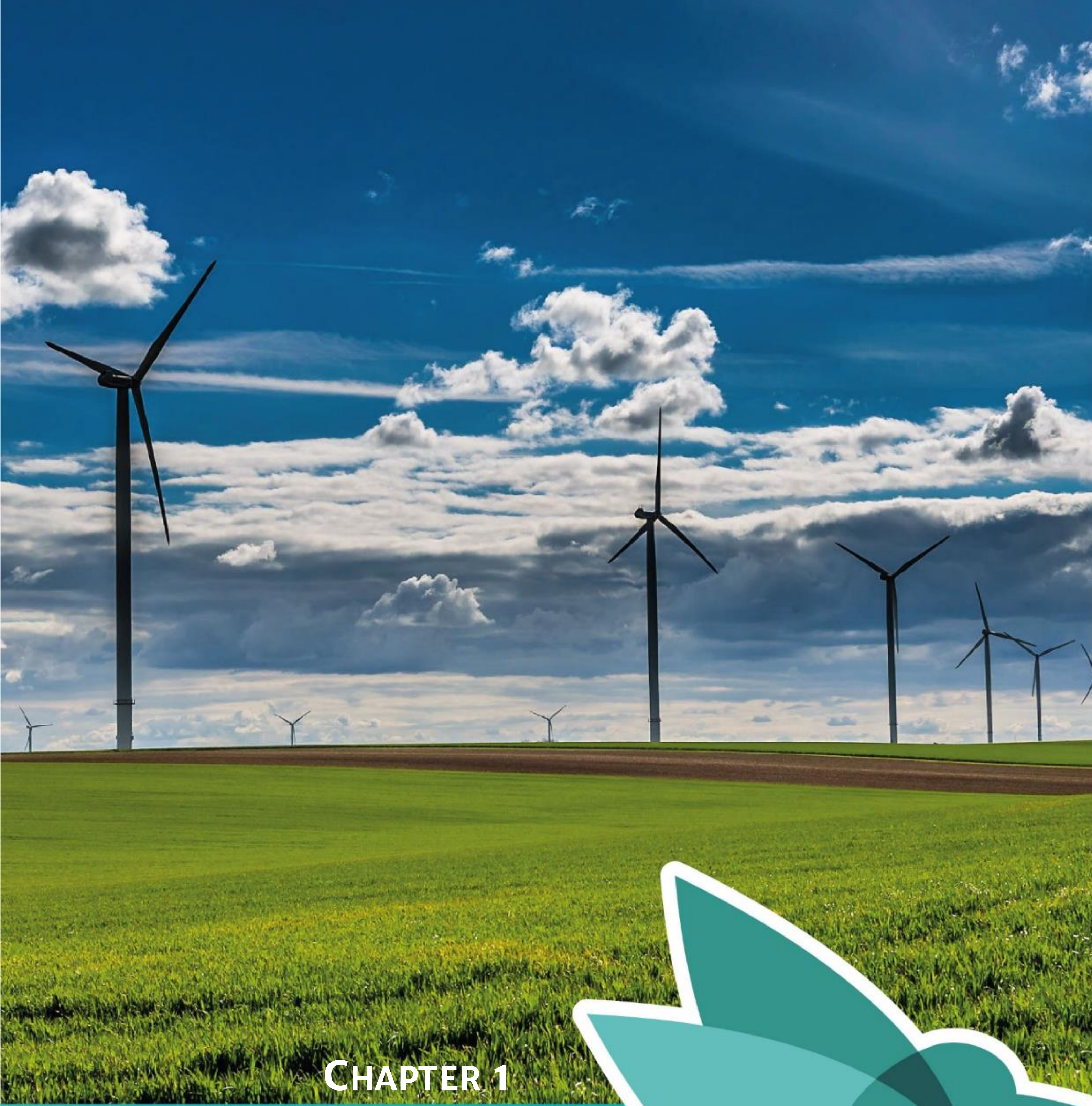
In parallel to the external growth operations, LUMIBIRD is continuing to strengthen the components of its organic growth, in particular R&D, its manufacturing base, and its sales structure. We have notably acquired a building which will serve as the new headquarters and principal production site of the Medical division. The fully renovated building will be inaugurated next June.

The strengthening of our fundamental principles, our as yet untapped available resources, and the dynamic nature of our markets led to us to set new and ambitious strategic objectives at the start of the year, both in terms of growth and profitability.

I am thus inviting you to follow our progress as we strive to reach these goals in the coming periods, and thank you for your loyalty to LUMIBIRD.

Marc Le Flohic

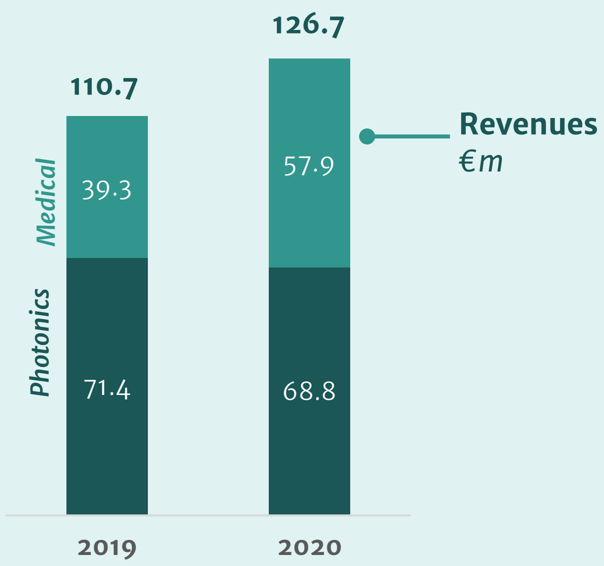
CEO

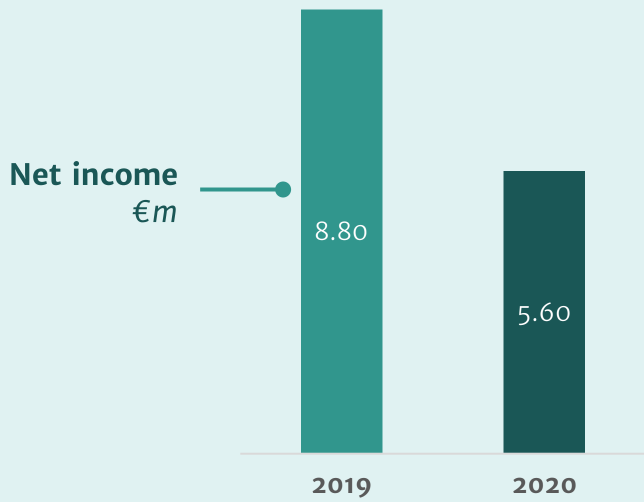


CHAPTER 1

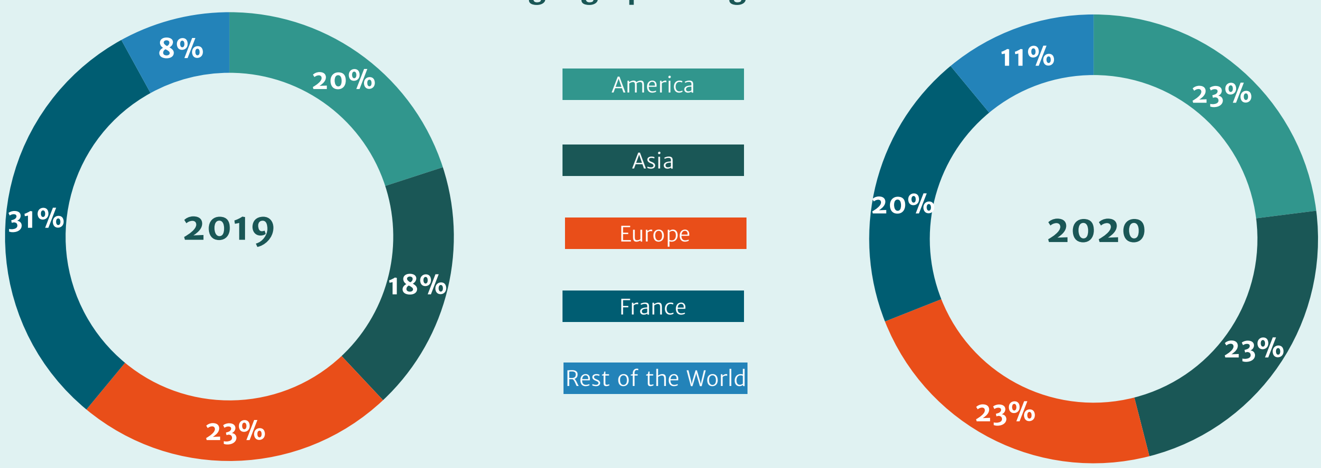
INTRODUCTION TO THE LUMIBIRD GROUP

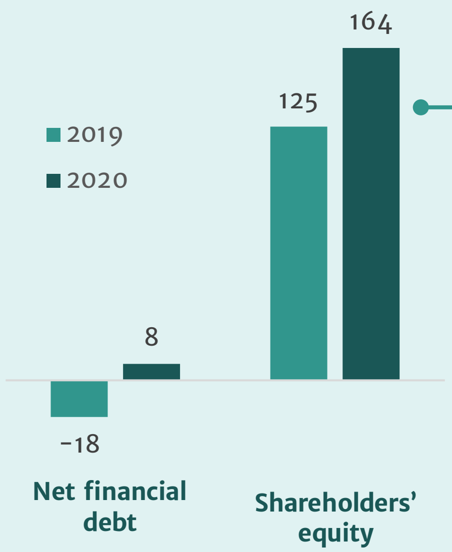
LUMIBIRD GROUP KEY FIGURES





Breakdown of revenues per geographic region

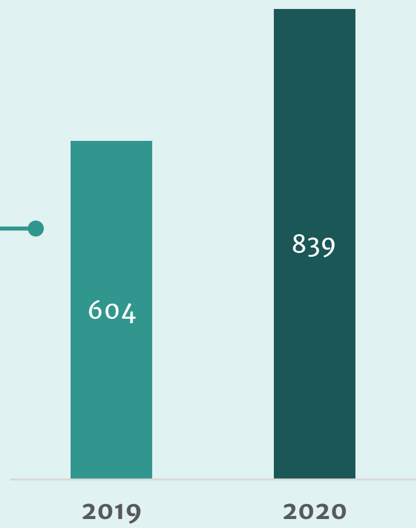




Equity and debt
€m

Cash flow and Industrial Investments
€m

Current workforce



Section 2

HISTORY OF THE LUMIBIRD GROUP

1. CREATION OF THE LUMIBIRD GROUP

Created through the business combination between the QUANTEL Group and the KEOPSYS Group, carried out in October 2017, the LUMIBIRD Group (the "**LUMIBIRD Group**" or the "**Group**") is a European market leader for lasers.

Following this operation, Mr Marc Le Flohic, the Company's Chairman and Chief Executive Officer, became, indirectly, LUMIBIRD's majority shareholder.[1].

2. KEY DATES

History of KEOPSYS and QUANTEL Groups

1970
QUANTEL Group

QUANTEL is created by Mr Georges Bret to design and produce lasers for scientific instrumentation. QUANTEL is therefore one of the oldest companies in a sector that came into being following the invention of the laser in 1960.

1970 – 1985
QUANTEL Group

QUANTEL develops quickly on its scientific instrumentation market and becomes a subsidiary of the Aerospatiale group.

1985 - 1993
QUANTEL Group

QUANTEL sells its American subsidiary, which becomes its main competitor. Business deteriorates, revenues drop to 23 million French francs (3.5 million euros) in 1993 and the losses build up.

October 1993
QUANTEL Group

EURODYNE, a joint subsidiary of DYNACTION and Mr Alain de Salaberry, buys out QUANTEL. A restructuring plan is put in place, Mr Alain de Salaberry heads up the group and a new development strategy is defined.

1994
QUANTEL Group

QUANTEL creates a new subsidiary: BVI, which will later become QUANTEL MEDICAL.

1997
QUANTEL Group

QUANTEL is listed on the Paris stock exchange's Nouveau Marché.

Groupe KEOPSYS
The company OPTOCOMM Innovation is created by Marc Le Flohic and will later become KEOPSYS.

1998
QUANTEL Group

The American company Big Sky Laser (now called QUANTEL USA) is acquired.

Quantel signed a contract with the French Atomic Energy Commission (Commissariat à l'énergie atomique or "CEA") for the development of preamplifier modules ("MPAs") as part of the MegaJoule project, making it possible to replace nuclear tests in real conditions with laboratory tests.

KEOPSYS Group
The first fiber laser developed by OPTOCOMM Innovation is launched.

2000-2001
KEOPSYS Group
First round of fundraising is carried out with institutional investors. OPTOCOMM Innovation becomes KEOPSYS, which stands for Key Optical System.

KEOPSYS creates its US-based subsidiary KEOPSYS USA.

2006
QUANTEL Group

QUANTEL transfers its headquarters and research and production laboratories to 2, bis Avenue du Pacifique in Les Ulis (91). A research center is created in Lannion to develop the Fiber Lasers product range.

2007
QUANTEL Group

NUVONYX EUROPE is acquired in February, going on to become QUANTEL LASER DIODES.

WAVELIGHT AESTHETIC is acquired in September 2007, changing its name to QUANTEL DERMA.

1 The majority shareholder of LUMIBIRD, ESIRA, a company chaired and controlled by Mr. Marc Le Flohic, Chairman and Chief Executive Officer of LUMIBIRD, holds at the date of this Universal Registration Document, directly and indirectly, through EURODYNE, 51.93% of the share capital and 61.75% of the voting rights of the Company.

2012

QUANTEL Group

Disposal of the Dermatology Division.

2013-2014

KEOPSYS Group

SENSUP is created, a dedicated subsidiary focused on the development and manufacturing of electro-optics systems based on fiber laser technology.

KEOPSYS acquires the Lannion-based assets of the company 3S Photonics and creates LEA Photonics, a dedicated subsidiary focused on developing fiber amplifiers and lasers for the industrial, telecoms and medical sectors.

2015

QUANTEL Group

Major orders received for the Megajoule and military contracts.

2016

QUANTEL Group

The Company changes its form of governance, adopting the structure with a Board of Directors (Conseil d'administration).

ESIRA, a company controlled and managed by Marc Le Flohic, acquires control of EURODYNE from Alain de Salaberry, and QUANTEL carries out a 2.4 million euro capital increase, with EURODYNE subscribing for 66%, giving Marc Le Flohic a reference indirect shareholding in QUANTEL.

Change in QUANTEL's governance: Marc Le Flohic becomes QUANTEL's CEO, replacing Alain de Salaberry, who stands down from his position.

2017

LUMIBIRD Group

QUANTEL's General Meeting approves ESIRA's contribution of all the shares comprising the capital of KEOPSYS, LEA Photonics and SENSUP and 99 VELDYS shares to QUANTEL in exchange for new shares issued by QUANTEL. Following the contribution, Mr Marc Le Flohic, QUANTEL's CEO and founder of the KEOPSYS Group, indirectly becomes QUANTEL's majority shareholder.

The contribution creates a European champion for lasers.

Operations rolled out to reorganize the Group.

2018

LUMIBIRD Group

The Group announces its new name "LUMIBIRD" and transfers the Company's headquarters from Les Ulis to Lannion.

December 2018: capital increase with shareholders' preferential subscription rights maintained for €7.8 million.

2019

LUMIBIRD Group

May 2019: capital increase through a private placement for 25.1 million euros.

December 2019: agreement with the Australian company Ellex Medical to acquire Ellex's laser and ultrasound business for 100 million Australian dollars, to create a world leader for laser and ultrasound technologies for the diagnosis and treatment of ocular diseases.

2020

LUMIBIRD Group

June 2020: completion of a capital increase, oversubscribed by more than 190%, for a gross amount, including issue premium, of €36.3 million representing an issue of 4,037,015 new shares, each at a unit subscription price of €9.

Acquisition of Ellex's laser and ultrasound business for 100 million Australian dollars, to create a world leader for laser and ultrasound technologies for the diagnosis and treatment of ocular diseases.

August 2020: acquisition by the Group of the Scandinavian companies EssMed Sweden, EssMed Finland and Brinch, specialising in the distribution of high-quality medical devices for ophthalmology.

Section 3

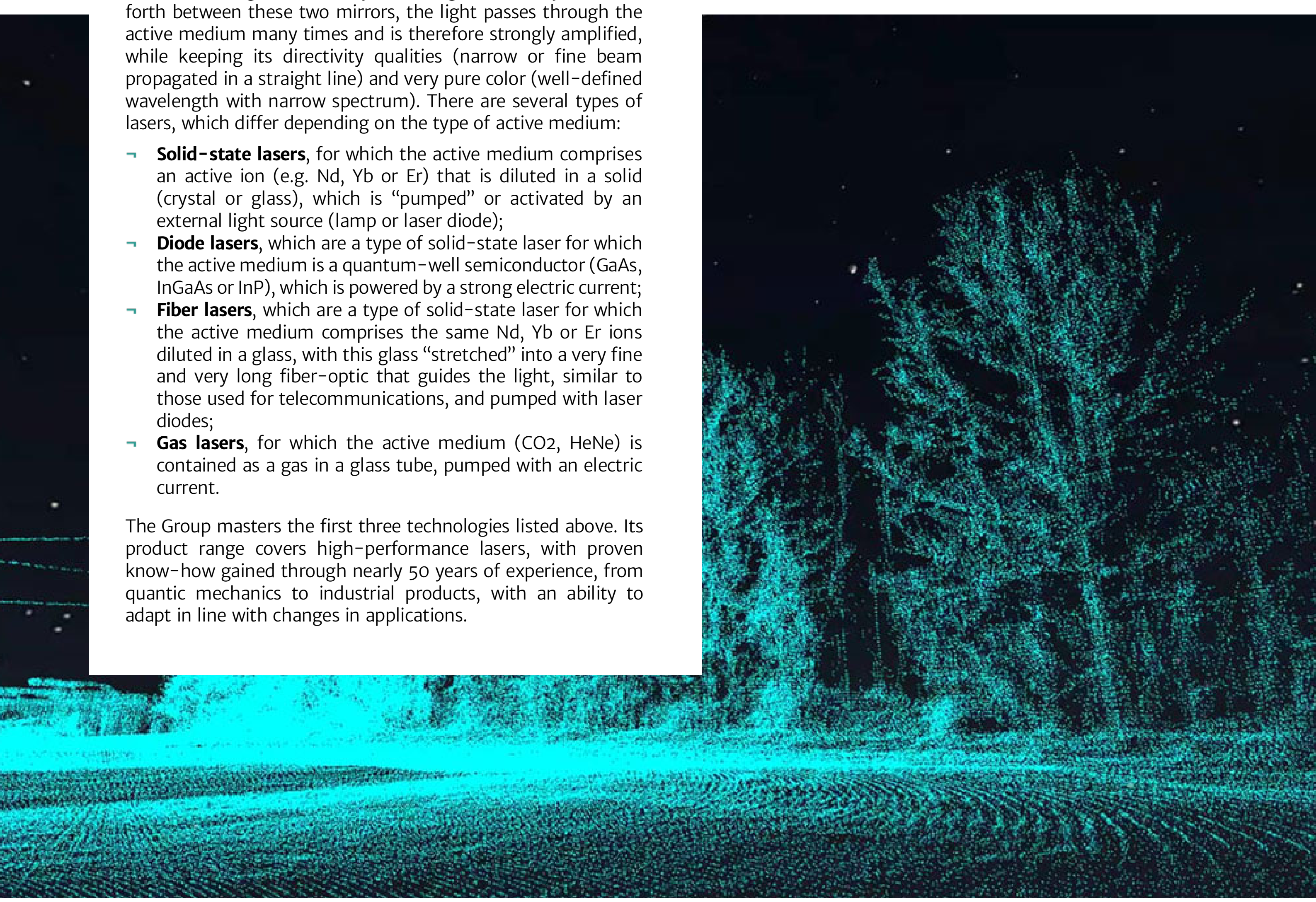
MAIN ACTIVITIES OF THE LUMIBIRD GROUP

1. LASER TECHNOLOGY

Demonstrated for the first time in 1960 by T. Maiman, the LASER is based on the principle of stimulated emission amplification; it comprises an active medium and two aligned mirrors forming a laser cavity. Traveling successively back and forth between these two mirrors, the light passes through the active medium many times and is therefore strongly amplified, while keeping its directivity qualities (narrow or fine beam propagated in a straight line) and very pure color (well-defined wavelength with narrow spectrum). There are several types of lasers, which differ depending on the type of active medium:

- **Solid-state lasers**, for which the active medium comprises an active ion (e.g. Nd, Yb or Er) that is diluted in a solid (crystal or glass), which is "pumped" or activated by an external light source (lamp or laser diode);
- **Diode lasers**, which are a type of solid-state laser for which the active medium is a quantum-well semiconductor (GaAs, InGaAs or InP), which is powered by a strong electric current;
- **Fiber lasers**, which are a type of solid-state laser for which the active medium comprises the same Nd, Yb or Er ions diluted in a glass, with this glass "stretched" into a very fine and very long fiber-optic that guides the light, similar to those used for telecommunications, and pumped with laser diodes;
- **Gas lasers**, for which the active medium (CO_2, HeNe) is contained as a gas in a glass tube, pumped with an electric current.

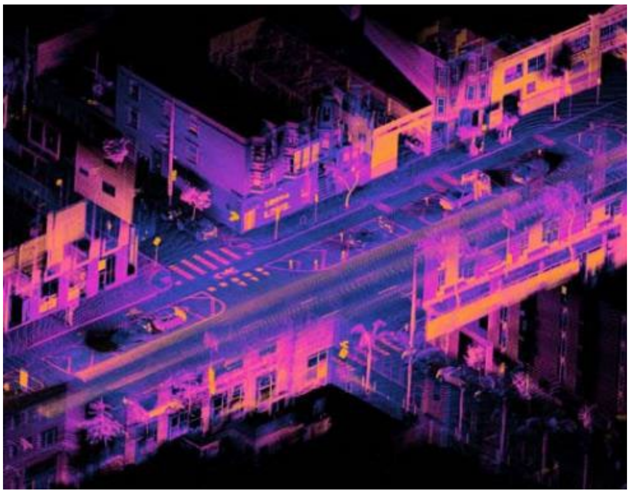
The Group masters the first three technologies listed above. Its product range covers high-performance lasers, with proven know-how gained through nearly 50 years of experience, from quantic mechanics to industrial products, with an ability to adapt in line with changes in applications.



As at the date of this Universal Registration Document, the Group's companies own, directly or by exclusive licence, more than 25 patents, notably in laser components, laser architecture, optronic features and the medical field.

With KEOPSYS INDUSTRIES, the LUMIBIRD Group is particularly well-positioned on key applications in high-growth sectors:

- Defence: obstacle detection, guiding, targeting, rangefinding, night vision, LIDAR
- Space & Aerospace: telecommunications, guiding, telemetry, LIDAR ;
- LIDAR Sensors: autonomous vehicles, 3D scanning, guiding, wind measurement, aerosol and pollutant detection
- Medical: lasers for medical applications
- Telecoms: amplifiers for broadband networks
- Scientific: lasers for laboratory experimentation and analysis, metrology.



2. AREAS FOR APPLICATION

The Group is able to meet many different needs for its clients thanks to a complete product range. The Group primarily provides the laser source, which the client uses for multiple applications, with the main ones presented below:

2.1. Photonics Division

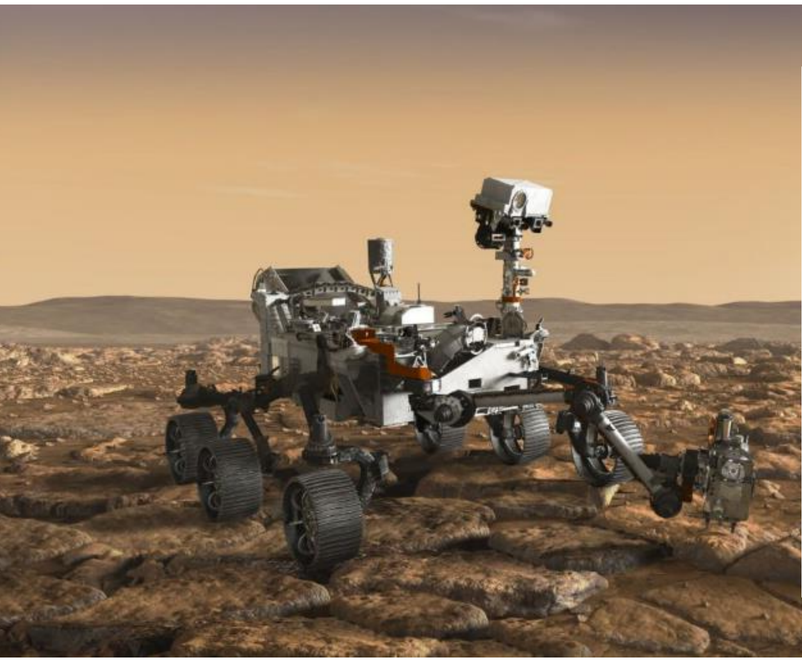
2.1.1. Industrial & Scientific

This market covers a very diverse client base made up of universities, laboratories and industrial groups integrating lasers into their products. It notably includes laboratory experimentation tools, industrial production tools, flat screen repairs, photo-acoustics, materials resistance metrics, spectroscopy (LIBS), metrology and particle image velocimetry (PIV).

The Group has a longstanding presence in universities and research laboratories. It benefits from this on a commercial level, as well as a symbolic level, with its employees taking part in communications and conferences, establishing the Group as one of the members of the photonics scientific community.

The main products of the Group's Industrial and Scientific activities are:

- flat screen repair lasers (Centurion);
- new generation power lasers (QSmart)
- the Group's latest lasers (EverGreen, Viron, Falcon).



2.1.2. Defence and major contracts

As part of national projects (French Alternative Energies and Atomic Energy Commission (CEA) Megajoule Laser, French government space agency (CNES), etc.) or international projects (ESA, FP7 or H2020, Eureka, Brite, Eurocare, etc.), as well as development plans covering major industrial defense groups, the Group is committed to long-term research contracts, including laser development, prototyping, validation then production phases.

The active fields concern rangefinding, designation, targeting and obstacle detection. For the Megajoule contract, the Group supplies fiber amplifiers and solid-state preamplifier modules (MPAs).

The main products of the Group's Defence/Space activities are the dedicated products developed for the Megajoule project and the guiding and telemetry lasers used on fighter aircraft.

2.1.3. LIDAR sensors

The applications for LIDAR sensors are vast and developing strongly, thanks in particular to the reduction in their production cost price, which is opening up new possibilities, especially for wind measurement technologies that are useful for wind turbines and airports.

In addition, the solutions offered by the Group are finding markets in terms of securing transport, particularly in the autonomous vehicle sector, which has major potential and for which the technical solutions offered by the Group are competing with other technologies. Alongside this, there are needs for the rail industry, shipping or drones for civil, industrial or military applications.

These same sensors can also be used for 3D scanning and pollutant detection.

In all these areas, the Group is well positioned to respond to and anticipate clients' demands and support their growth. For autonomous cars, the Group is carefully looking into the solutions to be implemented to meet very strong demands in terms of both quantity and automation.

The main products of the Group's LIDAR sensor activities are the Sensup range (such as the LDR 905 SR or the Winfield system) and the Halo Photonics range (such as the Wind Pro or the StreamLine).

2.2. Medical division

Since being set up in the early 1990s, QUANTEL MEDICAL, Ellex and Optotek (which form the core of the Group's Medical Division) have developed and released a comprehensive range of specialist ophthalmology products and medical tests carried out in the vicinity of patients (point of care). Alongside this, a global sales network has been put in place, covering under the LUMIBIRD Medical brand, nearly 100 countries today, through more than 110 distributors and subsidiaries in France, in the US, in Poland, in Finland, Norway and Sweden, in Slovenia, in Australia and in Japan.

2.2.1. QUANTEL Medical

Over the years, QUANTEL MEDICAL has established itself as the world leader for ocular ultrasound, with a complete range of diagnosis and measurement tools: ultrasound, biometrics with implant calculation, pachymetry with corneal thickness measurement.

QUANTEL MEDICAL is also a major player for the laser-based treatment of the 4 major causes of blindness: macular degeneration, glaucoma, diabetic retinopathy and cataract. The technical characteristics of these lasers make it possible to implement the latest generation treatments, whether in photocoagulation, photoregeneration or photodisruption.

Dry eye is the second most common reason for consulting an ophthalmologist after visual acuity assessment. These devices strengthen Quantel Medical's position in the ophthalmology markets.

In addition to the business selling finished products for use by ophthalmologists, the Group is looking to use its medical product manufacturer approvals to supply lasers for other industrial firms from this sector.

Quantel Medical's main products are:

- Fusion and Optimis, enabling ophthalmologists to provide customised laser treatments for glaucoma and cataracts;
- Vitra and Easyret, lasers used in the treatment of retinal pathologies;
- Absolu and Compact Touch for the diagnosis of certain eye conditions.

2.2.2. LUMIBIRD Medical Australia (Ellex)

Acquired by the LUMIBIRD Group in June 2020, Ellex designs, develops, manufactures and markets innovative products that enable ophthalmic surgeons around the world to effectively treat eye diseases. Headquartered in Adelaide, Australia, the company is a world leader in this field.

The main Ellex products are :

- Solo, Tango and Tango Reflex, enabling ophthalmologists to provide customised laser treatments for glaucoma;
- Ultra Q and Ultra Q Reflex, YAG lasers for the treatment of capsulotomy and presbyopia
- Integre Pro and Integre Pro Scan, lasers used in the treatment of retinal pathologies.

2.2.3. Optotek Medical

Acquired by the LUMIBIRD Group in August 2019, Optotek Medical designs, develops, manufactures and markets products that enable ophthalmic surgeons worldwide to effectively treat glaucoma and cataract pathologies. Headquartered in Ljubljana, Slovenia, the company is present through its products as an original equipment manufacturer (OEM) or through its direct brands in many markets worldwide.

Optotek's main products are :

- OptoSLT, enabling ophthalmologists to provide customised laser treatments for the treatment of glaucoma;
- OptoYAG, enabling the treatment of capsulotomy and presbyopia.

3. LASER MARKET (FOR EACH TYPE OF APPLICATION)

The competitive positioning of the Group's companies on the various laser markets is presented in chapter 1, section 3, paragraph 5 of this Universal Registration Document.

The Group's consolidated revenues, for each product type and each regional market, are presented in paragraph 1.2 of the Board of Directors' management report on the position and activities of the Company and the Group for the year ended 31 December 2020, which is included in section 1 chapter 4 of this Universal Registration Document and Note 6.4.1 to the consolidated financial statements for 2020, which are included in section 5 chapter 4 of this Universal Registration Document.

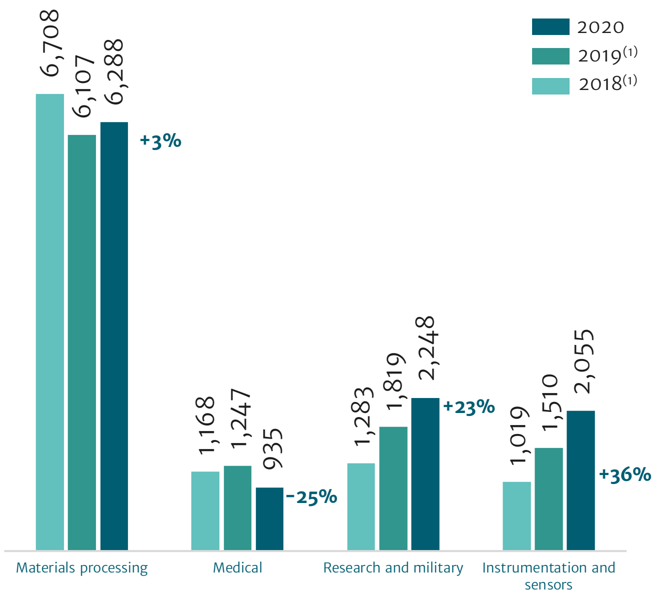
Laser market data are published by the Laser Focus group[1].

The global market was estimated at 16 billion dollars for 2020, with the following breakdown:

- Diode lasers: $6.6bn, representing 41% of the market;
- Non-diode lasers: $9.4bn, representing 59% of the market.

According to this source, the global market grew by 8% in 2020 compared to 2019 despite the Covid-19 crisis. This increase shows very strong disparities, as the market is very dynamic in research, defence and sensors sectors, while the medical sector has been hit hard by the crisis. For the applications that the Group is positioned on, the Laser Focus data are as follows (in million $):

Markets for each application



(1) As each year, the data for 2017 and 2018 were revised in the research published in January 2021.

Moreover, the Group considers that the most promising market is the market for fiber lasers for the sensors and medical sectors, for which average annual growth since 2016 exceeded 10%, according to a Strategy Unlimited report published in 2019[2]. This same report, updated in 2021, also shows that despite the Covid-19 crisis, 2020 was a strong year for the entire laser business after a slight slowdown in 2019 (related to a decline in the materials processing business, a sector to which the Company has very little exposure). The 2021 business should show a rebound close to 15%. It is estimated that the overall fiber laser market will reach around 3 billion dollars by 2022, thanks to this technology's numerous advantages over other technologies, including:

- Competitively priced
- Compact
- Reliable, low maintenance
- Simple manufacturing
- Higher power

[1] Laser Focus World, « Annual Laser Market Review & Forecast 2021 », 2021.

[2] Strategies Unlimited, « Worldwide Lasers, Market Analysis and Forecasts », 2019.

4. GROUP'S INDUSTRIAL AND COMMERCIAL ORGANIZATION

4.1. Industrial organization

The Group designs, manufactures and sells the majority of the devices sold.

4.1.1. Sourcing

The laser industry uses a certain number of specific components:

- **Laser crystals**: the solid-state lasers use crystals produced exclusively for this application: Nd:YAG, Er:YAG, Nd:glass, Ho:YAG, Rubis, etc.
- **Passive and active fiber-optics**: the fiber lasers notably use single or dual-clad fiber-optics, boosted with Yb, Nd, Er or Tm ions, as well as fiber assemblies such as pump combiners and circulators.
- **Pockels cells**: these components use specific crystals (KDDP, LiNBO3, etc.). They act as ultra-quick light switches and make it possible to generate short pulses. The Group works with several German and American suppliers, and regularly puts them into competition with one another.
- **Fiber Bragg networks**: the majority of these essential components for fiber lasers are produced in-house on UV photo-inscription units.
- **Flashes**: also specific to the laser systems, these flashes light the crystals that produce the laser effect. They provide high light outputs and can function in pulse mode. There are several suppliers worldwide.
- **Laser diodes**: these power diodes, based on arrays and array stacks, replace the flashes in "diode-pumped" lasers. The market is split between around 10 global manufacturers, including the Group, which prefers to use laser diodes produced in-house. In addition, the mono or multi-emitter fiber diodes are an essential component for all Fiber Lasers, and are either sourced from external suppliers or packaged in-house for hardened environment applications (space and defense).
- **Photodiodes and APD**: these diodes are used to detect the signals (emitted by the lasers) reflected from targets in applications such as telemetry, LIDAR etc. In 2020, LUMIBIRD put its own components, designed and manufactured in-house, on the market.

For all these components, which are considered critical, the Group selects, as far as possible, at least two suppliers in order to be able to negotiate prices and cope with a possible failure of one of them.

The mechanical parts are subcontracted to manufacturers based locally and in Eastern Europe.

For the electronic boards, the components are sourced, assembled by subcontractors and tested by the Group, which controls the entire manufacturing process.

In 2020, no single supplier represented more than 10% of the Group's purchases, and the five largest suppliers represented less than 10% of the Group's purchases.

4.1.2. Means of production

On the date of this Universal Registration Document, the Group's activities were spread across seven sites:

LUMIBIRD site in Les Ulis, with total space of around 9,200 sq.m.

KEOPSYS INDUSTRIES site in Lannion, which is also the headquarters of LUMIBIRD, with total space of around 6,000 sq.m, owned by SCI VELDYS (member of the Group). All the fiber laser R&D and Manufacturing resources are grouped together in this building.

LUMIBIRD manufacturing and maintenance center in the Laseris sector, close to the Megajoule site, near Bordeaux.

QUANTEL USA site in Bozeman, Montana (USA), with total space of around 2,600 sq.m, where all of QUANTEL USA's activities are carried out.

QUANTEL MEDICAL site in Clermont-Ferrand, with total space of around 2,000 sq.m, where all of QUANTEL MEDICAL's activities are carried out.

OPTOTEK site in Ljubljana, with total space of around 2,000 sq.m, where all of Optotek's activities are carried out.

ELLEX MEDICAL site, with total space of around 23,000 sq.m, where Ellex's activities are carried out.

The Group's know-how is focused on product design and assembly / adjustment. The materials required to produce several thousand devices per year are therefore primarily product qualification and measurement devices. Considering the Group's good level of equipment, its production investments are traditionally quite low. However, the cost reduction efforts currently being rolled out will require some additional mechanization / automation investments, particularly in terms of control / qualification procedures for the devices produced, as well as semiconductor assembly and packaging methods (laser diodes).

4.2. Commercial organization

Since the business combination between the KEOPSYS Group and the QUANTEL Group, the sales force is split into two main divisions: Photonics division on the one hand, and Medical division on the other.

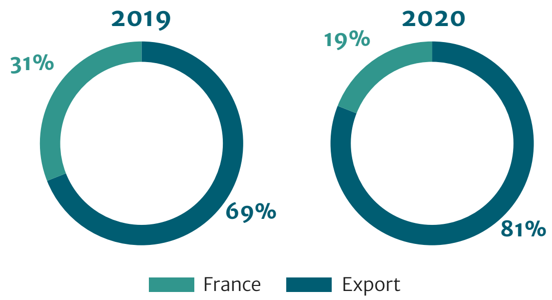
- For the Photonics division:
  - The French sales forces are grouped together within LUMIBIRD, which also manages its sales subsidiaries in Germany (QUANTEL GmbH), Japan (LUMIBIRD Japan) and China (LUMIBIRD China), as well as all the distributors for the laser business;
  - In North America, the sales teams are grouped together within LUMIBIRD Inc., a LUMIBIRD subsidiary.
- For the Medical division:
  - Quantel Medical's export network covers more than 100 countries with specialized distributors;
  - In France, the products are sold directly by LUMIBIRD Medical's sales force;
  - In the US, the ultrasound products and ophthalmology lasers are sold directly by QUANTEL USA through in-house sales staff and independent representatives;
  - In Poland, the products are sold directly by QUANTEL Medical Polska, the subsidiary set up in 2018.

In addition, Ellex Medical, which is currently being integrated into LUMIBIRD Medical, markets its products in more than 100 countries either directly or via specialist distributors. Its main markets are Australia, the United States and Japan.

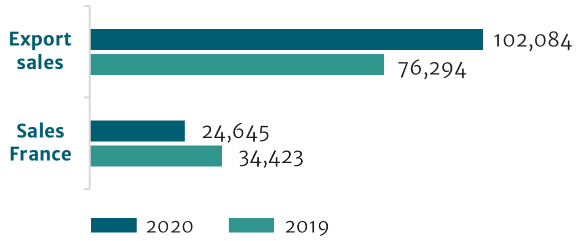
4.2.1. Exports

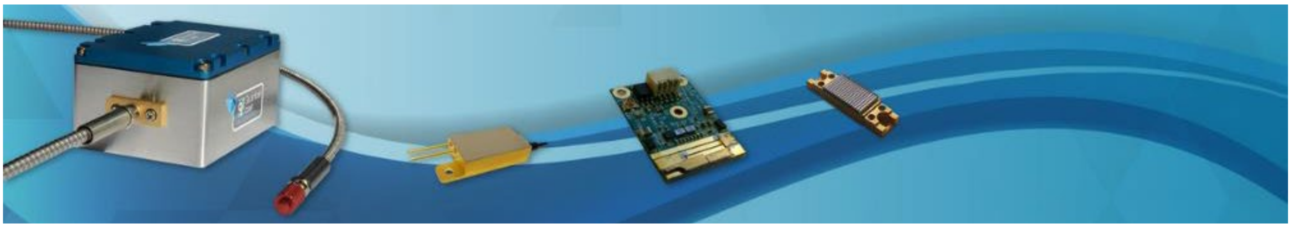
The good quality of its direct and indirect export networks and its external growth operations enabled the Group to generate more than 80% of its sales outside of France in 2020.

Percentage of export in revenues

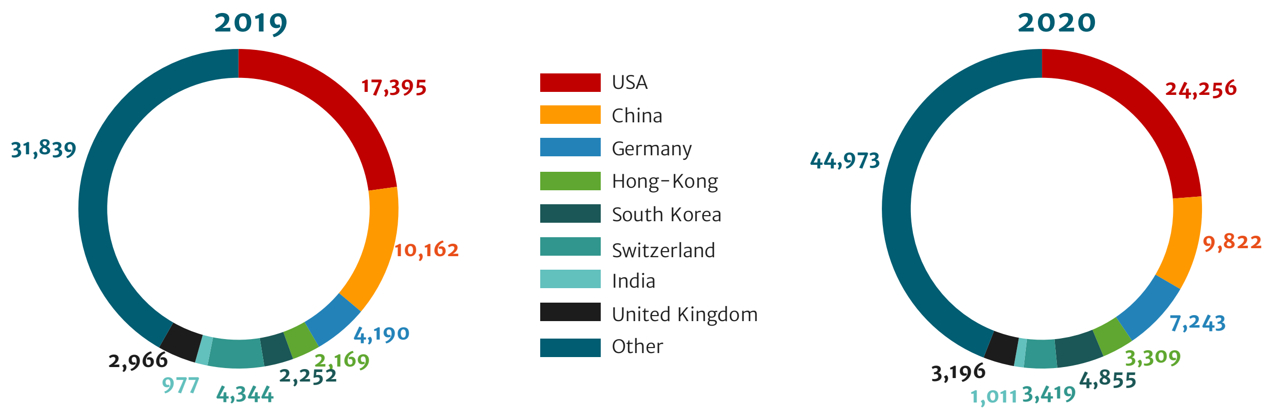


Breakdown of revenues in (€'000)





Breakdown of export sales by destination country in (€'000)



The breakdown of consolidated revenues for each business is presented in paragraph 1 of the Board of Directors' management report on the position and business of the Company and Group for the year ended 31 December 2020, included in section 1 chapter 4 of this Universal Registration Document.

4.2.2. Client base

The Group's client base comprises:

- Around 100 distributors covering over 90 countries for the various product ranges.
- American, Chinese, German, Japanese, Polish and French clients working directly with the Group: research laboratories, industrial integrators, hospitals and clinics, doctors.

This client base is well distributed: in 2020, no single direct client or distributor represented more than 15% of revenues. The five largest clients represent less than 15% of revenues.

The terms of payment are normally between 30 and 90 days, and are negotiated on a case-by-case basis.

In general, invoices for American clients and doctor clients in France are payable on receipt or within 30 days, while other French clients and the majority of distributors worldwide pay after 60 days. Certain distributor clients are granted terms of payment of 90 days or longer, depending on market conditions. For further developments, refer to paragraph 4 of the Board of Directors' management report on the position and activities of the Company and the Group for the year ended 31 December 2020, which is included in section 1 chapter 4 of this Universal Registration Document.

4.2.3. Order book

Around 70% of the products manufactured by the Group are standard products whose delivery times are less than two months, except in the event of temporary sourcing difficulties. As a result, part of the business normally has a relatively low order book.

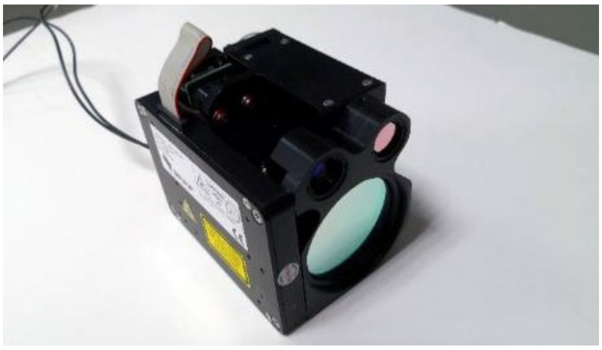
The rest of the business concerns more or less customized products: the Contracts offer an order timeframe of two to three years, with four months for Diode Lasers, and three to six months for Fiber Lasers.

4.2.4. After-sales service

For all the activities presented in the previous sections, the Group is responsible for the maintenance of products installed worldwide.

Depending on the products and the level of work, this will be carried out either by the Group's maintenance teams or its local distributor.

It is important to note that the lifespan of the products is very long and generally over 10 years. As expected, product renewals are accelerating with the impact of technical innovations and new applications.



5. COMPETITIVE POSITION

In the fiber lasers sector – notably LIDAR applications - the competitors are mainly Asian firms, including Onet and Ammonics, as well as European, with BKTEL, and American companies, with Nuphoton. For pulsed nanosecond lasers and scientific or industrial applications, the competition is worlwide, with companies like Newport, Spectra Physics, Continuum, Litron and Ekspla. Finally, the Medical sector is faced with competitors from the United States (Lumenis, Iridex, Alcon, Sonomed), Japan (Nidek), Taiwan (Lighmed) or Germany (Zeiss).

As at the date of this Universal Registration Document, the Group considers (company estimate based on successive cross-referencing) that it has a leading position in the fiber LIDAR sector and a global market shares at between 5% and 25% for pulsed nanosecond lasers, depending on the products, applications and countries.

Regarding ophthalmology, the Group estimates its global market share, excluding the US and Japan, at between 10% and 20% depending on the products

6. RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES

6.1. Research and development

The Group's first priority is to develop new products and continuously improve its existing products, particularly with a view to reducing cost prices, against a backdrop of rapid technological change.

In the last few years, this has led to the introduction of several new products:

- In the industrial and scientific sector: new laser diode-pumped nanosecond lasers - the VIRON, the MERION, which the Group also offers in compact and modular versions. The Group is also developing new compact flash-pumped high-energy lasers - such as newly introduced QSmart 1500 and QSmart 1200 - in response to increased demand from the scientific market. These lasers are becoming increasingly popular.
- In the diodes sector: various versions of an illuminator for 3D flash LIDARs or scanning LIDARs, particularly for use in self-guided vehicle or night vision applications, but also new multi-wavelength modules for non-invasive medical diagnostic applications.
- In the LIDAR sensors sector: ultra-compact PEFL KULT lasers, KULT PGFL green lasers, KULT UV PUFL lasers, high-energy PEFA-EOLA fiber amplifiers, critical and differentiating fiber components. An important area of development is the integration of functions to reduce the cost and volume of lasers.
- In the medical sector: ABSolu, new high-end ultrasound platform, LacryDiag, to help diagnose dry eyes, and the new VITRA II laser range, available in three wavelenghts with 532, 689 and 810 nm. In addition to these new products for ophthalmology, the Group offers ultrasounds to support the emergency diagnosis or treatment of limbs and joints: EVOTouch and EVOTouch+.

For further information on the Group's research and development spending, refer to paragraph 5 of the Board of Directors' management report on the position and activities of the Company and the Group for the year ended 31 December 2020, which is included in section 1 chapter 4 of this Universal Registration Document.

6.2. Patents and licenses

As at the date of this Universal Registration Document, the Group's companies hold, either directly or through exclusive licenses, around 25 patents, in particular in laser components, laser architecture, optronic functionalities and the medical field.

Insofar as possible, the Group protects its innovations that can be protected, which is not very frequent in the laser field, which is subject to numerous publications by laboratories worldwide.

The Group has not granted any operating licenses for its patents or products to third parties.

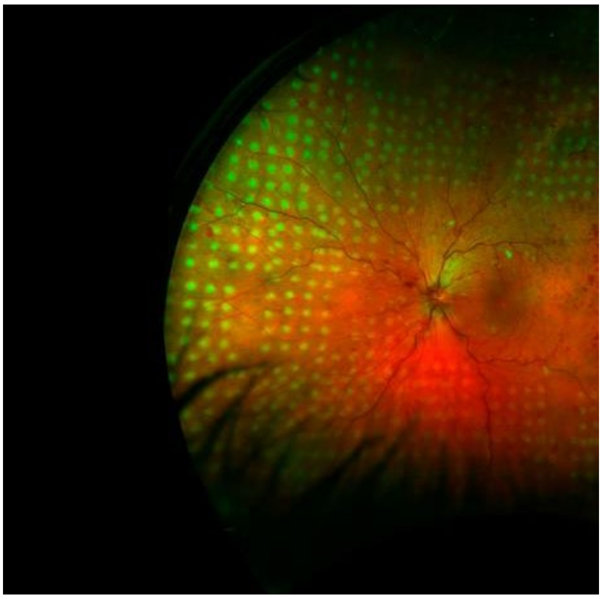
6.3. Brands and licenses

The Group's brand portfolio includes 23 brands, covering either the company names or the products of the Group's various companies.

6.4. Technological agreements

The business development policy for LUMIBIRD and its subsidiaries is also based on setting up strategic partnerships and/or agreements covering high-potential innovative technologies that enable the Group's companies to rapidly establish themselves on new markets and develop new products.

Similarly, the Group's various acquisitions from recent years have enabled it to expand the range of lasers that are successfully produced and sold by the Group in France and around the world.



7. SIGNIFICANT CONTRACTS

7.1. Megajoule laser contract

In June 2005, QUANTEL received official notice from the French Alternative Energies and Atomic Energy Commission (Commissariat à l'énergie atomique et aux énergies alternatives or "CEA") that it had been awarded the contract to develop part of the equipment for the Megajoule laser.

This laser, set up in Bordeaux, will be the world's most powerful laser, with its American equivalent, the NIF. The decision to develop it was taken several years ago when nuclear tests in the Pacific were stopped in order to serve as a simulator for thermonuclear reactions. It was brought into service at the end of 2014 and is notably intended to be used for testing developments for nuclear defense techniques.

Under this contract, LUMIBIRD supplies the fiber laser that feeds the preamplifier modules ("MPAs") and the MPAs that deliver the laser beams required to feed the Megajoule Laser's high-energy amplification lines.

The research and production phases run from 2007 to 2022.

For the Group, all these various phases represent revenues of more than 60 million euros over this period.

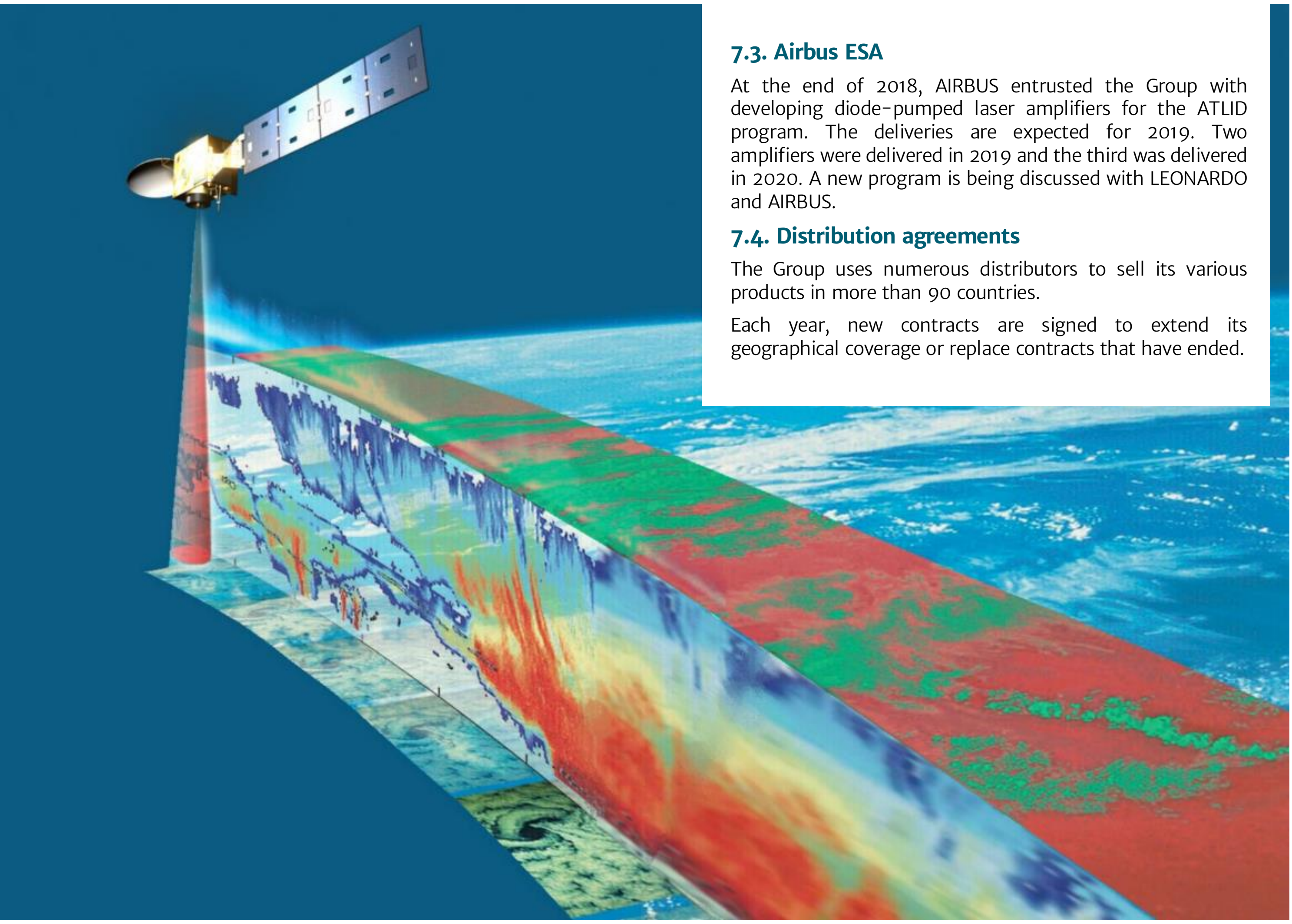
The Group is particularly proud that the CEA has entrusted it with developing these modules, as their effective operations are crucial for the Megajoule laser. This choice highlights the renowned expertise built up by the Group's research and production teams for fiber and solid-state lasers.

The first nine MPAs were delivered between 2010 and 2015, and a 20 million euros order was received from the CEA in May 2015 to deliver a new batch of MPAs from 2016 to 2019. This production tranche was completed in mid 2019, in line with the schedule.

In 2018, the Group received an order from the CEA for over 20 million euros, for the production of 46 MPAs with delivery over the next four years, in line with the schedule for the Megajoule contract. Following on from the previous program, the Group began deliveries of the first MPAs at the end of 2019. The final deliveries are scheduled for mid 2022, or even end 2022 for certain additional MPAs that are optional. At the end of this tranche, the Group will maintain the 90 MPAs delivered over a period of several years.

7.2. Thalès

The Group supplies guiding lasers that are notably used in equipment for the Rafale. These supplies are covered by a long-term contract that began with the research phase in 1999. Since 2019, the Group works on developing and supplying new pieces of laser and rangefinder equipment. After the qualification phase of these equipments by Thalès and its customer, production will be spread over a period of 10 to 20 years for a total amount of several tens of million euros.



7.3. Airbus ESA

At the end of 2018, AIRBUS entrusted the Group with developing diode-pumped laser amplifiers for the ATLID program. The deliveries are expected for 2019. Two amplifiers were delivered in 2019 and the third was delivered in 2020. A new program is being discussed with LEONARDO and AIRBUS.

7.4. Distribution agreements

The Group uses numerous distributors to sell its various products in more than 90 countries.

Each year, new contracts are signed to extend its geographical coverage or replace contracts that have ended.

CHAPTER 2

CORPORATE GOVERNANCE

Section 1

BOARD OF DIRECTORS' REPORT ON CORPORATE GOVERNANCE

Dear Shareholders,

In accordance with Article L.225-37, paragraph 6 of the French commercial code, this report provides you with information on:

- the composition and the conditions for the preparation and organization of the work of the Company's Board of Directors (hereafter the "**Board of Directors**");
- the diversity policy applied to the members of the Board of Directors, as well as the way that the Company endeavors to ensure a balanced representation of men and women within the Management Committee and the Executive Committee, and the gender diversity results for the 10% of positions with the highest levels of responsibility;
- any limits that the Board of Directors applies concerning the Chief Executive Officer's powers;
- the list of all the offices and functions held in any company by each of the Company's corporate officers in 2020;
- the compensation policy for the corporate officers established by the Board of Directors in conformity with Article L.22-10-8 of the Commercial Code and the full remuneration and benefits in kind paid for the financial year ended to the members of the Board of Directors and the corporate officers of the Company;
- the agreements entered into, directly or indirectly, between, on the one hand, one of the corporate officers or one of the shareholders holding more than 10% of the Company's voting rights and, on the other hand, another company that has more than half of its capital held, under article L.233-3 of the French commercial code, by the Company (with the exception of agreements concerning day-to-day operations and entered into under normal conditions);
- procedures put in place by the Company which allow it to evaluate whether the agreements concerning the current transactions, which have been entered under normal terms, meet these conditions;
- the valid delegations granted to the Board of Directors by the Company's General Shareholders' Meeting relating to capital increases;
- the specific conditions relating to shareholder participation in the General Meeting; and
- the choice made concerning one of the forms of executive management under Article L.225-51-1 of the French commercial code.

This report also presents the information required by Article L.22-10-11 of the French commercial code when it is likely to have an impact in the event of a public offering.

This report has been prepared with the support of the Company's Chief Executive Officer and Finance Department prior to its review by the Board of Directors at its meeting on 16 March 2021, during which it was approved.

During its meeting on 17 November 2010, the Company's Supervisory Board[1] decided to adhere to the MiddleNext Corporate Governance Code for small and mid caps published on 17 December 2009 as the reference code in accordance with Article L.225-37 of the commercial code in force at the time. This adherence was reconfirmed by the Board of Directors, during its meeting on 27 February 2017, following the publication, in September 2016, of a new edition of the MiddleNext Code (hereafter the "Reference Code").

The Board of Directors has taken note of the elements presented in the "watch points" section and the 19 recommendations from the Reference Code, which is available at www.middlenext.com. In this report, the Company, in accordance with Article L.22-10-10 4 of the French commercial code, indicates the terms of the Reference Code that have been ruled out and the reasons why.

[1] For reference, from the General Shareholders' Meeting on 17 November 2010 until the General Shareholders' Meeting on 15 April 2016, the Company was a limited liability company (société anonyme) with management and supervisory boards. From the General Shareholders' Meeting on 15 April 2016, the shareholders approved a change in the governance structure for a structure based on a Board of directors. In view of the size of the Company and the current shareholder structure, this method of governance with a board of directors was deemed more appropriate and more effective than the structure with management and supervisory boards. This modification was also intended to streamline the decision making process within the Company and the LUMIBIRD Group.

1. BOARD OF DIRECTORS AND SPECIALIZED COMMITTEES

1.1. Changes to LUMIBIRD's governance during FY 2020 and since the beginning of FY 2021

The Board of Directors decided at its meeting on 31 March 2020 to appoint Jean-Marc Gendre, Director of Quantel Medical and a member of the Management Committee, as COO of the company. The COO's duties include assisting the Managing Director (together, the "Senior Management") in the daily management of the Group (the "LUMIBIRD Group" or the "Group"), and in particular the operational implementation of the Group's strategy in the Photonics and Medical divisions. He coordinates the activities of production, R&D, and sales, and leads the executive committees of the two divisions.

Jean-Marc Gendre continues to exercise his duties as Director of Quantel Medical. At the date of this report, Jean-Marc Gendre holds the following positions within the LUMIBIRD Group:

- CEO of Quantel Medical Polska
- Manager of Quantel Medical Immo
- Executive Director of Quantel Medical USA
- Executive Director of Adèle Ellex ;
- Executive Director of Ellex Deutschland ;
- Executive Director of Ellex Japan ;
- Executive Director of Ellex Australia ;
- Executive Director of Ellex Medical Pty ;
- Executive Director of Ellex Machine Shop ;
- Executive Director of Laserex ;
- Executive Director of Ellex Services Europe ;
- Executive Director of Ellex USA ;
- Director of LUMIBIRD Medical AB (former EssMed-AB) ;
- Executive Director of LUMIBIRD Medical OY (former EssMed OY) ;
- Vice-president and director of Brinch.

1.2. Composition and operation of the Board of Directors

Article 13 of the Company's articles of association states that the Board of Directors comprises a minimum of three members and a maximum of 18. On the date of this report, the Board of Directors comprises five members and one censor (together the "Board members"):

1.2.1. Composition of the Board of Directors

Members of the Board of Directors	Main function within the Company	Compensation Committee	Date first appointed	Date appointmt expires	Main function outside of the Company	Other offices and positions held in any company or entity
Marc Le Flohic Professional address: 2 rue Paul Sabatier, 22300 Lannion	Chairman of the Board of Directors and Chief Executive Officer of the Company	Compensation Committee member	Co-opted by the Board of Directors on 18 Nov 2016, ratified by the General Meeting on 27 Apr 2017	Ordinary AGM to approve the accounts for the year ending 31 Dec 2022	Chairman of ESIRA	**During FY 2020:** Manager or Chairman of several subsidiairies of the Company Member of the Board of Institut d'Optique Graduate School **Other previous offices held in the last five years:** Manager of ELIASE
Gwenaëlle Le Flohic[2] Professional address: 2 rue Paul Sabatier, 22300 Lannion	Director	-	Co-opted by the Board of Directors on 22 Sept 2020	Ordinary AGM to approve the accounts for the year ending 31 Dec 2021	Gwenaëlle Le Flohic is Managing Director of Armor RH- Eurl	**During FY 2020:** Advisor to the Labour Court in Guingamp and President of Section **Other previous offices held in the last five years:** N/A
Marie Begoña Lebrun[3] Professional address: Phasics – Parc Technologique, Route de l'Orme des Merisiers, 91190 Saint-Aubin	Director (independent)	Compensation Committee member	General Meeting on 15 Apr 2016	Ordinary AGM to approve the accounts for the year ending 31 Dec 2020	Chairman - Chief Executive Officer of PHASICS SA	**During FY 2020:** N/A **Other previous offices held in the last five years:** Member of the Board of Directors of Optics Valley

[2] Mrs. Gwenaëlle Le Flohic was co-opted by the Board of Directors at its meeting of 22 September 2020 to replace EURODYNE, which resigned from its duties (prior to its absorption by its sole shareholder, ESIRA). It is specified that the ratification of the cooptation of Mrs. Gwenaëlle Le Flohic will be proposed to the Ordinary General Meeting of Lumibird's shareholders, scheduled to be held on 4 May 2021. Prior to her co-option by the Board of Directors, Mrs Gwenaëlle Le Flohic was the permanent representative of EURODYNE on the Board of Directors.

[3] It is specified that the renewal of Mrs Marie Begoña Lebrun's term of office as a member of the Board of Directors will be proposed to the Ordinary General Meeting of Lumibird's shareholders, scheduled to be held on 4 May 2021, for a term of six (6) years, i.e. until the General Meeting called to approve the accounts for the financial year ending 31 December 2026. Ms. Marie Begoña Lebrun has indicated in advance that she would accept the renewal of her mandate.

Members of the Board of Directors	Main function within the Company	Compensation Committee	Date first appointed	Date appointmt expires	Main function outside of the Company	Other offices and positions held in any company or entity
ESIRA[4] represented by Jean-François Coutris Professional address: 2 rue Paul Sabatier, 22300 Lannion	Director	-	Co-opted by the Board of Directors on 18 Nov 2016, ratified by the General Meeting on 27 Apr 2017	Ordinary AGM to approve the accounts for the year ending 31 Dec 2022	ESIRA has no activity outside of the Company. Jan-François Coutris is Advisor to the CEO of PHOTONIS SAS and to the Director of BERTIN SYSTEM SAS	**Offices and positions held by Jean-François Coutris:** **During FY 2020:** N/A **Other previous offices held in the last five years:** Chairman of the supervisory board of New Imaging Technology, until Sep 2018. ESIRA: Chairman of EURODYNE
Emmanuel Cueff Professional address: Terre de Naudeux – Le Vran – 56780 Ile aux Moines	Director (independent)	Compensation Committee Chairman Audit Committee Chairman	Co-opted by the Board of Directors on 29 Aug 2017, ratified by the General Meeting on 6 Oct 2017	Ordinary AGM to approve the accounts for the year ending 31 Dec 2020[5]	N/A	**During FY 2020:** Director of C.C.V. BEAUMANOIR (private French limited company) Member of the supervisory board of Coeur et Artères (public utility foundation) **Other previous offices held in the last five years:** Director of SHAN SA
EMZ Partners Represented by Ajit Jayaratnam[6] Porfessional address: 11 Rue Scribe, 75009 Paris	Censor	N/A	General Meeting on 16 Dec 2019	Ordinary AGM to approve the accounts for the year ending 31 Dec 2020[7]	The reader is referred to **Appendix 1** of this report.	

1.2.2. Board members' duties and ethics

Board members are expected to have the following main qualities: experience of the business, personal involvement in the Board of Directors' work, understanding of the economic and financial world, ability to work together with mutual respect for opinions, courage to assert a potentially minority position, awareness of responsibilities in relation to the shareholders and other stakeholders, and integrity.

In addition, to improve the representativeness of the Board of Directors, each director owns, on the date of this report, at least 100 Company shares and must retain them for their entire term of office. All new directors will also be required to comply with this rule within one year of being appointed by the General Shareholders' Meeting or co-opted by the Board of Directors.

1.2.3. Annual review and treatment of conflicts of interest within the Board of Directors

In accordance with Recommendation no.2 from the Reference Code, on 16 March 2021 the Board of Directors carried out an annual review of the conflicts of interest potentially affecting the directors.

On the date of this report and considering the potential conflict-of-interest situations brought to its attention, Mr Marc Le Flohic, Chairman and Chief Executive Officer, is also the Company's majority shareholder[8].

It is also indicated that Mrs Gwenaëlle Le Flohic, director and spouse of Mr Marc Le Flohic, provided in 2020 and might provide in 2021 several human resources consulting and recruitment services for the Company and for Keopsys and Sensup, subject to remuneration in line with market practices. With the exception of these services, there are no service contracts binding the members of the Board of Directors or General Management, on the one hand, to the Company or any of its subsidiaries, on the other hand.

No other potential conflicts of interest between the duties, in relation to the Company, of any of the directors and/or executive officers and their private interests and/or other duties have been brought to the attention of the Company and/or the Board of Directors.

Furthermore, to the Company's knowledge at the date of this report:

- the members of the Board and of Senior Management have not made any commitment to keep their shares and there is no restriction whatsoever that would have been accepted by any one of these people concerning the disposal, during a given period, of their equity interest in the Company's capital;
- the members of the board and of Senior Management have not entered, nor are they parties to any shareholders' agreement that provides for preferential conditions for the disposal or acquisition of the Company's shares;
- with the exception of the shareholders' agreement of 20 November 2019 that was entered between the partners of ESIRA, by virtue of which EMZ Partners was appointed non-voting member of the Board of Directors, there is no arrangement or agreement that was entered with the main shareholders, clients, suppliers, or other parties, by virtue of which any of the members of the Board or the Senior Management indicated in paragraph 1.2.1 above was appointed as member of the Board or member of the Company's Senior Management.

[4] ESIRA is a French-law simplified joint-stock company (société par actions simplifiée), controlled by Mr Marc Le Flohic, Chairman of the Company.
[5] It is specified that the renewal of Mr Emmanuel Cueff's term of office as a member of the Board of Directors will be proposed to the Ordinary General Meeting of Lumibird's shareholders, scheduled to be held on 4 May 2021, for a term of six (6) years, i.e. until the General Meeting called to approve the accounts for the financial year ending 31 December 2026. Mr Emmanuel Cueff has indicated in advance that he would accept the renewal of his mandate.
[6] Mr Ajit Jayaratnam replaced Mr Bruno Froideval as permanent representative of EMZ Partners on the Board of Directors with effect from 31 December 2020.
[7] The renewal of EMZ Partners as non-voting member of the Board of Directors will be proposed to the Ordinary General Meeting of LUMIBIRD's shareholders, scheduled to be held on 4 May 2021, for a term of two (2) years, i.e. until the General Meeting called to approve the financial statements for the year ending 31 December 2022. EMZ Partners has indicated in advance that it would accept the renewal of its mandate.
[8] For reference, on the date of this report, Mr Marc Le Flohic controls ESIRA (of which he is also Chairman) which holds, 51.93% of the Company's capital and 61.75% of its voting rights (without taking into account treasury shares held by the Company which are deprived of voting rights pursuant to the provisions of Article L.225-210 of the French Commercial Code).

1.2.4. Presence of independent members within the Board of Directors

In accordance with Recommendation no.3 from the Reference Code, the Board of Directors carried out a case-by-case review on 16 March 2021 of each director's situation in relation to the various criteria retained by the Reference Code to determine the independence of members of the Board of Directors, notably: they must not have any close family ties or close relationships with a corporate officer or leading shareholder, they must be independent in relation to the Company's significant shareholders, they must not have been an employee or executive officer of the Company or a LUMIBIRD Group company in the last five years, and they must not have any significant business relationship (client, supplier, competitor, provider, creditor, banker) with the Company or a LUMIBIRD Group company.

This review shows that the following people can be classed as independent directors:

- Ms Marie Begoña Lebrun,
- Mr Emmanuel Cueff.

On the date of this report, out of the Board of Directors' five members, two members (i.e. 40%) are independent directors as defined by the Reference Code. The Company is therefore compliant with Recommendation no.3 from the Reference Code, which recommends the presence of two independent members on the Board of Directors.

1.2.5. Balanced representation principle and diversity policy within the Board of Directors

In accordance with Article L.22-10-10 of the French commercial code, we can inform you that the Board of Directors is made up of three men (including one representative of the company ESIRA on the Board of Directors) and two women. On the date of this report, the Company is therefore compliant with its obligations in terms of the balanced representation of men and women in accordance with Articles L.225-18-1 and L.22-10-3 of the French commercial code, with the proportion of the Board members of each gender no less than 40%.

In addition, the Board of Directors applies a diversity policy for skills and experience, ensuring that each of the company's key functions and each of the LUMIBIRD Group's markets are equally represented within it. On the date of this report, out of the Board of Directors' six members:

- One director, Mr Marc Le Flohic, is from the industrial and scientific lasers sector and is recognized as a leading specialist for fiber lasers and LIDAR technologies;
- One director, Ms Marie Begoña Lebrun, is from the scientific sector and has been chosen for her knowledge of the optical instrumentation and laser market;
- The permanent representative of one director, Mr Jean-François Coutris, is from the industrial and defense sectors and provides the Board of Directors with his expertise in photonics technology;
- One director, Ms Gwenaëlle Le Flohic, is from the human resources sector and provides the Board of Directors with her expertise in recruitment and training in particular;
- One director, Mr Emmanuel Cueff, is a leading figure from the French business sector and has been chosen for his business management and finance expertise.
- The permanent representative of a non-voting member, Ajit Jayaratnam, completed and followed up on several investments in funds managed by EMZ Partners. He was thus able to evaluate the management qualities of the management teams of the companies in the portfolio of funds managed by EMZ Partners, evaluate the strategic guidelines followed by the latter within their company, and measure the financial impacts, both for the company itself and for its stakeholders.

The average age of the directors, on the date of this report, is 59.5, and this is not one of the criteria considered for selecting members of the Board of Directors.

1.2.6. Other statements concerning the members of the Board of Directors and the executive officers

To the Company's knowledge, no member of the Board or corporate officer of the Company has, in the past five years:

- been convicted of fraud, a third-party claim, or an official public sanction pronounced against him by the statutory or regulatory authorities;
- been involved as a manager or corporate officer in a bankruptcy, seizure, liquidation, or placement of a company under court receivership;
- been stripped of the right to act as a member of an administrative, management, or oversight body, or to intervene in the management or course of business of a company.

1.2.7. Presence of non-voting members on the Board of Directors

At the proposal of the Board of Directors, the Company's general meeting of shareholders may appoint, or the Board of Directors may co-opt, one or more non-voting members (with a maximum of three), who may be individuals or legal entities, under the conditions provided for under Article 15 of the Company's articles of association. Non-voting members may be selected from among the shareholders or outside of that group.

They are appointed for a period of two years, ending at the conclusion of the ordinary general meeting of shareholders to approve the financial statements for the financial year ended, which is held during the year in which their duties expire.

When a legal entity is appointed as a non-voting member, it is required, at the latest when it is appointed by the general meeting of shareholders or co-opted by the Board of Directors, to appoint a permanent representative who is subject to the same conditions and obligations as if they were a non-voting member in their own name. The permanent representative is not necessarily the legal representative of the non-voting member legal entity they represent on the Board of Directors.

Non-voting members are notified of the Board of Director's sessions and take part in the deliberations in an advisory capacity, although their absence cannot impact the validity of the Board's resolutions.

They review the statements of assets and liabilities, and the annual financial statements, and to that end present their observations to the ordinary meeting of shareholders when they deem it appropriate to do so. The Board of Directors is the sole body with the authority to decide to allocate remuneration to the non-voting members.

On 16 December 2019, the Company's general meeting of shareholders appointed EMZ Partners as non-voting member of the Board of Directors for a term of two (2) years, i.e. until the General Meeting called to approve the financial statements for the year ending 31 December 2020. The renewal of EMZ Partners as non-voting member of the Board of Directors will be proposed to the Ordinary General Meeting of LUMIBIRD's shareholders, scheduled to be held on 4 May 2021, for a term of two (2) years, i.e. until the General Meeting called to approve the financial statements for the year ending 31 December 2022. EMZ Partners has indicated in advance that it would accept the renewal of its mandate

1.3. Conditions for the preparation and organization of the Board of Directors' work

On 15 April 2016, the Board of Directors adopted internal rules of procedure intended to supplement the legal and statutory rules with a view to clarifying certain conditions for the Board of Directors and its committees, as well as directors' obligations. These rules of procedure were amended on 27 February 2017 to notably take into account the changes made to the Reference Code in September 2016 and on 16 December 2019, in order to take into account the appointment of EMZ Partners as censor of the Board of Directors and to extend to EMZ Partners some of the obligations applicable to directors.

The rules of procedure currently comprise seven of the eight sections set out by the Reference Code and presented below:

- the role of the Board of Directors and, if applicable, the operations subject to its prior authorization;
- the composition of the Board of Directors and the criteria concerning the independence of its members;
- the definition of the role of any specialized committees set up;
- the duties of the members of the Board of Directors;
- the functioning of the Board of Directors (frequency, convening, information for members, self-assessment, use of videoconferencing and telecommunications facilities);
- the rules for determining compensation for members of the Board of Directors;
- the arrangements for the protection of executive officers: executive liability insurance.

As an exception to Recommendation no.7 from the Reference Code, the Board of Directors has chosen to not address the matter of succession planning for key people and executives in its rules of procedure: as the Company's executive management has been carried out since 18 November 2016 by Mr Marc Le Flohic, the Company's majority shareholder, and since 31 March 2020 by Mr Jean-Marc Gendre, COO, the issue of succession for key people and executives has not yet been reviewed by the Board of Directors or included in the rules of procedure.

Each of the directors has reviewed and signed the Board of Directors' rules of procedure after being appointed by the General Shareholders Meeting or co-opted by the Board of Directors.

1.3.1. Board of Directors' missions

The mission of the Board of Directors is to determine the Company's business strategy and oversee its implementation in accordance with its corporate interest, taking into consideration the social and environmental issues of its business. To this end, the Board of Directors analyzes the relevance and feasibility of the strategic orientations (particularly in the economic, technological, financial and industrial areas) determined by the Strategy Committee of ESIRA, the leading holding company. The Board of Directors validates the conformity of the strategic orientations with the Company's corporate interest. The Board of Directors oversees their effective implementation by Executive Management.

Should the Board of Directors consider that certain aspects of the strategic orientations should be adapted or reviewed, the Board of Directors and ESIRA would carry out an assessment and make the changes they deem necessary.

Subject to the powers expressly awarded to shareholders' meetings and within the limits of the corporate purpose, the Board of Directors handles all matters relating to the Company's effective management and takes decisions on matters concerning the Company through its deliberations. The Board of Directors carries out the controls and checks that it considers relevant.

The Board of Directors also meets as an Audit Committee to perform the missions entrusted to this Committee and provided for under Article L.823-19 of the French commercial code in connection with the exemption set out by Article L.823-20, 4 of the French commercial code.

None of the stipulations from the Company's articles of association require any decisions or operations by the Chief Executive Officer concerning the Company and/or any LUMIBIRD Group subsidiary to be reviewed and/or approved beforehand by the Board of Directors prior to their implementation.

During the past year, in accordance with Articles L.225-35 and R.225-28 of the French commercial code, the Board of Directors granted an authorization to the CEO on 16 March 2021 to grant deposits, sureties and guarantees (cautions, avals et garanties) in the Company's name to guarantee commitments made by the Company or any of its subsidiaries, under conditions that he will ensure are in the Company's best interests, (i) for up to twenty (20) million euros or its equivalent in foreign currencies on the date when the guarantee is given and (ii) without any limit concerning the amount when the guarantees cover commitments made by a controlled company, under Article L.233-16 of the French Commercial Code or are in relation to tax or customs authorities. This authorization was granted for one year, i.e. until 16 March 2022.

During its meeting on 16 March 2021, the Board of Directors also delegated full powers to the Company's CEO, in accordance with Article L.228-40 of the French commercial code, with the possibility to subdelegate under the legal limits applicable, to carry out, on one or more occasions, when it considers this relevant in relation to both the Company's financing needs and financial market conditions, issues of listed or unlisted bonds, in France or abroad, denominated in euros or any other currency or monetary unit determined with reference to several currencies, capped at a maximum of one hundred (100) million euros or the equivalent value in euros, on the issue date, of this amount in any other currency or in any other monetary unit determined with reference to several currencies (noting that this maximum amount does not include the redemption premium(s), if applicable).

1.3.2. Convening of the Board of Directors

The Board of Directors meets as convened by its Chairman as often as required by the Company's interests. The Board of Directors' meetings are held at the location indicated by the Chairman in the notice to attend.

Board meetings can also be convened by four (4) directors as often as required based on an agenda that they determine. In these cases, the Board meeting must be held at the Company's registered office.

When it has not met for longer than two months, at least one third of the directors may ask the Chairman to convene the Board of Directors for a set agenda.

The Board of Directors can be convened by any means and even by a simple letter, fax or email. In the interest of flexibility and responsiveness, the Company's Articles of Association were amended in 2020 to reduce the time limit for convening the Board of Directors of the Company from eight (8) working days to eight (8) calendar days, and in the event of an emergency, from three (3) working days to three (3) calendar days.

1.3.3. Information for the Board of Directors

The notice to attend for the members of the Board of Directors is accompanied by all the documents required to provide the Board members with the relevant information needed to perform their mission effectively. The Directors also have the right to request any documents and information that they consider useful for their mission from the Company's managers.

The directors must ensure that they have obtained all the useful information needed to perform their mission and make informed deliberations on the issues addressed during meetings.

Outside of the Board of Directors' meetings, the Board members regularly receive all the important information concerning the Company that they consider useful and are notified of any significant events affecting its business. They notably receive the press releases published by the Company, as well as the main press articles and financial analysis reports concerning it.

1.3.4. Confidential information and inside information

As this concerns non-public information acquired in connection with their positions, which is considered to be confidential, each Board member is bound by professional secrecy, which exceeds the simple duty of discretion applicable under Article L.225-37 of the French commercial code, and must ensure its strict confidentiality. They must also comply with the regulations governing the holding and use of inside information.

As a result, the Board members and any person attending the Board of Directors' meetings are bound by a general duty of confidentiality regarding the content of the discussions and deliberations of the Board and, if applicable, its Committees, as well as any information and documents presented during them or provided to them. This duty applies regardless of whether or not the Chairman has explicitly indicated that the information is confidential.

Lastly, the Board members and any person attending the Board's meetings must refrain from carrying out any transactions on the Company's securities if they have inside information as defined by the regulations applicable.

If the Board members and any person attending the Board's meetings receive any inside information, i.e. specific non-public information that directly or indirectly concerns the Company or one or more financial instruments that it has issued and that, if it was made public, would be likely to have a significant impact on the share price, these people must refrain from:

- using this information by acquiring or selling, or trying to acquire or sell, on their own behalf or on behalf of a third party, either directly or indirectly, the Company's financial instruments that it relates to,
- disclosing this information to any party outside of the normal context of their work, their profession or their duties,
- recommending or encouraging another party to buy or sell the said Company financial instruments.

In addition, the Board members must refrain from trading in the Company's securities for their own account or for the account of a third party, whether directly or indirectly, during a closed period of 30 calendar days prior to the announcement of the Company's annual or half-yearly results (subject to the exceptions provided for by the regulations, in particular in the event of exceptional circumstances in accordance with Article 19 of EU Regulation 596/2014 on market abuse).

The Board members and the parties with close links to them must inform the Company and the French Financial Markets Authority (AMF) of any transaction carried out on their behalf and relating to the Company's shares as well as the financial instruments linked to it when the total amount of the transactions carried out during the calendar year exceeds 20,000 euros under the conditions determined by the regulations applicable and the AMF guidelines. The filings made in 2020 are presented in section 13.9.4 of the Board of Directors' management report on the position and activities of the Company and the LUMIBIRD Group for the year ended 31 December 2020.

1.3.5. Functioning of Board of Directors meetings

Meetings are opened with the Chairman of the Board of Directors as chair. If the Chairman is absent or unable to attend, the Board of Directors appoints one of its Directors present to chair the meeting concerned. If the permanent secretary is absent, the Board of Directors can appoint, during each meeting, any person to perform this duty.

The Chairman of the meeting presides over discussions and organizes votes on the deliberations submitted to the Board.

The Board of Directors' deliberations are only valid if at least half of its Directors are present. Decisions are taken based on a majority of the directors present or represented, with each director having one vote. The Chairman has a casting vote.

If they are unable to attend, directors can appoint, with a letter, telegram, email or any other written document, another director to represent them, with each director only able to receive one power of attorney. A director taking part in the meeting using a videoconferencing system may represent another director provided that the Chairman of the Board of Directors has received, by the day of the meeting, the written power of attorney for the director represented in this way.

Each director may have only one proxy per meeting received in accordance with the previous paragraph. These provisions apply to/are applicable for the permanent representative of a legal entity that is a directors.

When they cannot be held in person, the Board of Directors' meetings can be organized using videoconferencing and/or telecommunications systems that must satisfy various technical characteristics ensuring that directors can be effectively identified and participate in the Board of Directors' meeting. However, meetings relating to the checking and control of the annual and consolidated financial statements and the management report on the business and earnings of the Company and the LUMIBIRD Group for the past year cannot be organized with videoconferencing systems, it being specified that this rule was not applied for the Board of Directors' meeting of 31 March 2020 which approved the financial statements for the financial year 2019 and for the Board of Directors' meeting of 16 March 2021 which approved the financial statements for the financial year 2020, pursuant to Order 2020-361 of 25 March 2020, as extended and amended by Order no. 2020-1497 of 2 December 2020. In general, all the meetings of the Board of Directors held during the 2020 financial year and since the beginning of the 2021 financial year have been held by videoconference due to health restrictions linked to the Covid 19 epidemic.

The participation of members of the Board of Directors using videoconferencing and/or telecommunications systems is taken into account to calculate the quorum and majority, with the exception of participation relating to the decisions presented above.

1.3.6. Board of Directors' meetings during the past year

The Board of Directors' rules of procedure require it to meet, as far as possible, at least four times a year.

During the past year, the Board of Directors met six times: 31 March 2020, 20 May 2020, 11 June 2020, 30 July 2020, 22 September 2020 and 18 November 2020. The average participation rate was 90%. During these meetings, the directors did not hold any discussions without the Company's CEO being present, except when the Board of Directors has met in its capacity as Audit Committee to examine the annual financial statements for the financial year 2019 and the interim financial statements for the first half of the financial year 2020.

During its meeting on 31 March 2020, the Board of Directors notably deliberated on the following main points:

- Global update on the current health situation and its impact on LUMIBIRD's activity and prospects;
- Review and approval of the corporate and consolidated financial statements for the year ended 31 December 2019, the forward-looking annual documents prepared in accordance with Articles L.232-2 et seq of the French commercial code, the proposed allocation of earnings, the Board of Directors' report on the Company's management and the LUMIBIRD Group's business during the past year;
- Presentation of the LUMIBIRD Group's budget for 2020, review by the Board of Directors, in its capacity as the Audit Committee, of the documents and information to be reviewed in this role for the approval of the full-year financial statements;
- Review and approval of the Board of Directors' corporate governance report including the compensation policy for corporate officers;
- Setting proposal of the directors' compensation;
- Review and setting of the compensation of the CEO for 2020, as advised by the Compensation Committee;
- Review of the performance conditions relating to the variable compensation of the Chairman and Chief Executive Officer for the 2019 financial year, as advised by the Compensation Committee;
- Appointment of a Deputy Chief Executive Officer of the Company and review and determination of his compensation for 2020, as advised by the Remuneration Committee;
- Grant of 6,000 free shares of the Company to two employees of the Company and approval of the corresponding free share plan;
- Annual review of conflicts of interest affecting the Board of Directors in accordance with Recommendation no.2 from the Reference Code;
- Review of the directors' independence in accordance with Recommendation no.3 from the Reference Code;
- Annual assessment of the functioning and preparation of work for the Board of Directors and the Board of Directors' Committees in accordance with Recommendation no.11 from the Reference Code;
- Review of the corporate governance rules and internal control and risk management procedures put in place within the Company and the LUMIBIRD Group;
- Annual review, in accordance with Article L.225-37-1 of the French commercial code, of the Company's workplace equality and equal pay policy;
- Authorization and delegations concerning bond issues;
- Authorization to set up deposits, sureties and guarantees (cautions, avals et garanties) in accordance with Article L.225-35 of the French commercial code;
- Review of previously approved regulated agreements which continued to be executed during the 2019 financial year;
- Establishment of a procedure for evaluating current agreements concluded on normal terms and conditions;
- Convening of the General Shareholders' Meeting; review of the proposed resolutions and reports prepared with a view to convening the General Shareholders' Meeting.
- Amendment of the company's articles of association.

During its meetings on 20 May 2020 and 11 June 2020, the Board of Directors notably deliberated on the following main points:

- Launch of a capital increase with preferential subscription rights for shareholders, pursuant to the delegation of authority granted by the Extraordinary General Meeting of Shareholders of 24 May 2019 under its 10th and 13th resolutions;
- Results of the capital increase with preferential subscription rights for shareholders decided by the Board of Directors on 20 May 2020;
- Allocation of securities subscribed in excess and of unsubscribed new shares;
- Determination of the number of new shares to be issued, acknowledgement of the capital increase and corresponding amendment of the Articles of Association.

During its meeting on 30 July 2020, the Board of Directors notably deliberated on the following main points:

- Authorisation of the acquisition by LUMIBIRD Medical of 100% of the shares in EssMed Sweden, EssMed Finland and Brinch;
- Other external growth operations in progress.

During its meeting on 22 September 2020, the Board of Directors notably deliberated on the following main points:

- Cooptation of Ms Gwenaëlle Le Flohic as director;
- Review and approval of the consolidated interim financial statements at 30 June 2020, the forward-looking half-year documents prepared in accordance with Articles L.232-2 et seq of the French commercial code and the half-year activity report;
- Review by the Board, in its capacity as the Audit Committee, of the documents and information to be reviewed in this role for the approval of the interim financial statements;
- Report on the implementation of the liquidity agreement;
- Distribution of the compensation awarded to the directors for the current financial year.

During its meeting on 18 November 2020, the Board of Directors notably deliberated on the following main points:

- Implementation of bank and bond financing for 140 million euros.

1.3.7. Minutes of Board of Directors meetings

Each Board of Directors meeting is minuted, indicating the names of the Board members present, excused or absent. Each set of minutes, generally approved during a following Board of Directors meeting, is recorded in the logbook presenting the minutes for Board meetings.

The minutes indicate the presence or absence of the people invited to attend the Board meeting in line with a legal provision and the presence of any other people who attended all or part of the meeting. It indicates the names of the directors who took part in the deliberations using videoconferencing or telecommunications systems.

The minutes are signed by the meeting Chairman and at least one director. If the Chairman is unable to do this, they are signed by at least two directors.

1.3.8. Assessment of the Board's work

Once a year, the Board of Directors, as invited by the Chairman, includes an item on its agenda to discuss the functioning of the Board of Directors and the Committees, as well as the preparation of its work.

In addition, when they consider it useful, directors may give their opinion on an ad hoc basis concerning the functioning of the Board of Directors and the preparation of its work.

These discussions are recorded in the minutes of the session.

During the meeting on 16 March 2021, the directors, invited to express their opinions on the assessment of the Board of Directors' functioning and work, did not make any specific observations or state that it was necessary to consider any improvement measures.

1.4. Committees set up within the Board of Directors

1.4.1. Audit Committee

During its meeting on 15 April 2016, the Board of Directors decided to adopt the exemption applicable under Article L.823-20, 4 of the French commercial code.

As a result, the Board of Directors meets as an Audit Committee to perform the missions assigned to this Committee under Article L.823-19 of the French commercial code.

When it meets as the Audit Committee, the Board of Directors' missions include monitoring:

- the process for drawing up financial information;
- the efficiency and effectiveness of the internal control and risk management systems;
- the statutory audit of the annual financial statements and, if applicable, the consolidated financial statements by the Statutory Auditors;
- the Statutory Auditors' independence;
- the approval of the provision of services by the Statutory Auditors other than the certification of the financial statements.

The missions assigned in this way to the Board of Directors, meeting in its capacity as the Audit Committee, are in line with the general remits and powers of control and verification awarded to the directors.

The Board of Directors, when performing the functions assigned to the Audit Committee, can review any matters that it considers useful and/or ask the executive management team for any information required to perform its mission.

Contrary to Recommendation no.5 from the Reference Code, under which it is not relevant to set beforehand a minimum number of meetings for the specialized committees, the Company considers that it is essential for the Board of Directors to meet at least twice a year in its capacity as the Audit Committee to review the full-year accounts and half-year accounts of the Company and the LUMIBIRD Group.

In accordance with the laws in force and the Reference Code:

- the Chief Executive Officer and the deputy Chief Executive Officer do not, unless otherwise justified, take part in the Board of Directors' deliberations when it meets as the Audit Committee;

- at least one director with specific financial or accounting expertise attends the Board of Directors' meeting when it meets as the Audit Committee to ensure that the Audit Committee can perform its role under valid conditions;
- the chairing of the Board of Directors when it meets in its capacity as the Audit Committee is entrusted to an independent director, as defined by the Reference Code, appointed by a majority of the directors present.

The rules for the organization and functioning of the Board of Directors when it meets as the Audit Committee are set out in Appendix 1 of the Board of Directors' rules of procedure.

During the past year, the Board of Directors met twice in its capacity as the Audit Committee, on 31 March 2020 and 22 September 2020.

1.4.2. Compensation Committee

The Compensation Committee meets at least once a year and has a mission to:

- review the executive compensation policies applied by the Company and provide any advice. Within this framework, the Compensation Committee is called upon to:
  - check the criteria for determining fixed and variable compensation for executives;
  - assess each executive's performance and propose their compensation;
  - review the stock option and free share plans, plans based on changes in the share's value, and retirement and benefits plans.
- submit recommendations and proposals to the Board of Directors concerning:
  - all the items of compensation, the retirement and benefit plans, the benefits in kind and other financial entitlements, including in the event of the termination of their activity, for the Company's executives;
  - the amount and conditions for the distribution of the overall compensation package to be allocated to directors;
  - the awards of stock options and free shares for executive officers.

The rules for the organization and functioning of the Compensation Committee are set out in Appendix 2 of the Board of Directors' rules of procedure.

On the date of this report, the Compensation Committee comprised the following three members:

- Mr Emmanuel Cueff (Chairman),
- Mr Marc Le Flohic,
- Ms Marie Begoña Lebrun.

During the past year, the Compensation Committee met once, on 31 March 2020. It notably deliberated on the following points:

- Review of the rules for the allocation and distribution of attendance fees (*jetons de présence*) among the directors for the financial year 2020;
- review of the compensation awarded to the CEO for the previous and current financial year;
- review of the compensation awarded to the COO for the previous and current financial year;
- review of the variable compensation policy for employees and key persons in the company.

1.4.3. Management Committee and Executive Committee

The LUMIBIRD Group's Management Committee, which oversees the various activities, comprised 5 members on the date of this report:

- Monsieur Marc Le Flohic, Président- Mr Marc Le Flohic, CEO,
- Mr Jean Marc Gendre, COO of the Company and CEO QUANTEL MEDICAL,
- Ms Aude Nomblot-Gourhand, Secretary General and CFO,
- Mr Pierre Vallalta, Advisor Strategy and Finance,
- Mr Pascal Guichard, Human Resources Director.

The Management Committee assists Mr Marc Le Flohic, CEO, and Mr Jean-Marc Gendre, COO, with the LUMIBIRD Group's leadership and management.

Notably with a view to ensuring the balanced representation of men and women within the Executive Committee, Ms Aude Nomblot-Gourhand joined the LUMIBIRD Group in October 2018 as Chief Financial Officer.

To relay and apply the strategic decisions defined by the Board of Directors, the Management Committee is supported by:

- two Executive Committees (one for the Photonics division, the other for the Medical division). Each of the Executive Committees is composed of the directors of the production sites, the sales and R&D directors, as well as the directors of the support functions: information systems, quality, purchasing, sales administration, etc;
- at the highest level of the organisation, cross-functional departments covering key processes: sales, production, R&D, human resources, finance, information systems, marketing and quality.

As of the date of this report, the members of the Executive Committees represent 28 persons (out of a total of 839 persons to date), of which 21.5% are women.

2. COMPENSATION FOR BOARD MEMBERS AND CORPORATE OFFICERS

2.1. Compensation for board members and corporate officers in 2020

In conformity with Article L.22-10-34 I of the Commercial Code, the general meeting rules on the information mentioned in Article L.22-10-9 of the Commercial Code (global ex post say on pay). It will thus be proposed to the Company's general meeting of shareholders, which is scheduled for 4 May 2021 to vote on this information under the terms of a resolution that has been reproduced under **Appendix 2** of this report.

2.1.1. Overview of compensation and benefits awarded to board members and executive corporate officers

The following table presents the compensation and the benefits in kind and other items of compensation paid and/or awarded in 2020 by the Company and its controlled or controlling companies, as defined by Article L.233-16 of the French commercial code, for each member of the Board of Directors and the Chief Executive Officer from 1 January 2020 in connection with their corporate office, employment contract, exceptional appointments or missions:

In euros	Compensation				Benefits in kind and other items of compensation		
	Fixed	Variable	Profit sharing	Extraordinary	Attendance fees	Benefits in kind/in cash	Allocation of free shares and stock options
Marc Le Flohic	363,000(1)	-	2,830(2)		-	10,440(3)	-
Jean-Marc Gendre	250,000(4)	107,586(5)	2,830(6)		-	9,756(7)	-
EURODYNE(8)	-	-	-		-	-	-
Gwenaëlle Le Flohic(9)	-	-	-		7,000	-	-
Marie Begoña Lebrun	-	-	-		7,000	-	-
ESIRA	-	-	-		7,000	-	-
Emmanuel Cueff	-	-	-		13,000	-	-
EMZ Partners	-	-	-		-	-	-

(1) Corresponds to the fixed remuneration received by Mr Marc Le Flohic for his position as Chairman and Chief Executive Officer of LUMIBIRD and his employment contract with Keopsys Industries.
(2) Corresponds to Mr. Marc Le Flohic's profit sharing under his employment contract with Keopsys Industries.
(3) Corresponds to the provision of a company car by LUMIBIRD to Mr. Marc Le Flohic.
(4) Corresponds to the fixed remuneration received by Mr Jean-Marc Gendre for his position as Deputy Chief Executive Officer of LUMIBIRD and his employment contract with Quantel Médical.
(5) Corresponds to the variable compensation of Mr Jean-Marc Gendre due in respect of financial year 2019 and paid during financial year 2020.
(6) Corresponds to Mr. Jean-Marc Gendre 's profit sharing under his employment contract with Quantel Médical.
(7) Corresponds to the provision of a company car by Quantel Médical to Mr. Jean-Marc Gendre.
(8) EURODYNE resigned as a director of the Company prior to its absorption by its sole shareholder, ESIRA.
(9) Ms Gwenaëlle Le Flohic was co-opted by the Board of Directors at its meeting of 22 September 2020 to replace Eurodyne, which had resigned from its duties. Prior to her co-option by the Board of Directors, Gwenaëlle Le Flohic was the permanent representative of Eurodyne on the Board of Directors.

2.1.2. Compensation for the members of the Board of Directors

2.1.2.1. Review of the general principles of the policy for the 2020 financial year

In conformity with Article L.225-45 of the Commercial Code, the general meeting allocates to directors, as compensation for their work, a total budget in the form of an annual fixed amount, which is set at the proposal of the Board of Directors. The distribution of this total budget among the directors is then determined by the Board of Directors.

The policy for the Board of Directors, and then the general meeting, to determine the overall budget is based on the financial performance of the LUMIBIRD Group and, to a lesser extent, on the number of meetings of the Board of Directors during the financial year ended.

When distributing the overall budget, the Board of Directors considers various criteria, in particular the regular attendance of the directors and the time spent on their duties outside the Board of Directors' meeting, but reserves the power to consider other objective criteria, such as the directors' actual attendance at Board of Directors meetings as at the date of distribution. Contrary to Recommendation No. 10 of the Reference Code, no minimum compensation is allotted to directors who are independent of the Company.

The rules for determining and distributing the overall budget were set by the Board of Directors at the proposal and upon examination by the Compensation Committee.

Until 2020, directors' fees were paid in N+1 for year N. The Company's management has modified this practice, with the General Meeting now voting on it; additionally, the Board of Directors approving the half-year financial statement distributes the total compensation budget for directors for the current year. As a result of this shift, the total 2019 compensation budget for directors was not voted on at the General Meeting held on 15 May 2020; the General Meeting scheduled to be held on 4 May 2021 will be used to catch up.

Given this specificity, the amounts that appear under paragraph 2.1.2.2 of this report are those paid in 2019 for 2018, and those allotted and paid for the current financial year.

For the 2020 financial year, the general meeting of shareholders of the Company on 15 May 2020 decided to allot to the Board of Directors directors' fees totalling €34,000. The distribution of this amount among the directors was decided on by the Board of Directors, which met on 22 September 2020, in the amount of €7,000 per director, noting that an additional €6,000 was allotted to Emmanuel Cueff, as Chairman of the Compensation Committee and the Audit Committee.

For the 2021 financial year, the Board of Directors meeting of 16 March 2021, after notification from the Compensation Committee, decided to maintain the proposal to set the overall budget at 34,000 according to the criteria mentioned above. If this overall budget is voted on during the general meeting scheduled for 4 May 2021, it will be distributed among the directors during the second half of 2021.

The non-voting members of the Board of Directors do not receive compensation.

2.1.2.2. Compensation allotted or paid to Board members

The chart below summarises the list of Board members and the amount of compensation allotted and paid to them for the last two financial years in conformity with the principles presented under paragraph 2.1.2.1 of this report.

Members of the Board of Directors	Gross amounts(1) allocated for the 2018 financial year and paid in 2019 (in euros)	Gross amounts allocated and paid in 2020 (in euros)
Marc Le Flohic		
Compensation for his position as director	-	-
Other compensation	-	-
EURODYNE(2) represented by Ms Gwenaëlle Le Flohic		
Compensation for its position as director	7,000	-
Other compensation	-	-
Ms Gwenaëlle Le Flohic(3)		
Compensation for her position as director	-	7,000
Other compensation	-	-
ESIRA(4) represented by Mr Jean-François Coutris		
Compensation for its position as director	7,000	7,000
Other compensation	-	-
Ms Marie Begoña Lebrun		
Compensation for her position as director	7,000	7,000
Other compensation	-	-
Emmanuel Cueff		
Compensation for his position as director	13,000	13,000
Other compensation	-	-
EMZ Partners represented by Mr Ajit Jayaratnam		
Compensation for his position as director	-	-
Other compensation	-	-
TOTAL	**34,000**	**34,000**

(1) Attendance fees paid.
(2) EURODYNE resigned as a director of the Company prior to its absorption by its sole shareholder, ESIRA.
(3) Ms Gwenaëlle Le Flohic was co-opted by the Board of Directors at its meeting of 22 September 2020 to replace Eurodyne, which had resigned from its duties. Prior to her co-option by the Board of Directors, Gwenaëlle Le Flohic was the permanent representative of Eurodyne on the Board of Directors.
(4) ESIRA is a French-law simplified joint-stock company (société par actions simplifiée), controlled by Mr Marc Le Flohic, Chairman of the Company.

The General Meeting of Shareholders on 15 May 2020 approved, on first call, the components of the compensation paid or allotted to Board members for or during the financial year ended 31 December 2019, and on the distribution policy applicable to the Board members for the 2020 financial year without expressing significant reservations. As these elements have remained unchanged for the year 2021, the Company believes it has adequately taken into account how the vote at the ordinary general meeting scheduled under Article L. 22-10-9 (II) of the Commercial was conducted.

2.1.3. Compensation for corporate officers

In conformity with Article L. 22-10-34 (II) of the Commercial Code, it is proposed that the general meeting scheduled for 4 May 2021 determine the followed fixed, variable, and exceptional components comprising the total compensation and benefits in kind that are paid or allotted for the 2020 financial year to Marc Le Flohic, CEO and to Jean-Marc Gendre, COO of the company.

These components abide by the principles and criteria for compensation of the Chariman and CEO and of the COO for the 2020 financial year, as approved by the Company's general meeting of shareholders on 15 May 2020.

2.1.3.1. Review of the general principles of the policy for the 2020 financial year

The policy on compensation of the CEO and the COO for the 2020 financial year is presented in paragraph 2.2.3 of the corporate governance report for the financial year ended 31 December 2019.

2.1.3.2. Compensation allotted or paid to the CEO

In conformity with Article L. 22-10-34 (II) of the Commercial Code, the general meeting of shareholders must decide on the fixed, variable, and exceptional components that comprise the total compensation and benefits in kind that are paid for the financial year ended or allotted for the same financial year to the CEO.

It will thus be proposed that the general meeting scheduled for 4 May 2021 decide on the components of compensation paid or allotted during or for the 2020 financial year to Marc Le Flohic, CEO, under the terms of a resolution that has been reproduced in **Appendix 3** to this report. These components comply with the principles and criteria for compensation of the CEO, as approved by the general meeting of 15 May 2020, and allow for contributing to the long-term performance of the LUMIBIRD Group.

Table – Components of compensation due or allocated for the financial year ended 31 December 2020 to Marc Le Flohic, CEO, submitted for shareholders' vote

Components of compensation submitted for vote	Amounts paid during the financial year ended	Amounts allocated for the financial year ended or accounting valuation	Presentation
Fixed compensation	€363,000	€363,000	The fixed compensation of Marc Le Flohic due and paid for financial year 2020 amounted to €363,000. This compensation corresponds to fixed compensation collected by Marc Le Flohic for his corporate office as CEO of LUMIBIRD, as well as for his employment contract within Keopsys Industries.
Variable compensation	-	€116,974	**Payment of components of variable compensation in 20120 (for the financial year 2019)** The components of variable compensation collected by Marc Le Flohic in financial year 2020 correspond to the variable compensation of Marc Le Flohic due for financial year 2019. During the meeting of 31 March 2020, the Board of Directors, following the opinion of the Compensation Committee, noted the non-achievement of the performance criteria to which the payment of variable remuneration for Mr Marc Le Flohic for the financial year 2019 was subject. Consequently, it was decided not to pay any variable compensation to Mr Marc Le Flohic in 2020 for the year ending 31 December 2019. **Procedure for determining the variable compensation for 2020** Following the opinion of the Compensation Committee, the Board of Directors decided, at its meeting on 31 March 2020, that the variable portion of Marc Le Flohic's compensation for financial year 2020, in the maximum amount of €118,500 would be based on achievement of the objectives described in paragraph 2.2.3 of the corporate governance report for the year ended 31 December 2019. **Evaluation of the level of achievement of objectives for 2020** The payment of variable compensation components is contingent on approval from the annual general meeting, which will decide on the financial statements for the financial year ended 31 December 2020, in conformity with the provisions of Article L.22-10-34 II of the Commercial Code. This amount results from the observations and evaluations indicated below. The Board of Directors, during the meeting on 16 March 2021, following the opinion of the Compensation Committee, noted that the performance criteria to which the payment of variable remuneration for Mr Marc Le Flohic for the financial year 2020 was subject had been achieved: ¬ for the economic objectives, accounting for 60% of the variable compensation: • 48.27% for the Group's net profit (Group share) target, i.e. zero variable compensation • 96.43% for the Group's revenue target, i.e. a variable remuneration of EUR 33,062; and • 86.46% for the Group's EBITDA target, i.e. a variable remuneration of EUR 24,017; ¬ for the qualitative objectives, accounting for 40% of the variable remuneration: • 80% for the objective of deploying policies to cover extra-financial risks (as shown in the extra-financial performance declaration and the conclusions of the independent third-party auditor), i.e. a variable remuneration of EUR 14,520; • 75% for the objective of finalising Quantel-Keopsys synergies, i.e. a variable remuneration of EUR 27,225; and • 100% for the objective of achieving Ellex synergies, i.e. a variable remuneration of EUR 18,150; and consequently authorised the payment of variable compensation to Mr Marc Le Flohic for a total amount of 116,974 euros. In accordance with Article L. 22-10-34, II of the French Commercial Code, these variable remuneration elements will only be paid to Mr Marc Le Flohic after their approval by the General Meeting scheduled to be held on 4 May 2021.
Profit sharing	€2,830	€2,830	During financial year 2020, Marc Le Flohic received €2,830 in profit sharing from the company under his employment contract with Keopsys Industries
Multiyear variable compensation	None	None	Not applicable
Exceptional compensation	None	None	No exceptional compensation
Stock option, performance shares, or any other component of long-term compensation	None	None	No stock option was allocated to Marc Le Flohic for financial year 2020.
			No performance share was allocated to Marc Le Flohic for financial year 2020.
Compensation due to office as director	None	None	Marc Le Flohic does not collect any compensation for his duties as director and Chairman of the Board of Directors
Benefits in kind	€10,440	€10,440	Marc Le Flohic has a corporate car which the Company has provided to him
Evolution and external comparability/Equity ratios			**Evolution and external comparability of the compensation of the CEO** The fixed compensation paid to the CEO for 2020 amounted to €165,000, stable compared to what was paid in 2019. This compensation is also identical to the 2019 compensation if we consider the fixed compensation that

Components of compensation submitted for vote	Amounts paid during the financial year ended	Amounts allocated for the financial year ended or accounting valuation	Presentation
			was paid to Marc Le Flohic under his employment contract with Keopsys Industries (€198,000, stable compared to 2019). This compares to a 14.5% increase in revenue over the same period (on a reported basis, taking into account the acquisitions of Ellex on 30 June 2020, EssMed Group on 31 July 2020, Optotek Medical on 31 August 2019 and Halo-Photonics on 24 December 2019). Between 2016 and 2020, the evolution of the total compensation (including all components of fixed, variable, and exceptional compensation) of the CEO was -36%.

Equity ratios

Table – Putting the compensation of corporate officers in perspective with the Company's performance and the average and median employee compensation

In conformity with Article L. 22-10-9(6) (7) of the Commercial Code, the chart below indicates the ratios between the level of compensation of the CEO and, on the one hand, the average compensation on a full-time equivalent basis of Company employees other than corporate officers and, on the other hand, the median compensation on a full-time equivalent basis of Company employees other than corporate officers, as well as the annual change in the compensation of the CEO, the Company's performance, and the average compensation on a full-time equivalent basis of the Company's employees, other than the managers and ratios mentioned above, over the course of the last five financial years.

The compensation of the CEO that was used for the purposes of this table below includes all of the fixed, variable, and exceptional compensation elements paid for financial years 2016 to 2020 to Alain de Salaberry, CEO of the Company between 1 January 2016 and 18 November 2016, and Marc Le Flohic, CEO of the Company since 18 November 2016, for their corporate terms.

The items below reflect distinct compensation policies as they were determined and used by each of these managers during the exercise of their functions.

Evolution of the 2016 – 2020 equity ratio

CEO	2016	2017	2018	2019	2020	2016-2020 (average)
Compensation paid	€256,588	€150,000	€150,000	€227,475	€165,000	€189,813
Change from previous financial year in %	*Ns*	*-42%*	*0%*	*52%*	*-27%*	*-4%*
Average employee compensation	€46,347	€46,509	€47,372	€48,273	€59,632	€49,574
Change from previous financial year in %	*4%*	*ns*	*2%*	*2%*	*23%*	*6%*
Ratio compared to average employee compensation	**6.1**	**5.7**	**3.2**	**4.7**	**2.8**	**4.5**
Change from previous financial year in pts	*0.3*	*(0.4)*	*(2.5)*	*1.5*	*(1.9)*	*(0.6)*
Median employee compensation	€37,366	€37,554	€38,066	€40,264	€46,322	€39,915
Change from previous financial year in %	*1%*	*1%*	*1%*	*6%*	*15%*	*5%*
Ratio compared to median employee compensation	**7.6**	**7.1**	**3.9**	**5.6**	**3.6**	**5.6**
Change from previous financial year in pt	*0.4*	*(0.5)*	*(3.2)*	*1.7*	*(2.0)*	*(0.7)*
Net accounting income (Company performance) in € million[1]	**€(0.1) million**	**€1.7 million**	**€(1.6) million**	**€7.8 million**	**€6.0 million**	**€2.8 million**
Change from previous financial year in %	*-108%*	*1.505%*	*197%*	*569%*	*-23%*	*419%*

[1] The 2020 net accounting income is restated for the capital gain recorded for the transaction to reclassify Quantel Medical shares within the Group for €69.9 million.

In order to calculate the equity ratio, the following items were considered:

- denominator:
  - *for the period from 1 January 2016 to 31 December 2019, employees with open-ended contracts that worked continuously at the Company from 1 January 2016 to 31 December 2019; and*
  - *for the period from 1 January 2020 to 31 December 2020, employees with open-ended contracts that worked continuously at the Company from 1 January 2020 to 31 December 2020;*

noting that employees with open-ended contracts who worked continuously at the Company accounted for approximately 58 people as at 31 December 2020, compared to 136 people at 31 December 2019; this decrease in the number of employees considered when calculating the equity ratio is due to the transfer of 81 employees within the context of a partial contribution of assets by LUMIBIRD, its production, and laser research & development activities to Quantel Technologies, which was done on 16 December 2019, and explains the increase in average and median employee compensation between 31 December 2019 and 31 December 2020;

- for the numerator, the compensation of the Company's CEO which was collected between 1 January 2016 and 31 December 2020 for his corporate office within LUMIBIRD SA, excluding any employment contract within a subsidiary of the Company (in particular Marc Le Flohic's employment contract with Keopsys Industries, a fully owned subsidiary of the Company);
- for both the denominator and the numerator, the following items were used: fixed compensation, variable compensation, performance shares allotted for the financial year considered, and exceptional premium. Severance pay, non-compete arrangements, and supplementary retirement schemes were excluded.

Components of compensation submitted for vote	Amounts paid during the financial year ended	Amounts allocated for the financial year ended or accounting valuation	Presentation
			LUMIBIRD adopted this approach in order to be able to compare data from one year to the next between 1 January 2016 and 31 December 2020, due to the fact that: ¬ in light of employee disparities across the various countries in which the Group is established, the scope used is that of LUMIBIRD SA (which essentially has employees in France); Furthermore, the number of Group employees located in France significantly increased in October 2017 due to the merger of the Quantel and Keopsys groups, with different compensation policies for the two groups that would have led to a lack of continuity of the average and median compensation of its employees between the 2016-2017 period and the 2018-2020 period; the scope " LUMIBIRD SA," excluding other French subsidiaries, was thus deemed to be the most pertinent for calculating the equity ratio; ¬ as the LUMIBIRD SA scope was adopted for the denominator of the equity ratio, it was deemed more pertinent to not consider the compensation collected by the Company's CEO for the employment contracts entered with the Company's subsidiaries that comprised the LUMIBIRD Group over the 2016-2020 period (which is the case for Marc Le Flohic's employment contract with Keopsys Industries, which joined the Group's consolidation scope when the Quantel and Keopsys groups merged in October 2017).
Termination indemnity: Severance payment	None	None	Not applicable.
Non-compete indemnity	None	None	The CEO does not benefit from any non-compete indemnity.
Supplementary retirement scheme	None	None	The CEO does not benefit from any supplementary retirement scheme.

2.1.3.3. Compensation allotted or paid to the COO

In conformity with Article L. 22-10-34 (II) of the Commercial Code, the general meeting of shareholders must decide on the fixed, variable, and exceptional components that comprise the total compensation and benefits in kind that are paid for the financial year ended or allotted for the same financial year to the COO.

It will thus be proposed that the general meeting scheduled for 4 May 2021 decide on the components of compensation paid or allotted during or for the 2020 financial year to Jean-Marc Gendre, COO, under the terms of a resolution that has been reproduced in **Appendix 4** to this report. These components comply with the principles and criteria for compensation of the COO, as approved by the general meeting of 15 May 2020, and allow for contributing to the long-term performance of the LUMIBIRD Group.

Table – Components of compensation due or allocated for the financial year ended 31 December 2020 to Jean-Marc Gendre, COO, submitted for shareholders' vote

Components of compensation submitted for vote	Amounts paid during the financial year ended	Amounts allocated for the financial year ended or accounting valuation	Presentation
Fixed compensation	€228,265	€250,000	The fixed compensation of Jean-Marc Gendre due and paid for financial year 2020 amounted to €250,000. This compensation corresponds to fixed compensation collected by Jean-Marc Gendre for his corporate office as COO of LUMIBIRD, as well as for his employment contract within Quantel Médical.
Variable compensation	€107,586	€80,561	**Payment of components of variable compensation in 20120 (for the financial year 2019)** The components of variable compensation collected by Jean-Marc Gendre in financial year 2020 correspond to the variable compensation of Jean-Marc Gendre due for financial year 2019. **Procedure for determining the variable compensation for 2020** Following the opinion of the Compensation Committee, the Board of Directors decided, at its meeting on 31 March 2020, that the variable portion of Jean-Marc Gendre's compensation for financial year 2020, in the maximum amount of €215,000 would be based on achievement of the objectives described in paragraph 2.2.3 of the corporate governance report for the year ended 31 December 2019. **Evaluation of the level of achievement of objectives for 2020** The payment of variable compensation components is contingent on approval from the annual general meeting, which will decide on the financial statements for the financial year ended 31 December 2020, in conformity with the provisions of Article L.22-10-34 II of the Commercial Code. This amount results from the observations and evaluations indicated below. The Board of Directors, during the meeting on 16 March 2021, following the opinion of the Compensation Committee, noted that the performance criteria to which the payment of variable remuneration for Mr Jean-Marc Gendre for the financial year 2020 was subject had been achieved: ¬ for the economic objectives, accounting for 60% of the variable compensation: • 48.27% for the Group's net profit (Group share) target, i.e. zero variable compensation • 96.43% for the Group's revenue target, i.e. a variable remuneration of EUR 27,770; and • 86.46% for the Group's EBITDA target, i.e. a variable remuneration of EUR 16,541; ¬ for the qualitative objectives, accounting for 40% of the variable remuneration: • 80% for the objective of deploying policies to cover extra-financial risks (as shown in the extra-financial performance declaration and the conclusions of the independent third-party auditor), i.e. a variable remuneration of EUR 10,000; • 75% for the objective of finalising Quantel-Keopsys synergies, i.e. a variable remuneration of EUR 18,750; and

Components of compensation submitted for vote	Amounts paid during the financial year ended	Amounts allocated for the financial year ended or accounting valuation	Presentation
			• 100% for the objective of achieving Ellex synergies, i.e. a variable remuneration of EUR 12,500; and consequently authorised the payment of variable compensation to Mr Jean-Marc Gendre for a total amount of 80,561 euros. In accordance with Article L. 22-10-34, II of the French Commercial Code, these variable remuneration elements will only be paid to Mr Jean-Marc Gendre after their approval by the General Meeting scheduled to be held on 4 May 2021.
Profit sharing	€2,830	€2,830	During financial year 2020, Jean-Marc Gendre received €2,830 in profit sharing from the company under his employment contract with Quantel Médical.
Multiyear variable compensation	None	None	Not applicable
Exceptional compensation	None	None	No exceptional compensation
Stock option, performance shares, or any other component of long-term compensation	None	None	No stock option was allocated to Jean-Marc Gendre for financial year 2020. No performance share was allocated to Jean-Marc Gendre for financial year 2020.
Compensation due to office as director	None	None	Not applicable.
Benefits in kind	€9,756	€9,756	Jean-Marc Gendre has a corporate car which the Company has provided to him.

Evolution and external comparability/Equity ratios

Evolution and external comparability of the compensation of the COO

The fixed compensation paid to the COO for 2020 amounted to €104,780. , stable compared to what was paid in 2019. In the absence of a Deputy Chief Executive Officer for a full financial year since 1 January 2016, the Group considers that no comparison in compensation is relevant.

Equity ratios

Table – Putting the compensation of corporate officers in perspective with the Company's performance and the average and median employee compensation

In conformity with Article L. 22-10-9(6) (7) of the Commercial Code, the chart below indicates the ratios between the level of compensation of the CEO and, on the one hand, the average compensation on a full-time equivalent basis of Company employees other than corporate officers and, on the other hand, the median compensation on a full-time equivalent basis of Company employees other than corporate officers, as well as the annual change in the compensation of the CEO, the Company's performance, and the average compensation on a full-time equivalent basis of the Company's employees, other than the managers and ratios mentioned above, over the course of the last five financial years.

The compensation of the COO that was used for the purposes of this table below includes all of the fixed, variable, and exceptional compensation elements paid for financial years 2016 to 2020 to Laurent Schneider-Maunoury, COO of the Company between 3 June 2016 and 14 Februray 2017, and Jean-Marc Gendre, COO of the Company since 31 March 2020, for their corporate terms.

The items below reflect distinct compensation policies as they were determined and used by each of these managers during the exercise of their functions.

Evolution of the 2016 – 2020 equity ratio

COO	2016	2017	2018	2019	2020	2016-2020 (average)
Compensation paid	€34,933	N/A	N/A	N/A	104,780€	N/A
Change from previous financial year in %	*Ns*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*
Average employee compensation	€46,347	€46,509	€47,372	€48,273	€59,632	€49,574€
Change from previous financial year in %	*4%*	*ns*	*2%*	*2%*	*23%*	*6%*
Ratio compared to average employee compensation	**N/A**	**N/A**	**N/A**	**N/A**	**1,7**	**N/A**
Change from previous financial year in pts	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*
Median employee compensation	€37,366	€37,554	€38,066	€40,264	€46,322	€39,915
Change from previous financial year in %	*1%*	*1%*	*1%*	*6%*	*15%*	*5%*
Ratio compared to median employee compensation	**N/A**	**N/A**	**N/A**	**N/A**	**2,3**	**N/A**
Change from previous financial year in pt	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*
Net accounting income (Company performance) (€m[1])	**(0.1)**	**1.7**	**(1.6)**	**7.8**	**6.0**	**2.8**
Change from previous financial year in %	*-108%*	*1 505%*	*197%*	*569%*	*-23%*	*419%*

[1] The 2020 net accounting income is restated for the capital gain recorded for the transaction to reclassify Quantel Medical shares within the Group for €69.9 million.

In order to calculate the equity ratio, the following items were considered:

- denominator:
  - *for the period from 1 January 2016 to 31 December 2019, employees with open-ended contracts that worked continuously at the Company from 1 January 2016 to 31 December 2019; and*
  - *for the period from 1 January 2020 to 31 December 2020, employees with open-ended contracts that worked continuously at the Company from 1 January 2020 to 31 December 2020;*

Components of compensation submitted for vote	Amounts paid during the financial year ended	Amounts allocated for the financial year ended or accounting valuation	Presentation
			noting that employees with open-ended contracts who worked continuously at the Company accounted for approximately 58 people as at 31 December 2020, compared to 136 people at 31 December 2019; this decrease in the number of employees considered when calculating the equity ratio is due to the transfer of 81 employees within the context of a partial contribution of assets by LUMIBIRD, its production, and laser research & development activities to Quantel Technologies, which was done on 16 December 2019, and explains the increase in average and median employee compensation between 31 December 2019 and 31 December 2020; - for the numerator, the compensation of the Company's COO which was collected between 1 January 2016 and 31 December 2020 for his corporate office within LUMIBIRD SA, excluding any employment contract within a subsidiary of the Company (in particular Marc Le Flohic's employment contract with Quantel Médical, a fully owned subsidiary of the Company); - for both the denominator and the numerator, the following items were used: fixed compensation, variable compensation, performance shares allotted for the financial year considered, and exceptional premium. Severance pay, non-compete arrangements, and supplementary retirement schemes were excluded. *LUMIBIRD adopted this approach in order to be able to compare data from one year to the next between 1 January 2016 and 31 December 2020, due to the fact that:* - in light of employee disparities across the various countries in which the Group is established, the scope used is that of LUMIBIRD SA (which essentially has employees in France); Furthermore, the number of Group employees located in France significantly increased in October 2017 due to the merger of the Quantel and Keopsys groups, with different compensation policies for the two groups that would have led to a lack of continuity of the average and median compensation of its employees between the 2016-2017 period and the 2018-2020 period; the scope " LUMIBIRD SA," excluding other French subsidiaries, was thus deemed to be the most pertinent for calculating the equity ratio; - as the LUMIBIRD SA scope was adopted for the denominator of the equity ratio, it was deemed more pertinent to not consider the compensation collected by the Company's COO for the employment contracts entered with the Company's subsidiaries.
Termination indemnity: Severance payment	None	None	Not applicable.
Non-compete indemnity	None	None	The COO does not benefit from any non-compete indemnity.
Supplementary retirement scheme	None	None	The COO does not benefit from any supplementary retirement scheme.

2.1.3.4. Amounts provisioned or recorded by the Company or its subsidiaries to pay pensions, retirement or other benefits

No amounts have been provisioned or recorded by the Company and/or any of its subsidiaries to pay pensions, retirement and other benefits to any of its executive and/or non-executive officers.

2.1.3.5. Information on stock options awarded to the Company's corporate officers

In 2019 and 2020, as since the start of 2021, the Company did not award any stock options to its corporate officers and no stock options were exercised by any of its corporate officers.

With regard to this point, please refer to the information provided in the Board of Directors' special report prepared for 2020 in accordance with Article L.225-184 of the French commercial code.

2.1.3.6. Information on the performance shares and free shares awarded to the Company's corporate officers

On 1 April 2019, the Board of Directors awarded 182,000 bonus Company shares to 39 employees of the Company and certain related companies under article L.225-197-2 of the French commercial code. At its meeting on 31 March 2020, the Board of Directors decided to allow two additional employees to benefit from the provisions of this plan, by granting them each 3,000 free shares.

In this respect, reference is made to the information presented in the special reports of the Board of Directors prepared for the financial years 2019 and 2020 pursuant to the provisions of Article L.225-197-4 of the French Commercial Code, both available on the Company's website (www.lumibird.com) in the "Finance / Regulated Information" section.

Furthermore, the Company did not award any free shares to its corporate officers during 2020, and has not made any awards since the start of 2021.

2.1.3.7. Standardised summary tables

The tables below are based on the 2021-02 position-recommendation of the AMF, which recommends a standardised presentation of the compensation of corporate officers of companies whose shares are admitted for trading on a regulated market. The 2021-02 position-recommendation tables that have not been reproduced in this report may be considered as not applicable to the Company.

Table 1 – Summary of compensation and stock options allocated to each executive corporate officer

In euros	Marc Le Flohic 2019	Marc Le Flohic 2020
Compensation allocated for the financial year (detailed in Table 2)	373,440	490,414
Valuation of multiyear variable compensation allocated for the financial year(1)	–	–
Valuation of options allocated over the financial year(2)	–	–
Valuation of performance shares allocated over the financial year(3)	–	–
TOTAL	373,440	490,414

(1) Marc Le Flohic does not benefit from any multiyear variable compensation mechanism during the financial year concerned.
(2) Marc Le Flohic does not benefit from any stock or share subscription options during the financial year concerned.
(3) Marc Le Flohic does not benefit from any performance share during the financial year concerned.

In euros	Jean-Marc Gendre 2019	Jean-Marc Gendre 2020
Compensation allocated for the financial year (detailed in Table 2)	321,203	340,317
Valuation of multiyear variable compensation allocated for the financial year(1)	–	–
Valuation of options allocated over the financial year(2)	–	–
Valuation of performance shares allocated over the financial year(3) (detailed in table 6)	612,000	–
TOTAL	933,203	340,317

(1) Jean-Marc Gendre does not benefit from any multiyear variable compensation mechanism during the financial year concerned.
(2) Jean-Marc Gendre does not benefit from any stock or share subscription options during the financial year concerned.
(3) Jean-Marc Gendre was granted, by decision of the Board of Directors on 1 April 2019, 40,000 free shares of the Company, in accordance with an allocation plan whose main characteristics are described in the special report of the Board of Directors on the free share allocations for the financial year ended 31 December 2019. The value of these free shares was calculated on the basis of the LUMIBIRD share price on the grant date, i.e. the closing price on 1 April 2019 (15.3 euros).

Table 2 – Breakdowns of compensation allocated to each corporate officer

Marc Le Flohic In euros	Financial year 2019		Financial year 2020	
	Amounts due for the financial year	Amounts paid during the financial year	Amounts due for the financial year	Amounts paid during the financial year
CEO of LUMIBIRD	165,000	227,475	281,974	165,000
Of which fixed compensation	165,000	165,000	165,000	165,000
Of which annual variable compensation	–	62,475	116,974	–
Of which multiyear variable compensation	–	–	–	–
Of which exceptional compensation	–	–	–	–
Of which compensation allocated for serving as director	None	None	None	None
Of which benefits in kind	–	–	–	–
Managing director of Keopsys Industries(1)	208,440	210,451	208,440	211,270
Of which fixed compensation	198,000	198,000	198,000	198,000
Of which benefits in kind (2)	10,440	10,440	10,440	10,440
Of which exceptional compensation	–	–	–	–
Of which profit sharing	–	2,011	–	2,830
Other offices within the Group	–	–	–	–
TOTAL	373,440	437,926	490,414	376,270

(1) Employment contract concluded with Keopsys Industries, a subsidiary wholly owned by the Company.
(2) Corresponds to the provision of a company car by Keopsys Industries to Mr Marc Le Flohic

Jean-Marc Gendre In euros	Financial year 2019 Amounts due for the financial year	Financial year 2019 Amounts paid during the financial year	Financial year 2020 Amounts due for the financial year	Financial year 2020 Amounts paid during the financial year
COO of LUMIBIRD(1)	-	-	185,341	104,780
Of which fixed compensation	-	-	104,780	104,780
Of which annual variable compensation	-	-	80,561	-
Of which multiyear variable compensation	-	-	-	-
Of which exceptional compensation	-	-	-	-
Of which benefits in kind	-	-	-	-
Managing Director of Quantel Medical(2)	321,203	215,152	154,976	243,657
Of which fixed compensation	161,765	161,765	145,220	123,485
Of which benefits in kind (3)	9,438	9,438	9,756	9,756
Of which annual variable compensation	150,000	42,414	-	107,586
Of which profit sharing	-	1,535	-	2,830
Other offices within the Group	-	-	-	-
TOTAL	**321,203**	**215,152**	**340,317**	**348,437**

(1) As Mr Jean-Marc Gendre was appointed Deputy Managing Director of LUMIBIRD at the meeting of the Board of Directors on 31 March 2020, he did not receive any compensation in this capacity during the 2019 financial year.
(2) Employment contract concluded with Quantel Medical, a subsidiary wholly owned by the Company.
(3) Corresponds to the provision of a company car by Quantel Medical to Mr Jean-Marc Gendre.

Table 6 – Free shares granted to Jean-Marc Gendre

Free shares granted to Jean-Marc Gendre				
Number of free shares granted	Plan number and date	Value of shares (In euros)	Vesting date	Conditions to the acquisition
40,000	Plan 1 April 2019	612,000(1)	1 April 2022	Vesting of shares provided that: ¬ the beneficiary has been continuously and uninterruptedly, during the vesting period, and is, at the end of the vesting period, the holder of a valid employment contract within the Company or an affiliated company within the meaning of Article L.225-197- 2 of the French Commercial Code; and ¬ the performance criteria set by the Board of Directors are met(2).

(1) The valuation of these free shares was calculated on the basis of the LUMIBIRD share price on the grant date, i.e. the closing price on 1 April 2019 (15.3 euros).
(2) The performance criteria related to the plan of 1 April 2019 are described in the special report of the Board of Directors on free share allocations for the financial year ending 31 December 2019.

Table 11 AMF nomenclature – Employment contracts, retirement indemnities, and termination indemnities for each executive officer

Name	Employment Contract		Supplementary Retirement Schemes		Indemnities or benefits due or likely to be due as a result of termination or change in duties, or subsequent thereto		Non-Compete Indemnities	
	YES	NO	YES	NO	YES	NO	YES	NO
Marc Le Flohic CEO	Yes(1)	-	-	No	-	No	-	No
Jean-Marc Gendre, COO	Yes(2)	-	-	No	-	No	-	No

(1) Employment contract entered with Keopsys Industries, a wholly owned subsidiary of the Company
(2) Employment contract entered with Quantel Medical, a wholly owned subsidiary of the Company

2.2. Compensation policy for corporate officers of LUMIBIRD for the 2021 financial year

In application of Article L. 22-10-8 of the Commercial Code, the general meeting scheduled for 4 May 2021 to approve the financial statements for the financial year ended 31 December 2020 will be asked to approve the compensation policy for corporate officers for the 2020 financial year (ex ante say on pay). To that end, three resolutions, which have been reproduced under **Appendix 5** to this report, will be presented: one for directors, one for the CEO, and one for the COO.

This policy will be subject to a vote of the general meeting at least once a year, as well as each time a significant change is made.

If the general meeting scheduled to be held 4 May 2021 does not approve these resolutions, the compensation will be determined in conformity with the compensation policy approved by the general meeting held on 15 May 2020 for the financial year 2020. In that case, the Board of Directors would submit a draft resolution at the next ordinary general meeting of shareholders presenting a revised compensation policy and indicating how the shareholders' vote was taken into consideration and, if applicable, the opinions expressed during the general meeting.

It is specified that no component of compensation, of any nature whatsoever, may be determined, allocated, or paid by the company, nor can the Company assume any commitment to components of compensation, indemnities, or benefits due or likely to be due as a result of assuming, stopping, or changing their duties, or subsequent to the exercise thereof, if they are not in conformity with the approved compensation policy or, if there is not such a policy, the compensation mentioned above. Any payment, allocation, or commitment made or assumed that is contrary to this principle is null. However, if there are exceptional circumstances, the Board of Directors may deviate from applying the compensation policy under the conditions determined below. The payment of variable and exceptional components of the compensation of the CEO or COO is contingent on approval from the general meeting.

2.2.1. Principles common to all corporate officers

2.2.1.1. General principles and governance

The compensation policy applicable to corporate officers is determined by the Board of Directors at the recommendation of the Compensation Committee, and then submitted for a vote of the general meeting of shareholders through distinct resolutions. Insofar as this policy provides managers with sufficient compensation to motivate their performance without constituting an excessive financial burden for the Group, it fits LUMIBIRD's corporate interest, while contributing to its sustainability and falling within its business strategy.

This policy is implemented and revised through detailed proposals that are reviewed by the Compensation Committee and duly validated by the Board of Directors. These validations of the Board of Directors rely on analyses that in particular allow the compensation of the corporate officers to be positioned in relation to those of corporate officers from comparable companies in the sector. Since Law No. 2019-486 of 22 May 2019 on the growth and transformation of businesses and the establishment of equity ratios took effect, which must be published in the corporate governance report for ex post say on pay, the Company's Board of Directors has decided to take these ratios into consideration when determining and revising the compensation policy of the corporate officers. Indeed these ratios allow the level of compensation of the Chairman of the Board of Directors, the Managing Director and, if applicable, the COO to be determined, with regard to the average and median compensation on a full-time equivalent base for employees of the Company other than the corporate officers.

This policy and the elements for implementing it were submitted as of the 2018 financial year for a vote of the Company's general meeting of shareholders and conforms, to the extent they are still applicable and pertinent, to the applicable legal provisions, as well as to those of the Reference Code.

2.2.1.2. Content of the compensation policy that applies to all corporate officers

The provisions of the compensation policy applicable to the corporate officers, subject to their approval by the annual general meeting of shareholders to approve the financial statements ended on 31 December 2020, are to be applied to newly appointed corporate officers whose term is renewed following the general meeting awaiting, where applicable, approval by a subsequent general meeting of significant changes to the compensation policy, noted under Article L. 22-10-8 (II) of the Commercial Code.

In conformity with the applicable legal and regulatory provisions, the Board of Directors reserves the right, after having obtained the prior opinion of the Compensation Committee, to temporarily deviate from applying the established compensation policy, in the event of duly justified exceptional circumstances, provided that such deviation is in conformity with the corporate interest, and necessary to ensure the sustainability and viability of the LUMIBIRD Group. This power to deviate that is offered by the Board of Directors may concern the fixed compensation, the percentage that represents the variable compensation in the total overall compensation, or even the exceptional compensation of the corporate officer concerned. In such a situation, the components of the compensation that constituted a temporary deviation from the Board of Directors' duly established compensation policy will be submitted for a vote of the shareholders within the context of the ex post say on pay vote.

2.2.2. Compensation policy applicable to members of the Board of Directors

In addition to the elements that are common to all corporate officers presented in paragraph 2.2.1 of this report, the compensation policy for directors in 2021 will be in conformity with the compensation policy for directors in 2020, which is described in paragraph 2.1.2 of this report.

2.2.3. Compensation policy applicable to the CEO and COO

In addition to the elements common to all corporate officers presented under paragraph 2.2.1 of this report, the compensation policy of the CEO and COO includes specific elements which are elaborated on below. This policy covers components of the CEO and COO's compensation for their corporate offices, as well as for any employment contract they may have with the Company or a company of the Group.

Components of the Compensation Policy	Presentation
Fixed compensation	The amount of the fixed compensation is determined by the Company's Board of Directors per the opinion of the Compensation Committee. This fixed compensation is evaluated according to the reference market, factoring in the risk of being an executive officer, and is proportionate to the Company's position. This compensation is determined in line with that of the company's employees. The payment of fixed compensation components is not contingent on approval from the annual general meeting. For the 2021 financial year, the Board of Directors, on the advice of the Compensation Committee, decided to increase the fixed compensation of Mr Marc Le Flohic and Mr Jean-Marc Gendre by 1.5% compared to the 2020 financial year, corresponding to the general percentage increase applied to Group employees. This change would affect : ¬ the fixed compensation of Mr Marc Le Flohic to 368,445 euros, of which 167,475 euros in respect of his corporate mandate as Chairman and CEO of LUMIBIRD and 200,970 euros in respect of his employment contract with Keopsys Industries; ¬ the fixed compensation of Mr Jean-Marc Gendre at 253,750 euros, including 126,875 euros in respect of his corporate mandate as Deputy Managing Director of LUMIBIRD and 126,875 euros in respect of his employment contract with Quantel Medical.
Variable compensation Procedures for determining compensation	**Procedures for determining the variable compensation** The amount and terms of the variable compensation are determined by the Company's Board of Directors per the opinion of the Compensation Committee. The variable compensation may correspond to a percentage of the fixed compensation. For 2021, it was set at 100% of the fixed compensation for achieving 100% of the performance objectives (variable compensation target). The variable compensation is paid following a statement of the effective achievement of the objectives relative to the financial results of the Company or Group (or any other financial criteria which the Board of Directors deems pertinent) and may vary according to the objectives achieved. The Board of Directors may decide to establish multiyear variable compensation within the framework of the principles mentioned above. For 2021, these criteria consist, in the amount of 60%, of the financial objectives to fully achieve the objectives (target goal) and, in the amount of 40%, of the qualitative objectives. **Financial objectives, which account for 60% of the variable compensation** The financial objectives depend on (each up to 20% of the variable target compensation): ¬ net income (Group share), on a like-for-like basis, as resulting from the 2021 budget validated by the Board of Directors; ¬ Group sales, on a like-for-like basis, as resulting from the 2021 budget validated by the Board of Directors; ¬ Group EBITDA, on a like-for-like basis, as resulting from the 2021 Group budget validated by the Board of Directors.

<table>
<tr><th>Components of the Compensation Policy</th><th>Presentation</th></tr>
<tr><td></td><td>For each of these quantitative objectives, the attributable variable compensation corresponds to:
- 0% of the target variable compensation in the event that an objective short of 80% is met;
- 50% of the target variable compensation if the 80% objective is met;
- 62.5% of the target variable compensation if the 85% objective is met;
- 75% of the target variable compensation if the 90% objective is met;
- 87.5% of the target variable compensation if the 95% objective is met;
- 100% of the target variable compensation if the 100% objective is met;
- 110% of the target variable compensation if the 105% objective is met;
- 120% of the target variable compensation if the 110% objective is met;
- 130% of the target variable compensation if the 115% objective is met;
- 140% of the target variable compensation if the 120% objective is met;
- 150% of the target variable compensation if the 125% objective is met;
- 160% of the target variable compensation if the 130% objective is met;
- 170% of the target variable compensation if the 135% objective is met;
- 180% of the target variable compensation if the 140% objective is met;
- 190% of the target variable compensation if the 145% objective is met;
- 200% of the target variable compensation if the 150% objective is met;
- 210% of the target variable compensation if the 155% objective is met;
- 220% of the target variable compensation if the 160% and above objective is met.
Within these limits, the effective weighting of each variable compensation component is determined by linear interpolation.
Qualitative objectives account for 40% of the variable compensation
Qualitative objectives depend on:
- for 10% of the variable compensation target, continuing the implementation of extra-financial risk hedging policies;
- for 20% of the variable compensation target, finalising the Photonics division (Quantel, Keopsys, LIDAR business) synergies;
- for 10% of the variable compensation target, continuing the implementation of the Ellex synergies, as planned for 2021.
For each criterion, the performance evaluation of the corporate officer results from a comparison of the result obtained and the target determined.
Assessment of whether target has been met will be carried out under the supervision of the Compensation Committee, and will take the competitive environment and market context into account, which could require, where appropriate, the measurement of certain criteria to be adjusted.</td></tr>
<tr><td>Variable compensation Deferred methods</td><td>Not applicable.</td></tr>
<tr><td>Variable Compensation Payment terms</td><td>Payment terms for variable compensation
In conformity with the provisions of Article L. 22-10-34 (II) of the Commercial Code, the annual general meeting will be asked to approve the financial statements of the financial year ending 31 December 2021, in order to approve variable compensation elements for which the approval of the general meeting deciding on the financial statements for the financial year ended 31 December 2019 is required, in conformity with Article L. 22-10-8 of the Commercial Code.
The payment of the components of variable compensation is contingent upon the approval of the annual general meeting deciding on the financial statements for the financial year ending 31 December 2021.</td></tr>
<tr><td>Exceptional compensation</td><td>The amount and terms of the exceptional compensation are determined by the Board of Directors, per the opinion of the Compensation Committee.
The exceptional compensation is paid following confirmation that the financial objectives of the Company or Group have actually been met (or any other financial criterion that the Board of Directors deems to be pertinent) and may vary according to the objectives achieved.</td></tr>
</table>

Components of the Compensation Policy	Presentation
	The Company's Board of Directors may also pay exceptional compensation for other objective criteria it determines, or to take an exceptional situation into account. The payment of exceptional compensation is, under all circumstances, contingent on the approval of the annual general meeting that will approve the financial statements of the financial year ending 31 December 2021.
Evaluation of benefits in kind	Benefits in kind are decided on by the Board of Directors and may take various forms (including access to a work vehicle). In conformity with the provisions of Article L. 22-10-34 (II) of the Commercial Code, the annual general meeting that will approve the financial statements for the financial year ending 31 December 2021 will be asked to issue an opinion on the components of compensation corresponding to the benefits in kind for which approval is requested from the general meeting deciding on the financial statements for the financial year ended 31 December 2020, in conformity with Article L. 22-10-8 of the Commercial Code. Payment of components of compensation that correspond to benefits in kind is not contingent on the approval of the annual general meeting that will decide on the financial statements for the financial year ending on 31 December 2021.
Stock options, performance shares, or any other component of long-term compensation	The establishment of bonus share plans (or options to subscribe or purchase shares) for the Company's executive officers is determined per the opinion of the Compensation Committee. Vesting of the bonus shares (or subscription or share purchase options) to the benefit of the executive officers, in addition to the legal conditions, is subject to a continued service requirement within the Company or Group, as well as confirmation that they have indeed met the financial objectives of the Company or Group (or any other financial criteria that the Board of Directors deems pertinent). There is no plan to allocate performance shares to the CEO or COO for the 2021 financial year.
Termination-of-service allowances Severance pay	The amount and terms of the severance package are determined by the Board of Directors, per the opinion of the Compensation Committee. The severance pay is subject to performance conditions linked to achievement of financial objectives of the Company or Group (or any other financial criterion that the Board of Directors deems pertinent). Severance is only paid in the event of a corporate officer's involuntary departure, unless it is revoked due to serious or gross misconduct.
Non-competition compensation	There is no non-compete clause.
Supplementary retirement scheme	The Company reserves the right to provide for a supplementary retirement scheme with contributions determined to benefit the CEO or COO.
Holding of both a corporate office and an employment contract	The CEO or COO may have an employment contract in addition to their corporate office, provided that such contract corresponds to an effective job and that a subordinate relationship to the Group is established. At the date of this report, Marc Le Flohic holds an open-ended employment contract with Keopsys Industries. This contract contains a prior notification period of three months, which may be broken under the conditions provided for by law. At the date of this report, Jean-Marc Gendre holds an open-ended employment contract with Quantel Medical. This contract contains a prior notification period of three months, which may be broken under the conditions provided for by law.

3. OTHER INFORMATION CONCERNING CORPORATE GOVERNANCE

3.1. Regulated agreements and current agreements entered under normal conditions

The Company's Statutory Auditors will present to you, in their special report, the regulated agreements indicated in Article L.225-38 of the Commercial Code which, where applicable, were entered by the Company or continued to be performed in 2020. This report is contained in Section 2 of Chapter 2 of the Company's Universal Registration Document for the year ended 31 December 2020.

After having reviewed the special report of the Statutory Auditors, the Company's annual ordinary general meeting of shareholders will be asked to approve this report, where applicable.

In conformity with the provisions of Article L.225-37-4 of the Commercial Code, the Company indicates that there is no agreement other than the (i) the liquidity agreement entered between the Company and ESIRA, as approved by the general meeting of shareholders on 16 December 2019, and (ii) those concerning current transactions that would have been entered under normal conditions, that occurred during the financial year ended, directly or through an intermediary, between, on the one hand, one of the Company's corporate officers or one of the shareholders holding more than 10% of the voting rights in the Company and, on the other hand, another company controlled by the former pursuant to Article L.233-3 of the Commercial Code.

In order to evaluate if the agreements concerning the current transactions entered under normal conditions meet these terms, the Company established a procedure involving its legal counsels, initially, followed by its Statutory Auditors, subsequently. The assessment of the current and normal nature of an agreement is done on a case-by-case basis with regard to the activity and corporate purpose of the Company and the terms, in particular the financial terms, that are attached to the agreement in question.

3.2. Shareholder participation in General Meetings

General Shareholders' Meetings are convened by the Board of Directors in accordance with the legal conditions and timeframes applicable.

The conditions for shareholder participation in General Meetings are presented in Article 20 of the Company's articles of association.

Shareholder participation in General Meetings is also governed by the legal and regulatory provisions in force and applicable to companies whose securities are admitted for trading on a regulated market.

Due to the health restrictions linked to the Covid-19 epidemic, which prevented general meetings from being held in person, and in order to ensure shareholders' effective participation in LUMIBIRD's annual general meetings, in 2020 the Company established a correspondence voting platform via the "Votacess" website with CACEIS Corporate trust, which handles the account management for the Company's shares. This platform, which will also be established for LUMIBIRD's General Meeting, which has been scheduled for 4 May 2021, has allowed the number of voting shareholders to be substantially increased compared to previous general meetings.

3.3. Authorized capital

3.3.1. Table summarizing the financial authorizations and delegations granted to the Board of Directors currently in force

The table presenting the various delegations of authority and financial authorizations granted to the Board of Directors on 24 May 2019 and on 15 May 2020 and currently in force is provided in Appendix 6 to this report. In accordance with Article L.225-37-4 of the French commercial code, this table details the use made of these delegations over the last year.

On the date of this report, these financial authorizations have not been used by the Board of Directors, with the exception of:

- the authorisation granted by the general meeting of Shareholders of 15 May 2020 in its 11th resolution, for the Company to buy back its own shares with a view to continuing to implement the liquidity agreement entered into with the company Louis Capital Markets (see section 13.4 of the Board of Directors' management report on the position and activities of the Company and the LUMIBIRD Group for the year ended 31 December 2020 for further information).
- the authorisation granted by the General Meeting of Shareholders of 24 May 2019 in its 10th and 13th resolutions relating to the increase in the Company's share capital with maintenance of shareholders' preferential subscription rights and the number of shares to be issued in the event of excess demand;
- ¬ the authorisation granted by the General Meeting of Shareholders of 24 May 2019 in its 17th resolution to make free allocations of existing shares or shares to be issued to employees or corporate officers of the Company or related companies or some of them.

3.3.2. Presentation of proposed financial authorizations and delegations for the Combined General Meeting scheduled on 4 May 2021

The financial delegations and authorisations proposed to the Combined General Meeting to be held on 4 May 2021 are set out in Chapter 4 of the Company's Universal Registration Document for the financial year ended 31 December 2020, which is available on the Company's website (www.lumibird.com) in the "Finance / Regulated Information" section.

3.4. Publication of the information required under Article L.22-10-11 of the French Commercial Code

For reference, on the date of this report, Mr Marc Le Flohic indirectly holds, through the company ESIRA, 51.93% of the Company's capital and 61.75% of its voting rights (without taking into account treasury shares held by the Company which are deprived of voting rights pursuant to the provisions of Article L.225-210 of the Commercial Code). The shareholdings that have been brought to the Company's attention pursuant to Articles L.233-7 and L.233-12 of the French Commercial Code are set out in paragraph 13.8.3 of the management report of the Board of Directors on the situation and activity of the Company and the LUMIBIRD Group during the financial year ended 31 December 2020.

To the best of the Company's knowledge, no other elements covered by Article L.225-10-11 of the French commercial code seem likely to have an impact in the event of a public offering targeting LUMIBIRD. However, it is important to note that:

- There are no capital securities with special control rights;
- To the best of the Company's knowledge, there are no agreements between shareholders that may result in restrictions concerning the transfer of shares and exercising of voting rights;The list of financial authorizations and delegations in force concerning the issuing and buyback of the Company's shares is presented in Appendix 6 to this report.
- At 31 December 2020, with the exception of the 100 million banking debt and 40 million bond acquisition financing facility, which can be drawn down in several instalments and which contains an early repayment clause in the event of a change of control, direct or indirect, of the Company, the Company had not entered into any agreements with third parties that are likely to be amended or terminated in the event of a change of control or likely to be disclosed under the legal conditions in force.

Le Conseil d'administration

APPENDIX 1

DUTIES AND OFFICES HELD BY EMZ PARTNERS AND ITS PERMANENT REPRESENTATIVE OUTSIDE OF LUMIBIRD GROUP

Ajit Jayaratnam is managing partner of EMZ Partners. EMZ Partners is a French investor specialising in assisting business owners. Since 1999, EMZ Partners has thus invested more than €3.4 billion along with founding managers, family shareholders, or teams of managers wishing to consolidate their independence. EMZ Partners is an independent company, controlled by its partners, and financed by leading French and European institutional investors.

Offices held by EMZ Partners		Offices held by M. Ajit Jayaratnam	
During the 2020 financial year	**Over the past five years**	**During the 2020 financial year**	**Over the past five years**
Member of the Supervisory Board of CARSO SAS, AZAE SAS, ONET SAS, MY MEDIA GROUP SAS and FRANCE AIR MANAGEMENT Member of the Supervisory Committee of CASTELLET HOSPITALITY SAS and FORLAM SAS Member of the Strategic Committee of SPIE BATIGNOLLES Member of the Steering Committee of SPIE BATIGNOLLES Non-voting Member of the Supervisory Board of STOKOMANI SAS, UBIQUS SA, COVENTYA HOLDING SAS, BIOGROUP HOLDING SASU and LABORATOIRE EIMER SELAS Non-voting member of the Supervisory Committee of CROUZET TOPHOLDING SAS and RAIL INDUSTRIES SAS Non-voting member of the Board of Directors of PAPREC SA and EURODATACAR SA Non-voting member of the Strategic Committee of CYRILLUS VERBAUDET GROUP Director of EURODATACAR Chairman of GINGER SAS, SPIE BATIGNOLLES and LABELYS GROUP SAS Managers of several EMZ Partners subsidiaries	Member of the Supervisory Boards of ALTEAD SAS, ATALIAN SAS and SAFIC-ALCAN Member of the Supervisory Board of UN JOUR AILLEURS SAS Non-voting member on the Supervisory Boards of BURGER KING SAS, LA CROISSANTERIE SA, OROLIA SA, CARSO SAS, MATERNE SAS, PROMOVACANCES SAS, TRIGO SAS, CHRYSO SAS EMINENCE (company under Luxembourgish law), FDI SAS, GFA, PARCOURS, ROCAMAT SAS, AFE SAS, MAISONS DU MONDE, MARTEK, SAFIC ALCAN SAS, FPEE, and ALVEST Non-voting member on the Board of Directors of EURODATACAR SA	Non-voting member of the Supervisory Committee of Equis Holding Member of the Strategic Committee of Financière Lily 2 Member of the Supervisory Board of Financière Platine and Myrtil (SAFIC ALCAN)	Member of the Supervisory Boards of Safinca

APPENDIX 2

DRAFT RESOLUTION No. 12 SUBMITTED TO THE GENERAL MEETING SCHEDULED FOR 4 MAY 2021 RELATING TO THE APPROVAL OF THE INFORMATION NOTED IN ARTICLE L. 22-10-34 (I) OF THE COMMERCIAL CODE RELATING TO THE COMPENSATION OF CORPORATE OFFICERS FOR THE 2020 FINANCIAL YEAR (GENERAL EX POST SAY ON PAY)

Twelfth resolution

(Approval of the information relating to the compensation of corporate officers for the year ended 31 December 2020 presented in the Board of Directors' report on corporate governance, in accordance with Article L. 22-10-9 of the French commercial code)

The General Meeting, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, having considered the Board of Directors' report on corporate governance referred to in Article L. 225-37 of the French Commercial Code, approves, in accordance with Article L. 22-10.34 I. of the French Commercial Code, all information relating to the compensation paid or granted to the corporate officers during the financial year ended 31 December 2020 presented in the Board of Directors' report on corporate governance, included in Chapter 2 of the Company's 2020 Universal Registration Document, in accordance with section I of Article L.22-10-9 of the Commercial Code.

APPENDIX 3

DRAFT RESOLUTION NO. 13 SUBMITTED TO THE GENERAL MEETING SCHEDULED TO BE HELD ON 4 MAY 2021 REGARDING THE APPROVAL OF FIXED, VARIABLE, AND EXCEPTIONAL COMPONENTS OF TOTAL COMPENSATION OF BENEFITS IN KIND PAID TO THE CEO DURING OR ATTRIBUTED TO THE 2020 FINANCIAL YEAR

Thirteenth resolution

(Approval of the fixed, variable and exceptional items making up the total compensation and benefits of any kind paid or allocated to Mr. Marc Le Flohic, Chairman and Chief Executive Officer, for the year ended 31 December 2020)

The General Meeting, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, having reviewed the Board of Directors' report on corporate governance as provided for in Article L.225-37 of the French commercial code, approves, in accordance the provisions of Article L.22-10.34 II. of the French commercial code, the fixed, variable and exceptional components of the global compensation and benefits of any kind paid or awarded to Marc Le Flohic, Chairman and Chief Executive Officer, for the year ended 31 December 2020, as presented in the Board of Directors' report on corporate governance, included in Chapter 2 of the Company's 2020 Universal Registration Document.

APPENDIX 4

DRAFT RESOLUTION NO. 14 SUBMITTED TO THE GENERAL MEETING SCHEDULED TO BE HELD ON 4 MAY 2021 REGARDING THE APPROVAL OF FIXED, VARIABLE, AND EXCEPTIONAL COMPONENTS OF TOTAL COMPENSATION OF BENEFITS IN KIND PAID TO THE COO DURING OR ATTRIBUTED TO THE 2020 FINANCIAL YEAR

Fourteenth resolution

(Approval of the fixed, variable and exceptional items making up the total compensation and benefits of any kind paid or allocated to Mr. Jean-Marc Gendre, Chief Operating Officer, for the year ended 31 December 2020)

The General Meeting, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, having reviewed the Board of Directors' report on corporate governance as provided for in Article L.225-37 of the French commercial code, approves, in accordance the provisions of Article L.22-10.34 II. of the French commercial code, the fixed, variable and exceptional components of the global compensation and benefits of any kind paid or awarded to Jean-Marc Gendre, Chief Operating Officer, for the year ended 31 December 2020, as presented in the Board of Directors' report on corporate governance, included in Chapter 2 of the Company's 2020 Universal Registration Document.

APPENDIX 5

DRAFT RESOLUTIONS NO. 15 TO 17 SUBMITTED TO THE GENERAL MEETING SCHEDULED TO BE HELD 4 MAY 2021 IN RELATION TO THE COMPENSATION POLICIES APPLICABLE TO THE DIRECTORS, THE CEO, AND THE COO FOR THE 2021 FINANCIAL YEAR

Fifteenth resolution

(Approval of the compensation policy applicable to the members of the Board of Directors for the financial year 2021)

The General Meeting, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, having reviewed the Board of Directors' corporate governance report as provided for in Article L.225-37 of the French commercial code, describing the components of the compensation policy for corporate officers, approves, in accordance the provisions of Article L.22-10-8 of the French commercial code, the compensation policy applicable to the members of the Board of Directors for the 2021 financial year, as presented in the Board of Directors' report on corporate governance, included in Chapter 2 of the Company's 2020 Universal Registration Document.

Sixteenth resolution

(Approval of the compensation policy applicable to the CEO for the financial year 2021)

The General Meeting, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, having reviewed the Board of Directors' corporate governance report as provided for in Article L.225-37 of the French commercial code, describing the components of the compensation policy for corporate officers, approves, in accordance the provisions of Article L.22-10-8 of the French commercial code, the compensation policy applicable to the CEO for the 2021 financial year, as presented in the Board of Directors' report on corporate governance, included in Chapter 2 of the Company's 2020 Universal Registration Document.

Seventeenth resolution
(Approval of the compensation policy applicable to the COO for the financial year 2020)

The General Meeting, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, having reviewed the Board of Directors' corporate governance report as provided for in Article L.225-37 of the French commercial code, describing the components of the compensation policy for corporate officers, approves, in accordance the provisions of Article L.22-10-8 of the French commercial code, the compensation policy applicable to the COO for the 2021 financial year, as presented in the Board of Directors' report on corporate governance, included in Chapter 2 of the Company's 2020 Universal Registration Document.

APPENDIX 6

TABLE OF FINANCIAL DELEGATIONS

The financial authorizations and delegations of authority presented in the following table were granted to the Board of Directors on 24 May 2019 or on 15 May 2020, as applicable.

Securities concerned	Source of the authorization	Duration and end of the authorization	Limits applicable for the authorization	Use of the authorization	Specific features of the authorization
PURCHASE OF ITS OWN SHARES BY THE COMPANY					
Authorization in connection with a program for the Company to purchase its own shares	Combined General Meeting on 15 May 2020 11th resolution	18 months Ending 15 Nov 2021	Legal limit of 10% of the Company's capital for the duration of the program (5% for share buybacks to be reissued as payment for a merger, spin-off or contribution operation)	Use of the authorization in connection with the liquidity agreement, set up with the investment services provider Louis Capital Markets.	The maximum amount of funds set aside for carrying out this share buyback program is set at 50,000,000 euros. The maximum unit purchase price for shares is 50 euros.
CAPITAL REDUCTION					
Capital reduction through the cancellation of treasury stock	Combined General Meeting on 24 May 2019 9th resolution	26 months Ending 24 July 2021	Within the limit of 10% of the Company's capital during a 24-month period on the date of each cancellation	-	-
ISSUES WITH PREFERENTIAL SUBSCRIPTION RIGHTS					
(1) Increase in the share capital of the Company or another company through the issuing of ordinary shares and/or transferable securities entitling holders to access the capital immediately or in the future	Combined General Meeting on 24 May 2019 10th resolution	26 months Ending 24 July 2021	Within the limit of 50,000,000 euros (specific limit and overall maximum limit)	Use of the authorisation by the Board of Directors on 20 May 2020 in connection with a capital increase with preferential subscription rights, for a total gross amount, including issue premium, of EUR 36,333,135 (i.e. EUR 4,037,015 par value and EUR 32,296,120 issue premium), through the issue of 4,037,015 new shares with a par value of EUR 1 each at a unit subscription price of EUR 9	-
Increase in the share capital through the incorporation of reserves, profits or issue premiums	Combined General Meeting on 24 May 2019 14th resolution	26 months Ending 24 July 2021	Within the limits of the amounts recorded in the account and available	-	The total amount of the capital increases resulting from the incorporation of reserves, premiums and profits may not exceed the amount of the existing reserve, premium or profit accounts at the time of the capital increase.

ISSUES WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS					
(2) Increase in the capital of the Company or another company through the issuing of ordinary shares and/or transferable securities entitling holders to access the capital immediately or in the future through a public offering other than the public offers mentioned in 1° of Article L.411-2 of the Monetary and Financial Code	Combined General Meeting on 15 May 2020 13th resolution	26 months Ending 5 July 2022	Within the limit of 50,000,000 euros and the overall maximum limit of set in **(1)**	-	The subscription price for the securities issued under the delegation will be determined in accordance with Articles L.225-136 and R.225-119 of the French commercial code (former drafting).
(3) Increase in the capital of the Company or another company through the issuing of ordinary shares and/or transferable securities entitling holders to access the capital immediately or in the future through a public offer covered by section I of Article L.411-2 of the French monetary and financial code	Combined General Meeting on 15 May 2020 14th resolution	26 months Ending 5 July 2022	Within the limits of 50,000,000 euros and 20% of the capital per year, and the overall maximum limit set in **(1)**	-	The subscription price for the securities issued under the delegation will be determined in accordance with Articles L.225-136 and R.225-119 of the French commercial code (former drafting).
Increase in the number of securities to be issued under the delegations covered in (1), (2) and (3) in the event of excess demand	Combined General Meeting on 24 May 2019 13th resolution	26 months Ending 24 July 2021	Within the limits of 15% of the initial issue and the overall maximum limit of 50,000,000 euros set in (1)	Use of the authorisation by the Board of Directors on 20 May 2020 in connection with the capital increase with preferential subscription rights mentioned in (1)	Increase in the number of securities to be issued within 30 days of the closing of subscriptions at the same price as that retained for the initial issue.
Determination of the issue price for the securities to be issued under the delegations covered in (2) and (3)	Combined General Meeting on 24 May 2019 14th resolution	26 months Ending 24 July 2021	Within the limits of 10% of the capital per year and the overall maximum limit of 50,000,000 euros set in (1)	-	The issue price of the securities issued under this delegation may be no lower than an amount equal to the average closing share price recorded over a period of 10 trading days during the three months prior to the issue.

Increase in the capital of the Company or another company through the issuing of ordinary shares and/or transferable securities entitling holders to access the capital immediately or in the future as payment for contributions in kind	Combined General Meeting on 24 May 2019 15th resolution	26 months Ending 24 July 2021	Within the limits of 10% of the capital and the overall maximum limit of 50,000,000 euros set in (1)	-	-
Increase in the capital of the Company or another company through the issuing of ordinary shares and/or transferable securities entitling holders to access the capital immediately or in the future for categories of people in accordance with Article L.225-138 of the French commercial code	Combined General Meeting on 15 May 2020 15th resolution	18 months Ending 15 Nov 2021	Within the limits of the overall maximum limit of 50,000,000 euros set in (1)	-	If this delegation is used, the beneficiaries will be chosen by the Board of Directors from among the following categories of people, while noting that the number of beneficiaries is limited to a maximum of 15 per issue: (i) French or foreign-law investment companies, collective savings fund managers or investment funds (including any undertakings for investment, UCITS, AIFs or holding companies) investing in companies from high-technology sectors with scientific, military, industrial and/or medical applications, and (ii) French or foreign-law industrial groups with operational activities in these sectors. The subscription price for the securities issued under this delegation may be no lower than an amount equal to the smallest of (a) the weighted average price of the share recorded over the last 3 trading days prior to the issue, less a potential discount of up to 15% (b) the last closing share price prior to the setting of the issue price less a potential discount of up to 20%.
Awarding of existing or new free shares to some or all of the employees or corporate officers of the Company or related companies	Combined General Meeting on 24 May 2019 17th resolution	38 months Ending 24 July 2022	Within the limits of 10% of the capital (maximum limit increased to 30% of the capital if the award benefits all of the Company's employees, while noting that above 10%, the difference between the number of shares distributed to each employee may not exceed a ratio of one to five)	-	1) The shares will be definitively awarded to their beneficiaries at the end of a vesting period of at least one year, and the shares definitively acquired will be subject, at the end of the aforementioned vesting period, to a minimum holding requirement of one year; however, this holding requirement may be waived by the Board of Directors for free shares awarded with a vesting period of at least two years. 2) The Board of Directors will determine the identity of beneficiaries for these awards and will set the conditions and, if applicable, the criteria for the shares to be definitively acquired.
Authorization to award stock options to some or all of the Groups employees and corporate officers	Combined General Meeting on 24 May 2019 18th resolution	38 months Ending 24 July 2022	Within the limit of 10% of the capital	-	The price to be paid when stock options are exercised will be set, in accordance with legal requirements, by the Board of Directors on the day when the options are awarded.
Capital increase by creating ordinary shares with shareholders' preferential subscription rights waived for employees who are members of a company savings plan	Combined General Meeting on 15 May 2020 16th resolution	26 months Ending 15 July 2022			The maximum nominal amount of capital increases that may be carried out under this authorization is set at 500,000 euros. The Board of Directors will determine the identity of beneficiaries for these awards and will set the conditions and, if applicable, the criteria for awarding the shares.

Section 2

STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS FOR 2020

This is a translation into English of the statutory auditors' report on regulated agreements issued in French and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided for by the French Commercial Code and that the report does not apply to those related-party transactions described in IAS 24 or other equivalent accounting standards.

To the Shareholders' Meeting of Lumibird

In our capacity as statutory auditors of your Company, we hereby report on regulated agreements.

The terms of our engagement require us to communicate to you, based on the information provided to us, the principal terms and conditions of those agreements brought to our attention or which we may have discovered in the course of our audit, as well as the reasons justifying that such agreements are in the Company's interest, without having to express an opinion on their usefulness and appropriateness or identify such other agreements, if any. It is your responsibility, pursuant to Article R.225-31 of the French Commercial Code (Code de commerce), to assess the interest involved in respect of the conclusion of these agreements for the purpose of approving them.

Our role is also to provide you with the information stipulated in Article R.225-31 of the French Commercial Code relating to the implementation during the past fiscal year of agreements previously approved by the Shareholders' Meeting, if any.

We conducted the procedures that we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement. These procedures consisted in agreeing the information provided to us with the relevant source documents.

AGREEMENTS SUBMITTED TO THE APPROVAL OF THE GENERAL MEETING

Agreements authorized and executed in the past fiscal year

We hereby inform you that we have not been advised of any agreements that were authorized and executed during the past fiscal year to be submitted for the approval of the Shareholders' Meeting in accordance with Article L.225-38 of the French Commercial Code.

AGREEMENTS PREVIOUSLY APPROVED BY SHAREHOLDERS' MEETING

Agreements approved in the past fiscal year

Pursuant to Article R.225-30 of the French Commercial Code, we have been informed that the following agreement, previously approved by Shareholders' Meetings in previous fiscal years, has remained in force during the year.

Advisory agreement with ESIRA

Corporate officer involved:

Mr. Marc Le Flohic, Chairman and Chief Executive Officer, Mr. Jean-François Coutris, permanent representative of Esira on the Board of Directors of Lumibird, and Ms. Gwenaëlle Grignon, permanent representative of Eurodyne until July 16, 2020; director since September 22, 2020.

Nature and purpose:

The purpose of the Advisory Agreement is to enable Esira to assist Lumibird SA ("the Company") and Lumibird group companies in defining and implementing the Lumibird group's general strategy.

Esira can contribute to monitoring the projects that it has advised. This contribution will consist in coordinating the persons in charge of executing the projects, advising the Company and the Lumibird group companies in selecting and defining the investments which fall within the scope of the general strategy and advising them on possible options during negotiations.

Terms and conditions:

The Advisory Agreement was entered into on November 4, 2019 for an indefinite term effective as of January 1, 2020 and does not give rise to any compensation.

Rennes and Saint-Herblain, 1 April 2021

The Statutory Auditors

KPMG S.A.	Deloitte & Associés
Vincent Broyé *Partner*	Alexis Levasseur *Partner*

CHAPTER 3

RISKS AND CONTROL

Section 1

RISK FACTORS

The Group conducted an analysis of the risks that could have a significant unfavourable effect on its business, financial position, or results.

Readers and investors should nevertheless note the fact that the list of risks appearing below is not exhaustive, and that other risks, which the Group is not aware of, or that are not significant at the date of this Universal Registration Document, could become important factors that are likely to have a significant unfavourable effect on the Group, or on its business, financial position, results, or outlook.

Due to the multiple, geographic establishments of the Group, the diversity of the markets and product ranges, and its development, the Group is exposed to different risk categories. The following risks, under the framework of the provisions of Article 16 EU Regulation 2017/1129 of the European Parliament and the Council, are presented within each of the risk categories mentioned below:

- first of all, the risk factors that are considered to be especially important at the date of this Universal Registration Document (marked with three asterisks);
- secondly, the risk factors that are deemed to be important at the date of this Universal Registration Document (marked with two asterisks); and
- thirdly, the risk factors that are deemed less important at the date of this Universal Registration Document (marked with one asterisk);

for each instance, in conformity with an evaluation that takes their impact level and probability of occurrence into account (after considering any management or risk reduction measure put in place by LUMIBIRD). The Group's evaluation of the importance of the risks may be modified at any time, and in particular if new internal or external events arise.

The risks the Group faces, their critical level (after considering any and all management or risk mitigation measures established by LUMIBIRD), as well as the paragraphs describing these risks and the management procedures established by the Group, are summarised in the table below:

Risk factors	Critical level	Risk description (paragraph # in Section 1)	Risk management procedures (paragraph # in Section 2)
Risks that the Covid-19 crisis will worsen or be prolonged	***	1.1	2.1
Risks linked to the financial, macroeconomic, and overall geopolitical environment in which the Group operates	***	1.2	N/A
Risks linked to Group competition in its markets	***	1.3	N/A
Risks of technological obsolescence and innovation of the Group's products	***	1.4	2.2
Risks of non-development of the markets in which the Group operates	**	1.5	N/A
Risks of defectiveness or performance default of the Group's products	***	2.1	2.2
Risks to the Group's talents and expertise	***	2.2	2.3
Risks of hacking, intrusion, or cyberattacks on the Group's IT systems	***	2.3	2.4
Risks linked ESIRA's control of the Company	**	2.4	2.5
Counterparty risks of the Group's clients	*	2.5	2.6
Risks of economic dependence with respect to some of the Group's providers	*	2.6	2.6
Risks linked to external growth operations planned or performed by the Group	***	3.1	2.7
Risks linked to the Group's strategic agreements	**	3.2	2.7
Regulatory risks	**	4.1	2.8
Risks linked to industrial property rights and to the financing of the Group's research and development	**	4.2	2.8
Risks linked to the Group's insurance policies	*	4.3	2.8
Judicial and arbitration procedures	*	5	2.8
Exchange rate risk	*	6.1	2.9
Interest rate risk	*	6.2	2.9
Liquidity risk	*	6.2	2.9

1. RISKS LINKED TO THE MACRO-ECONOMIC ENVIRONMENT, BUSINESS SECTORS, AND STRATEGY OF THE GROUP

1.1. Risk of worsening or protraction of the Covid-19 crisis***

The year 2020 and the beginning of 2021 were marked by the Covid-19 epidemic, which developed globally and significantly impacted the economic and financial environment in which the Group is developing. This health crisis is impacting the Group's business due notably to the:

- lockdown, curfew and other restriction measures ordered by the various countries in which the Group works, limiting the unrestricted movement of its employees and of the employees of its clients and providers, as well as of the products distributed or consumed by the Group within or between those territories;
- partial unemployment or work stoppage measures of the Group's clients and suppliers.

Since the start of the health crisis, the Group has noted the following impacts of Covid-19 on its business:

- from March 2020 to May 2020, 70% of the Group's production staff, as well as the American, Japanese, Chinese, and Slovenian teams were working on site. As concerns staff in France, over the same period, 30% of staff were on site, 34% were telecommuting (support function for the majority), 13% were on partial unemployment, 15% were taking care of children or on sick leave, and 8% were on Paid Leave/Reduced Work Time [CP/RTT];
- If the Group did not endure any cancellation of orders or termination of contracts over the period, the Group has nevertheless been able to note (i) delivery delays, in particular as concerns industrial and scientific applications which can no longer be delivered due to the temporary closure of universities, and (ii) a slowdown of sales in the Medical division due to the cancellation of major international meetings, and (iii) a slowdown of sales in China for a portion of the first quarter 2020 (compared to the first quarter of 2019).

- The Group is working on charges that might be reduced, such as marketing expenses, travel, and services which cannot be billed due to the lockdown. Nevertheless, certain charges, such as wages, taxes, and external expenses, to which the Group is tied by its contract, are irreducible and can be neither delayed nor reduced.

In the future, the global health crisis will have an impact on the results and its cash situation, which cannot be estimated at the date of this Universal Registration Document. This impact will depend on:

- the duration of the pandemic and the extent of the lockdown, curfew and other restriction measures in the various countries where the Group operates;
- the impact of the health crisis on its employees, as well as the employees of its clients and suppliers; and
- the impact of the crisis on the global economy and financial environment in which the Group is evolving.

1.2. Risks related to the financial, macroeconomic, and global geopolitical climate***

The Group is a high-tech company with an international reach. In 2020, it earned 20% of its revenues in France (down 27% compared to 2019), 23% in other European countries (up 17% compared to 2019), 23% in the Canada, United States, and Latin American zone (up 32% compared to 2019), 23% in the Asia-Pacific zone (up 49% compared to 2019), and 11% in the rest of the world. To that end, any deterioration in the international macroeconomic or financial conditions, notably those caused by a tightening of the monetary policy of the central banks (resulting in a credit shortage), a sharp drop in oil prices, a slowdown of growth within the countries in which it operates, or even a resurgence of financial crises within the euro zone, could unfavourably affect its results and outlook, and negatively impact the price of the LUMIBIRD share.

Furthermore, since the Group earned 81% of its international (outside of France) revenues on exports in 2020, the Group is to a large extent dependent on maintaining commercial trade between the countries in which it operates. Therefore, various unfavourable political and geopolitical events, such as natural catastrophes, geopolitical tensions (in particular trade war measures involving the United States or Australia on the one hand, and China on the other, three strategic geographies of the Group), the worsening of the global health crisis linked to the Covid-19 epidemic, or the emergence of new, unanticipated health risks, the occurrence of acts of terrorism, social disturbances, or armed conflicts, could impact the economic conditions in which the Group is working in a temporary or long-lasting way, and could negatively impact its sales, results, or outlook.

1.3. Risks related to the Group's competition in its markets***

The Group operates in highly competitive markets in each of its business sectors, as concerns product offerings, technical expertise, quality of products sold, and price. This competition is particularly intense in the efforts to win bids, implement distribution networks, and market new, attractive, quality products.

In the field of fibre lasers (LIDAR applications in particular) competition is primarily from Asian companies, with players such as Onet and Ammonics, along with European competitors, such as BKTEL, and American companies like Nuphoton. In the field of nanosecond pulsed lasers, for scientific or industrial applications, competition is global, with companies such as Newport Spectra Physics, Continuum, Litron and Ekspla. Lastly, the medical sector is marked by competition from the United States (Lumenis, Iridex, Alcon, Sonomed), Japan (Nidek), Taiwan (Lighmed), or Germany (Zeiss).

Furthermore, certain competitors of the Group, that are of considerable size, have significant technological and financial resources and are well established in certain markets.

At the date of this Universal Registration Document, the Group considers (using internal methods with a series of cross-checks) itself to have a leading position in the field of fibre LIDAR and to hold world market shares of between 5% and 25%, in the field of nanosecond pulsed lasers, according to products, applications, and countries. As concerns ophthalmology, the Group considers itself to have a share of the global market, excluding the United States and Japan, of between 10% and 20%, depending on the products. Even though the Group is making every effort to keep its market shares, it cannot guarantee that it will, or that it will be able to compete with companies that are likely to offer lower prices, new products, or other advantages that it cannot or will not be able to offer. If the Group were to become unable to preserve its competitiveness in France, the United States, in Australia, or in its other major markets (in particular other European countries and China) by offering a range of innovative, attractive, and profitable products and services, it could lose market shares in certain important business lines, or suffer losses in all or some of its activities.

1.4. Risks of technological obsolescence and innovation of the Group's products ***

Laser applications undergo multiple, constant technological developments which require the Group to ensure that its product ranges do not become obsolete and that they are regularly updated and expanded. Indeed, if the Group is unable to follow the rate of technological progress in the sector, it runs the risk of developing products that will not be commercially successful.

To the extent that it does not have sufficient resources to simultaneously renew all products from its various ranges, the Group is focusing its investments on products with the highest probable commercial success and for which it has or will have the appropriate technical expertise. It can nevertheless not guarantee that its choices in terms of technological developments and the launch of new products will be followed by the desired results. If the Group were to be unable to offer its clients attractive products, to develop or improve the various ranges of existing products, or to continue introducing new products, its sales and results would be unfavourably impacted.

Lastly, if the Group becomes unable to master all of the laser technologies relating to the markets where it has a presence (medical, industrial, defence), it might not reach the critical commercial size that would allow it to address all types of its clients' needs, which would result in the loss of market shares and would unfavourably impact its sales and results.

1.5. Risk that the markets in which the Group operates may not develop as expected**

The Group's various markets are somewhat young and could develop less rapidly or differently than the Group or sector analysts are currently predicting.

The Group considers the most promising market to be for fibre lasers for sensors and medical, which has grown an average of more than 10% a year between 2016 and 2018, according to a report from Strategy Unlimited, which was published in 2019[1]. This report, updated at the beginning of 2021, also indicates that, despite the Covid-19 crisis, 2020 was a solid year for the laser business as a whole, after a slight drop in 2019 (linked to a drop in the materials processing business). The 2021 activity should also show a rebound of nearly 15%.

According to the *Strategy Unlimited* report, it is estimated that the entire fibre laser market will reach close to $3 million in 2022, thanks to numerous advantages from which this technology benefits compared to other technologies, including: competitive pricing, compact size, reliability, low maintenance costs, simplicity of manufacturing, and increased power.

Yet the Group cannot guarantee that the assumptions that form the basis for these growth forecasts, or for other forecasts concerning certain markets that the Group considers to be promising (in particular the LIDAR markets, with the development of laser applications for wind facilities or autonomous vehicles) will occur or that they will benefit it as expected. Any unfavourable development impacting the demand for laser products could thus unfavourably impact the Group's ability to achieve its development or sales objectives.

2. OPERATING RISKS AND RISKS LINKED TO THE GROUP'S STRUCTURE

2.1. Risks of defects or performance flaws of the Group's products***

The products sold by the Group are extremely complex and involve the use of numerous components, not all of which the Group itself manufactures, and for which it relies on third-party suppliers (described in more detail under section 1 – paragraph 2.6 "Risk of economic dependency on certain suppliers").

While the Group strives to control the quality of its products as best as possible throughout the production chain, it cannot guarantee that the test, development, manufacture, and integration procedures for these products will allow it to detect all flaws, errors, failures, or quality problems that could impact users, prior to their sale.

If the Group were unable to deliver its products according to the performance level and/or delivery schedule planned, this could result in a loss of clientele for the Group and/or the payment of contractual penalties. Furthermore, any defects in the Group's products after they have been placed into circulation would expose it to liability actions from clients or third parties, which might not be fully or adequately covered by the current insurance policies. This would result in damage to the Group's reputation as well as losses of market shares, which would negatively impact its sales, operating results, and outlook.

2.2. Risks to the Group's talent and skills***

In an environment characterised by a scarcity of human resources and hyper-competition between organisations, the Group's success depends in large part on keeping its managers and main executives, along with its highly qualified staff, in particular in the areas of R&D, design, and manufacturing, technical support, and sales (including after-sales service), not forgetting the support services: procurement, supply chain, IT, quality, finance, human resources. The Group's success is also dependent on its ability to attract, keep, and motivate qualified staff, with an ongoing need to adapt the expertise of its staff to the needs of the organisation.

If the Group were unable to attract and retain talent, it would lose some of its technological edge, and several development programmes would be significantly delayed, or even cancelled. The Group could thus see a drop in its market shares and a dip in its reputation as an innovative company.

More specifically, Marc Le Flohic's departure from his position as CEO of LUMIBIRD or the Group's inability to keep its managers in their positions over time (in particular Jean Marc Gendre, manager of the medical area, and the Company's COO, or any other member of the Group's Executive Committee) could have a significant unfavourable effect on its sales, business, operating result, and outlook.

2.3. Risks of hacking, intrusion, or cyberattacks on the Group's information system***

As a group operating in sensitive markets, in particular the Defence/Space market, which in 2020 accounted for more than 16% of its reported consolidated sales, the Group is designed to hold highly confidential data, some of which could be classified as a defence secret by the countries in which the Group operates.

Consequently, LUMIBIRD considers the risk of hacking, cyberattack, or malware intrusion that would lead to theft, loss, or alteration of its data to be critical. This risk has been notably accentuated by the current health crisis linked to Covid-19, which has promoted the exchange of information through emailing or videoconferencing tools.

As the occurrence of a hacking incident could severely impact the Group's business continuity, as well as its brand image, any theft or loss, or any alteration of technical data could, in addition to the repair costs, which could prove to be significant, cause LUMIBIRD to lose its leading position in certain markets, and could cause damage to its image, which might unfavourably impact the Group's results and outlook.

Furthermore, the Group is also exposed to the risk of a malware intrusion in its internal IT and communications systems, which could involve embezzlement, payment fraud, or "acts of fraud against the President."

In particular, in 2020, and despite the fact that no sensitive data was compromised, the Group suffered payment fraud due to identify theft committed when a senior executive's

[1] Strategies Unlimited, « Worldwide Lasers, Market Analysis and Forecasts », 2019.

email box was hacked. Following this fraud, the Group began an action to freeze the bank accounts in China where the embezzled funds had been identified, as well as a liability action against the British banking institutions that had performed the fraudulent transfers. While the Group is making every effort to obtain full compensation for its damage, it believes that the chance of these actions succeeding are currently quite low.

As at 31 December 2020, after considering the costs that were already incurred, as well as the amounts now being restored, the impact of the fraud on the Group's operating income amounts to €4 million.

If these acts of cyber fraud or cyberattacks were to occur again, they would result in operating losses for the Group, which insurance or legal actions could not fully compensate, as well as damage to its image with the Group's clients, investors, and other financial partners.

2.4. Risks related to ESIRA's control of the Company**

At the date of this Universal Registration Document, Mr Marc Le Flohic holds the majority of the capital of ESIRA (of which he is also Chairman), which holds 51.93% of the Company's capital and 61.75% of its voting rights (without taking into account the Company's treasury shares, which are deprived of voting rights pursuant to the provisions of Article L.225-210 of the Commercial Code).

ESIRA is consequently in a position of having decisive influence over all corporate decisions requiring the approval of the shareholders and could have different interests from those of the Company's other shareholders (in which case the decision made by ESIRA could have an unfavourable effect on the value or rights of the shares held by the other shareholders).

2.5. Counterparty risk of the Group's clients*

The Group is subject to the counterparty risk of its clients, in other words, the risk that one of its clients will financially default on or fail to perform their obligations under a contract for the sale of laser products.

If one of the Group's clients were to default on performing a contract for the purchase of lasers, the Group might have to record significant provisions for bad or doubtful debts, which would thus impact its financial position and results.

Readers should refer to Note 6.5.4 to the consolidated financial statements as at 31 December 2020 for more information about the counterparty risk.

2.6. Risk of financial dependence on certain suppliers of the Group*

The laser products distributed by the Group require it to procure specific components, such as laser crystals for solid lasers, Pockels cells, flashes, or even laser diodes and optic fibres for all types of lasers, as well as ultrasound transmitters, high-precision optical instruments, slit lamps, biological microscopes, and mirror galvanometers for medical lasers.

The Group's main challenges in selecting its suppliers are as follows:

- avoiding single-source procurement which would make the Group dependent on the financial health of its supplier, their quality policy, as well as the political or health stability of the latter's country;
- ensuring a responsible purchasing policy under which suppliers promise to comply with environmental and human rights criteria, in accordance with the United Nations sustainable development goals.

If one or more suppliers default, the Group could have to deal with delays in the manufacture of certain products, which could unfavourably impact its sales and profitability. Furthermore, any significant breach by a Group supplier of the environmental and human rights criteria could result in damage to the Group that would have an impact on its customers and stakeholders.

3. RISKS LINKED TO ACQUISITIONS, EXTERNAL GROWTH OPERATIONS, AND STRATEGIC AGREEMENTS

3.1. Risks from external growth transactions planned or completed by the Group***

Within the framework of its global strategy, the Group has been regularly examining new opportunities to acquire companies, in an effort to gain new technologies or new market shares.

To that end, in 2020 the LUMIBIRD Group's activity was marked by foundational external growth transactions: on 30 June 2020, it successfully acquired Ellex's Laser and Ultrasound business line (transaction announced in late 2019). Furthermore, on 3 August 2020, the LUMIBIRD Group announced the acquisition by its subsidiary, LUMIBIRD Medical, of the Scandinavian companies EssMed Sweden, EssMed Finland, and Brinch, which specialise in the distribution of high-quality medical devices for ophthalmology. LUMIBIRD also announced on 3 March 2021 that it would sign an agreement with Saab to acquire its Defence Laser Rangefinder business, established in Gothenburg (Sweden), which should be completed in the first half of 2022.

Within the context of its external growth operations, the Group could face unanticipated risks, notably the following:

- the completion of advantageous external growth operations is predicated on the Group identifying interesting opportunities at satisfactory valuation levels upstream. If the Group is unable to find viable targets and present offers that are attractive to sellers compared to its competitors (some of which may have bigger financial scopes, in particular in the context of competitive procedures), this could restrict its external growth strategy and prevent it from attaining the medium-term development and profitability goals it set for itself;
- within the context of the identified operations, the Group generally conducts due diligence operations on the target activities or entities in view of identifying and considering in the acquisition price all elements of a nature that would diminish the value of these target entities or activities, and negotiating the appropriate contractual indemnification mechanisms. However, the Group

cannot guarantee that the information provided to it by the seller prior to signing the corresponding asset or acquisition contract is complete and exact, nor that the due diligence operations allow it to identify all risks associated with the external growth project concerned, nor that the contractual guarantees negotiated will be sufficient to cover the negative impacts of any related risks that arise;

- The Group's completion of its external growth operations is generally subject to conditions precedent, which notably include obtaining regulatory authorisations (whether for monitoring concentrations, authorisation of foreign investments, or even authorisation from governmental or private authorities in defence matters). The Group cannot guarantee that these conditions will be performed within the envisaged timeframe or under advantageous conditions. Any failure of one of these conditions precedents could call into question the completion of the external project concerned, which could result in losses related to the costs already incurred to complete the project, and have a significant impact on its reputation if the project were already announced to the market;
- The Group can only guarantee that, until the external growth project concerned has been completed, the entities or activities assumed shall be managed with the same prudence and according to the same requirements as those of the Group. Any abnormal or fraudulent transaction prior to the completion of the external growth project concerned could result in a decrease in the value of the entities or activities acquired which might not be adequately covered by the contractual indemnification mechanisms prescribed under the corresponding share or asset purchase agreements;
- The Group might not be able to maintain the management team for the entities or activities acquired, notably due to a change in shareholder or owners of the acquired entities or activities. Any resignation of the members of the management team or key employees could decrease the value of the entities or activities acquired and compromise the Group's capacity to derive all of the benefits desired from the external growth project in question;
- After completing an external growth transaction, the Group then integrates the entities or activities acquired within the Group's activities, notably in terms of internal monitoring, IT systems and cybersecurity. If this consolidation process proves to be more difficult, or even impossible, or more costly than planned, this could decrease the Group's economic interest in the operation and unfavourably impact the prospects of the future combined group. Furthermore, any failure in consolidating the entities or activities acquired under the Group's internal control procedures could weaken its response to any cyber-attacks or cyber fraud (this risk notably came to pass in May 2020, when payment fraud was identified that impacted the Group's British subsidiary, Halo Photonics, which was acquired in December 2019). Consolidation could also require significant additional investments that the Group might not be able to provide to make the entities or activities acquired sustainable. Lastly, the process of consolidating the Group's existing operating activities with the entities or activities acquired could disturb the activities of one or more of their business lines, and draw Group management's attention to other aspects of the Group's operating activities, which could have a negative impact on its activities and results.

3.2. Risks related to the Group's strategic agreements*

Given the highly competitive environment in which it is developing, the Group entered various strategic agreements with key players (technological partnerships, distribution agreements, etc.) in order to, in particular, strengthen its position in high-potential markets, in particular the autonomous vehicle market.

However, the Group cannot guarantee that it will obtain the increases in income and other benefits that are expected from these strategic agreements.

4. LEGAL AND REGULATORY RISKS

4.1. Regulatory risks**

The laser products that are designed, manufactured, and sold by the Group are high-tech products where safety and public health is an issue, or entail the use of sensitive components in the defence measures of certain countries. Depending on the division and jurisdiction concerned, the applicable regulations may take the form of export authorisations or the sale of the Group's laser or medical products.

For example, some products from the Group's Defence/Space division are subject to the American Export Administration Regulations ("EAR") which subject the export of dual-usage products manufactured in the United States to an authorisation scheme issued by the United States Department of Commerce (more specifically, the Bureau of Industry and Security within the United States Department of Commerce) according to the countries of export. Other products from the Group's Photonics division that are manufactured in the United States are subject to the American International Traffic in Arms Regulations ("ITAR"), which are more restrictive that the "EAR" regulations insofar as they concern American components linked to the national defence of the United States. The "ITAR" regulations subject the export of products manufactured in the United States that involve American components linked to national defence to a strict system of authorisation issued by the United States Department of State.

These export authorisations are generally granted on a discretionary basis by the American authorities, and obtaining them can prove to be a long, complex, and costly process for the Group. If the Group is unable to comply with the EAR or ITAR regulations, does not obtain the authorisations needed to export its manufactured products to the United States, or is not able to develop a product range that is not subject to ITAR regulations "ITAR-free" products), then it could experience difficulties performing sales contracts it has entered with clients that are not located in the United States, which could result in a drop in its sales and have a negative impact on its financial position and results. The Group could also be limited in its ability to restructure its activities producing and selling its laser products. In Australia, the Department of Foreign Affairs and Trade (DFAT) also imposes strict controls on exports to certain countries.

Lastly, medical products that the Group has manufactured and sold in the United States are systematically subject to the requirement of obtaining an FDA (Food and Drug Administration) authorisation. In Europe, products designed and manufactured by the Medical division must comply with the essential requirements of EC Directive No. 93/42 of the Council dated 14 June 1993 in relation to medical devices, whose provisions will be replaced, as from 26 May 2021, by those of Regulation 2017/745/EU of 5 April 2017. If the authorisation of the Group's new medical products is denied by the FDA or by the European authorities, their sale in the United States will be delayed, which could increase non-compliance costs and have a negative impact on the Group's business and results. Furthermore, if the Group experiences operational difficulties or delays in complying with the provisions of EU Regulation 2017/745 dated 5 April 2017 relating to medical devices, which are to take effect as of 26 May 2021, it could be forced to recall certain medical products that do not conform, which would result in significant commercial and reputational damage.

4.2. Risks related to industrial property rights and the financing of the Group's R&D**

The markets in which the Group operates are constantly evolving from a technological standpoint, which means the Group must make significant investments in research and development. For example, the gross amount of expenses incurred on development projects, whether self-financed, subsidised, eligible or not for the Research Tax Credit or equivalent, during the financial year 2020, amounted to 14 million euros, of which 7 million were capitalised and 7 million were expensed during the year.

Consequently, the protection of trademarks, patents, and intellectual property rights is a subject that is particularly sensitive for the Group. To the extent possible, the Group protects innovations that could be considered as such, noting that in the field of laser, in particular considering the numerous publications that are regularly disseminated by laboratories worldwide, it is difficult to obtain protection for an innovation or process through a patent.

At the date of this Universal Registration Document, the companies of the Group have directly, or through an exclusive license, over 25 patents in their various business fields, as well as 23 trademarks covering either company names or products of companies in the Group. If the Group's patents or industrial property rights were to be disputed or challenged by a competitor or public authority, or if they only offered inadequate or insufficient protection for the Group's innovations, this could have a significant unfavourable impact on its sales, results, and financial position.

Conversely, in conducting its business, the Group uses technologies which it considered to be unprotected, based on analyses provided by Australian, American and European legal counsels. Nevertheless, the risk that competitors, notably American competitors, will bring lawsuits against the Group, based on a violation of intellectual property rights, cannot be ruled out. If the Group was to be sued for violations by its competitors, this could result in judgements against it ordering it to pay damages or result in amicable agreements providing for the payment of transactional indemnities, in addition to legal and procedural fees that could result therefrom.

Moreover, a portion of the financing of the Group's research and development activities is provided (approximately 5% for financial year 2020) using subsidies granted from institutional organisations (ADEME, Bpifrance, European Union, regions). If the Group is unable to comply with the conditions for approving or allocating these subsidies, it could be required to repay certain amounts and have difficulty obtaining future subsidies, which would have a negative impact on its reputation and on its ability to develop innovative products.

4.3. Risks related to the insurance policies taken out by the Group*

The various companies of the Group took out the insurance needed to cover the main risks linked to their respective businesses from well-known and solvent companies, in particular insurance covering property damage and operating losses, the civil liability of employees and corporate officers of the Group, the transportation of merchandise, transfers, and repatriations of the Group's employees, and client defaults. This coverage is managed globally for European companies, and independently for American companies.

If this insurance coverage were to prove ineffective or insufficient to obtain compensation for certain uncovered damage, this could cause losses for the Group and its financial position and results.

5. JUDICIAL PROCEEDINGS AND ARBITRATION*

In conducting its business, the Group may be involved in legal proceedings, disputes, and litigation which could unfavourably impact its results and its outlook, which notably come from:

- Employees or former employees within the context of corporate conflicts (individual or collective);
- competitors within the context of legal disputes of the competition or protection of intellectual property rights;
- health, defence, or market authorities under the context of investigations for the Group's lack of compliance with specific regulations; or
- clients, due to defective products, or suppliers, in the event of a sudden break in established commercial relations.

Even though at the date of this Universal Registration Document there are no known risks or disputes from managers that could have a significant impact on the assets, position, or business of the Company or companies of the Group, the Group cannot guarantee that it will not be sued, or that it will not in the future be implicated in judicial, administrative, arbitral, or disciplinary proceedings, in particular in countries with strong adjudication systems in which the Group holds assets or conducts significant business (such as the United States or Australia). If the Group had to confront such proceedings, this could result in judgments against it (notably ordering it to pay fines or damages), or other sanctions (notably prohibitions against selling certain products) that could unfavourably impact its results and outlook. The Group could also suffer significant damage to its reputation or have to incur costs from proceedings that could prove to be significant.

The pending risks and disputes are funded under the conditions described in Note 6.1.16 of the notes to the annual consolidated financial statements as at 31 December 2020. The provisions recorded, or that the Group could end up recording in its accounts, could prove to be insufficient, which could have an unfavourable effect on the reputation, financial position, results, and perspectives of the Group.

At the date of this Universal Registration Document, there are no administrative, judicial, or arbitration proceedings (including proceedings that are pending or of which there is a threat known to the Company) that is likely to have or had in the past twelve months significant effects on the financial position or profitability of the Company and/or Group.

6. FINANCIAL RISKS

6.1. Exchange rate risk*

The exchange rate risk to which the Group is exposed is primarily a so-called "transaction" risk, meaning the risk of non-alignment between the currencies in which the Group's revenues and costs are respectively generated and incurred. To the extent that the Group's sales are made primarily in the currency of the country where the products are manufactured (euros in Europe, dollars in the United States, Australian dollars in Australia), the flows between the purchases and sales are close to one another, and the exchange rate risk is minimal.

The currency risk is not considered to be significant and the Group has not put in place any specific currency hedging.

The reader is asked to refer to Note 6.5.1 to the consolidated financial statements as at 31 December 2020 for more information concerning the exchange rate risk.

6.2. Interest rate risk*

The bank loans taken out by the Group are at a fixed rate, with the exception of the Group's acquisition debt (€35 million), which bears interest at the rate of EURIBOR 3 months +1.65% and for which the Group must implement a hedging contract in 2021.

Furthermore, on 1 December 2020, the Group carried out a transaction to restructure its acquisition debt by refinancing its debt drawn in the amount of €35 million and establishing a supplementary acquisition debt (not drawn) of €105 million (€82.6 million in bank debt and €22.4 million in bonds) subscribed for under the same terms as those of the existing acquisition.

The reader is asked to refer to Note 6.5.2 to the consolidated financial statements as at 31 December 2020 for more information on the exchange rate risk.

6.3. Liquidity risk*

The liquidity risk corresponds to the risk that the Group will have difficulty honouring its debts when they come due.

The Group conducted a specific review of its liquidity risk and believes it is able to face its future deadlines.

If significant cash assets were needed to develop the activities of the Group's companies for which the Group's available cash and bank facilities were insufficient, it could be necessary to call on additional sources of financing (lines of credit, bond issues, capital increases, etc.), to the extent that the increased use of its cash to finance its activities could leave the Group without sufficient funds to finance its operations.

The reader is asked to refer to Note 6.5.3 to the annual consolidated financial statements as at 31 December 2020 for more information on the liquidity risk.

Section 2

INTERNAL CONTROL AND RISK MANAGEMENT

The internal control arrangements cover all the activities of the Photonics and Medical Divisions. The Company applies its internal control arrangements for the Group's various entities included in its basis for consolidation.

1. PREPARATION OF ACCOUNTING AND FINANCIAL INFORMATION

The general internal control and risk management principles relating to the preparation and processing of accounting and financial information applied by the Company are presented hereafter. However, any control and management system has limitations, which may result from a range of factors, uncertainties, shortcomings or failings that may not be inherent to the Company, the Group and/or its employees. As a result, the Company cannot guarantee that the arrangements that it has put in place provide an absolute guarantee of compliance with the objectives that it intends to pursue or that it has set.

The key players for risk management and internal control and the process to prepare and process accounting and financial information within the Company are as follows:

- Firstly, the managers of the Group's various entities, supported by the local finance departments, provide detailed monthly reports to the Group's Finance Department,
- Then, the Executive Leadership Team and the Finance Department process the information based on the Group's centralized resources in order to prepare the Group's reporting and analytical budget tracking,
- Lastly, the Board of Directors, particularly when meeting as the Audit Committee, is involved to control and approve the accounting and financial information, particularly during meetings to approve the corporate and consolidated full-year and half-year accounts, with feedback from the Statutory Auditors following their audit work.

The managers of the Group's various entities are responsible for day-to-day operational management. Supported by the local finance departments, they define and monitor the internal control arrangements within the subsidiaries. They ensure that information is escalated to the Finance Department and the executive management through:

- weekly reporting on the revenues, order books and cash positions of the Group's entities, and
- detailed quarterly reporting (financial statements, analyses of margins for each product, etc.).

Analysis and assessment meetings are therefore regularly organized between the COO, the Finance Department and the operational managers from the Photonics and Medical Divisions.

The Finance Department builds the detailed reporting that makes it possible to monitor the budget. Details of the various accounts are therefore compared with the previous year and the budget for the current year. Any major differences are analyzed and may be subject to an in-depth investigation.

This detailed accounting information is consolidated and converted to IFRS in accordance with the accounting methods and principles presented in further detail in the notes to the consolidated financial statements.

Once finalized, the financial information is presented to the Board of Directors, including in its capacity as the Audit Committee, to approve the financial statements. The functioning and remits of the Board of Directors, including in its capacity as the Audit Committee, are presented in sections III and IV of the Board of Directors' corporate governance report in accordance with Article L.225-37 of the French commercial code.

2. RISK MANAGEMENT PROCEDURES

For each risk identified, the Group strives to establish appropriate procedures aimed at decreasing the possibility that the risk concerned will occur, or to lessen the effects should such risk materialize.

Nevertheless, some risks by their nature cannot be covered by specific management procedures, in particular:

- risks depending on the global economic environment, over which the Group has no control whatsoever, such as the risks linked to the financial, macroeconomic, and global geopolitical environment in which the Group operates, as described under Section 1 – paragraph 1.2 of this Chapter 3, or the risks of not developing the Group's markets, as described in Section 1 – Paragraph 1.5 of this Chapter 3;
- risks that depend on strategic decisions of the Group's competitors, over which the Group has no influence whatsoever, such as the risks of competition described in Section 1 - paragraph 1.3 of this Chapter 3.

2.1. Managing the risks that the Covid-19 crisis will worsen or be prolonged

Since the start of the Covid-19 pandemic, the Group has mobilised through a crisis unit to:

- deploy a comprehensive system aimed at protecting its employees' health;
- implement all actions aimed at preserving its cash (reduction of WCR, deferral of loan repayment deadlines on a case-by-case basis, deferral of tax and social deadlines, monitoring client receivables);

- undertake all actions aimed at reducing the consequences of the pandemic for the Group, through the establishment of:
  - a business continuity plan allowing production and R&D activities to be restructured around client orders, for which activity has not been suspended;
  - strengthening the Group's means, in particular its logistical means, towards regions where business and client orders are likely to resume more quickly;
  - remote work measures for all employees that are able to benefit from this;
  - partial unemployment measures, which are reviewed each week with regard to the activity plan.

2.2. Management of products risks (technological risk, defectiveness, and performance flaws of products)

Within the context of managing the product risks with which it is faced, the Group has established several kinds of measures.

As concerns the risks of technological obsolescence and innovation of its products (described in Section 1 - paragraph 1.4 of this Chapter 3), the Group tries to deploy a medium to long-term development roadmap, which allows it to maintain its technological edge, all while allotting its resources to development projects that are in line with the expectations of the sector, as upstream as is possible.

As concerns the risks of defects or performance flaws of its products (as described in Section 1 - paragraph 2.1 of this Chapter 3), the Group strives to establish procedures aimed at controlling the quality of the products and their conformity with the standards that apply throughout the supply and production chain. To that end, the Group generally asks its suppliers for contractually defined product performance levels, and performs testing, development, manufacturing, and integration procedures on its products before putting them on the market. The Group has also been led to request that its suppliers obtain certificates of compliance with the most important directives restricting the use of toxic, hazardous, or rare substances (REACH, RoHS, CMRT directives), as well as with the general principles on human rights, combatting slavery and forced labour.

Furthermore, the Group measures client satisfaction through:

- measuring the rate of renewal of orders or requests within the context of R&D requests for tenders);
- satisfaction surveys (which are conducted internally, or by outside providers);
- customer return rate;
- tracking payment incidents and their type.

2.3. Management of risks to the Group's talent and expertise

The Group intends to cover this risk (which is described in Section 1 - paragraph 2.2 of this Chapter 3) by defining and deploying an adapted Human Resources policy, and integrating the following United Nations sustainable development goals:

- SDG 3: to allow all people to live in good health and to promote the well-being of all people, of all ages;
- SDG 4: to ensure access to all to a quality education, under equal circumstances, and to promote the possibilities for learning throughout one's life;
- SDG 5: to achieve gender equality and autonomy for all women and girls;
- SDG 8: to promote sustained, shared, and lasting economic growth, full productive employment, and a decent job for all;
- SDG 10: to reduce inequalities in countries, and between countries.

This policy, whose principles have now been approved by General Management, must be formalised and rolled out within the Group during the second quarter of 2021.

Furthermore, the Group is reviewing and regularly establishing profit-sharing mechanisms for its employees through bonus share plans based on the Group's future performance, thereby offering the Group's executives the possibility of benefitting from the value they helped to create.

2.4. Management of the risks of hacking, intrusion, or cyberattacks on the Group's IT systems

Following the payment fraud that was discovered in May 2020, the Group implemented the following actions to prevent this risk from reoccurring:

- strengthening access security protocols (dual authentication, password policy, information on phishing techniques);
- rolling out servers again, improving the availability and security of servers and data;
- an audit of the IT systems, including the intrusion tests that led to the recommendation and action plan.

2.5. Management of risks linked to ESIRA's control of the Company

The measures established by the Group in coordination with ESIRA in order to prevent ESIRA's control over the Company from being exercised in an abusive manner are described in the Board of Director's report on corporate governance, which appears in Chapter 2 of this Universal Registration Document.

2.6. Management of risks linked to the Group's exposure on its customers and suppliers

Within the context of managing the risks linked to the Group's exposure on its customers and suppliers, the Group has adopted the following policies:

- as concerns the counterparty risks of the Group's customers (described in Section 1 - paragraph 2.5 of this Chapter 3), the Group is making every effort to maintain a diversified and well-distributed clientele: therefore, in 2020, no direct customer or distributor represented more than 15% of revenues. The five biggest customers represent less than 15% of revenues. Furthermore, in France, sales are systematically covered by credit insurance. Likewise, as concerns the Group's international sales (outside of France), which represented approximately 81% of its sales for financial year 2020 (in revenues), the Group has signed a credit insurance policy with Atradius which covers the bulk of its international sales;
- as concerns the risk of economic dependence vis-a-vis some of the Group's suppliers (described in Section 1 – paragraph 2.5 of this Chapter 3), to the extent possible, the Group uses at least two suppliers, in order to be able to negotiate prices and deal with any default by either supplier. Accordingly, note that during the 2020 financial year, no supplier represented more than 10% of the Group's purchases, and the five top suppliers represented less than 10% of the Group's purchases.

2.7. Management of risks linked to the Group's planned or completed external growth operations and risks linked to the Group's strategic agreements

In order to best prevent risks related to the Group's planned or completed external growth operations (described under Section 1 - paragraph 3.1 of this Chapter 3) and to lessen the effects of these risks if they do occur, the Group uses various providers tasked with completing due diligence operations, and drafting and negotiating contracts to acquire shares or assets in the best interest of the Group (in particular by using the highest standards in terms of indemnification clauses which cover, for a maximum amount and over a defined term, the risks identified within the context of these due diligence or good governance operations prior to the completion of the external growth operations concerned). For example, within the context of Ellex's acquisition, the coverage is active over a period of 18 months to 5 years as from June 30, 2020, depending on the subjects covered. A portion of the sale price was moreover placed into an escrow account for a period of 12 months as from 30 June 2020 in order to cover any claim that the Group might make in relation to that coverage.

The completion of the consolidation phases subsequent to the acquisitions concerned is generally entrusted to the Group's top management, which works in conjunction with the local team to best organise the entry of the entities or activities added to the Group.

The Group's strategic agreements are moreover regularly monitored by the operating teams, which make every effort to resolve problems upstream through amicable, non-contentious discussions. At the date of the Universal Registration Document, no significant dispute existed between the Group and any of its strategic partners.

2.8. Management of legal, regulatory, and litigation risks

The Group's management of regulatory risks (which are described in Section 1 - paragraph 4.1 of this Chapter 3) entails specialised or internal advisors conducting legal and compliance reviews as applicable. The same is true as concerns risks linked to industrial property rights and to the financing of the Group's research and development (described in Section 1 - paragraph 4.2 of this Chapter 3) which are analysed with industrial property counsels.

As concerns the risks linked to the Group's insurance policies (described under Section 1 - paragraph 4.3 of this Chapter 3), the Group strives, through its Finance Department, to continuously keep adequate coverage at reasonable premium levels in order to best cover all insurable risks to which it is subject.

Lastly, the risks linked to the judicial and arbitration procedures (described under Section 1 -paragraph 5 of this Chapter 3) are managed through the recording of provisions under the conditions described in Note 6.1.16 to the annual consolidated financial statements as at 31 December 2020.

2.9. Management of financial risks

The financial risks the group faces (described in Section 1, paragraph 6 of this Chapter 3), when they are significant for the Group, are included under the appropriate coverage contracts. At the date of this Universal Registration Document, the Group has not considered any financial risk to be critical.

Chapter 4

FINANCIAL INFORMATION

AND EXTRA-FINANCIAL PERFORMANCE STATEMENT

MANAGEMENT REPORT AND REPORT ON THE MANAGEMENT OF THE GROUP TO THE COMBINED GENERAL MEETING OF 4 MAY 2021

Dear Shareholders,

In accordance with legislation and the articles of association, we have brought you together for a General Meeting to report to you on the position and business of the company LUMIBIRD SA ("LUMIBIRD" or the "Company") and the LUMIBIRD Group (the "Group") during the year ended 31 December 2020 and to submit the Company's corporate and consolidated financial statements for this year for your approval.

During the General Meeting, the following reports will also be presented to you:

- Board of Directors' report on the proposed resolutions submitted to your General Meeting;
- Board of Directors' corporate governance report as provided for in Article L.225-37 of the French commercial code;
- Board of Directors' special report on stock options in accordance with Article L.225-184 of the French commercial code;
- Board of Directors' special report on free share awards in accordance with Article L.225-197-4 of the French commercial code;
- The Statutory Auditors' various reports.

The aforementioned reports, this management report on the activities of the Company and the Group during the past year, and the annual and consolidated accounts and any other documents relating to them have been made available to you at the Company's registered office under the legal conditions and timeframes applicable so that you can consult them.

We will provide you with any clarifications or any further information concerning these reports and documents.

The accounts that are presented to you have been prepared in accordance with the provisions from the chart of accounts, while observing the principles of conservatism and honesty.

1. WHAT HAPPENED IN FISCAL YEAR 2020

1.1. Key events in fiscal year 2020

Activity

2020 was marked by the Lumibird Group's completion of foundational, external growth operations, aligned with its strategy. On 30 June 2020, it successfully acquired Ellex's Laser and Ultrasound business line (a transaction that had been announced in late December 2019). Furthermore, on 3 August 2020, the Lumibird Group announced it would acquire, through its subsidiary Lumibird Medical, the Scandinavian companies EssMed Sweden, EssMed Finland, and Brinch, which specialise in the distribution of high-quality medical devices for ophthalmology. Through these transactions, which will make it a global leader in laser and ultrasound technologies for diagnostics and the treatment of eye diseases, the Group has passed a major milestone in its strategic development, which is anchored on a mix of external and organic growth in its three key markets: LIDAR, Defence/Space, and Medical.

These external growth transactions ended up supporting and strengthening business in 2020, which was conducted in an economic landscape that was complicated by the Covid-19 health crisis, as well as by the repercussions of complete or partial lockdowns on the economies of the various countries where the Group operates. During this period, the Group's sites remained opened, and all possible measures were taken to ensure people's safety. The Group did not have any orders cancelled or contracts stopped during the period. However, the Group did experience (i) delivery lags, in particular for industrial and scientific applications that can no longer be delivered due to the temporary closure of universities, (ii) slowed sales in the Medical division in connection with the cancellation of major international conferences and (iii) a slowdown in sales in China during part of the first quarter of 2020 (compared to the first quarter of 2019). At the date of this report, activity in the region is picking up and several orders have been placed.

At the worst point in the period, the Group benefitted from the measures put in place by the government. These measures included governmental aid (partial unemployment, compensation for absences due to childcare responsibilities) totalling €0.2 million, the freezing of loan payments totalling €0.6 million (postponed to the end of the payment plan), a postponement of URSSAF payments due totalling approximately €1 million (now up to date), the establishment of lines of credit guaranteed by the government (€15 million in France, €1.2 million in the United States). The Group also devoted particular attention to tracking its client receivables, and it did not suffer any losses linked to client defaults.

On another note, during the first half of 2020, the Group was the victim of fraud in connection with the payments methods of its new subsidiary Halo-Photonics (UK), for which the maximum gross cost (before any recovery action) totalled €3.8 million. This fraud, which was quickly brought under control, did not impact the Group's development nor its ability to meet its short, medium, or long-term commitments. It was recorded under the operating result for the period.

In this context, Lumibird proved it could adapt and make the necessary efforts to preserve its profitability, all while maintaining the flexibility needed to ensure a nimble return to its activities after the lockdown. Despite a 14.5% drop in its business, the Group recorded:

- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) of €23.7 million (18.7% of revenues), up €2.7 million (+12.8%) compared to 2019;
- Current Operating Income (COI) of €14.1 million (11.2% of revenues), i.e., €1.9 million (+15.3%) compared to the current operating income recorded one year earlier;
- Net financial debt of €8.0 million (including a positive net cash position of €80.3 million within one year), allowing it to easily handle its short and medium-term maturities.

Financial structure

The Lumibird Group, which already had a sound financial structure, has simultaneously further strengthened this foundation to enable it to continue to develop and reach its goals:

- During the first half of 2020, the Group established several financing lines:
  - two lines of €5 million each at Bpifrance Financement, for a period of nine years and nine months (including an eight-quarter grace period), repaid at the rate of 1.5% and accompanied by cash collateral totalling €0.5 million;
  - six government-backed loans totalling €15 million, taken out under the terms established under the scope of the support provided to businesses impacted by the Covid-19 health crisis;
  - a line of support to businesses in the United States in the amount of €1.2 million;
- On 12 June 2020, Lumibird SA increased its capital, maintaining the preferential subscription right, for a gross amount including issue premiums of €36.3 million, representing an issue of 4,037,015 new shares, each at the unit subscription price of €9. This capital increase shall be allotted on a priority basis and entirely for financing any external growth operations, in particular in view of the acquisition of new laser technologies (noting that, to date, there are no external growth projects other than those already announced to the public, for which Lumibird has made firm commitments):
- On 1 December 2020, Lumibird SA restructured its acquisition debt, which led to the:
  - refinancing of the existing acquisition debt (€35 million);
  - expansion of the drawdown budget (supplementary budget of €105 million, including €58.8 million in confirmed credit); and
  - diversification of sources of financing, with the acquisition debt budget going from a 100% banking origin to 71% bank, and 29% bond financing.

1.2. Business for the year

Extract of the consolidated income statement (in million euros)	2019	2020	Change	
Revenues	110.7	126.7	16.0	14%
EBITDA	21.0	23.7	2.7	13%
% of revenue	19.0%	18.7%	-0.3%	-
Current operating income	12.3	14.1	1.9	15%
% of revenue	11.1%	11.2%	0.1%	-
Operating income	11.3	8.7	(2.6)	-23%
Financial income	(0.7)	(1.5)	(0.8)	114%
Taxes	(1.8)	(1.6)	0.2	-11%
CONSOLIDATED NET INCOME	**8.8**	**5.6**	**(3.2)**	**-36%**
Minority interests	0.0	0.0	0.0	-
NET INCOME (GROUP SHARE)	**8.8**	**5.6**	**(3.2)**	**-36%**

1.2.1. Revenues

The Lumibird Group's consolidated revenues for 2020 stood at €126.7 million, i.e., a 14.4% increase compared to 2019 published data.

In the context of the crisis that marked the 2020 fiscal year, the growth on a like-for-like consolidation and exchange rate basis (restated for the acquisitions of Ellex on 30 June 2020, of the EssMed Group on 31 July 2020, of Optotek Médical on 31 August 2019, and of Halo-Photonics on 24 December 2019) dropped 9.1%, to €100 million. This €10.7 million drop is primarily explained, as concerns the Photonics division, by the decrease in activity for the Megajoule contract (down €5.5 million) and as concerns the Medical division, by the drop in sales linked to the cancellation of major global conferences (down €3.2).

By integrating Ellex's laser and ultrasound activities on 1 January 2020, pro forma sales would amount to €146.7m.

Revenues (in million euros)	2019	2020	Reported change(1)	Organic change(2)
First quarter	24.2	21.9	-9.5%	-17.2%
Second quarter	27.5	23.9	-13.3%	-17.6%
Third quarter	24.8	32.7	32.1%	-9.9%
Fourth quarter	34.2	48.2	40.8%	4.0%
TOTAL	**110.7**	**126.7**	**14.4%**	**-9.1%**
Of which Photonics	71.4	68.8	-3.6%	-9.8%
Of which Medical	39.3	57.9	47.3%	-7.7%

(1) Taking into account the acquisitions of Ellex on June 30, 2020, EssMed Group on July 31, 2020, Optotek Medical on August 31, 2019 and Halo-Photonics on December 24, 2019.

(2) At constant exchange rates and scope of consolidation

1.2.1.1. Photonics

The activity of the Photonics division is down 3.6%, standing at €68.8 million according to published data (down 9.8% in terms of organic change).

- Industrial and Scientific activity was impacted by the closure of numerous research and university labs, which posted a 3.3% drop in published data (down 2.8% in terms of organic change);
- Defence/Space activities dropped 14.2% in published data (down 14.1% in organic data): these activities were marked by a dip in the schedules for performing contracts, primarily over the first quarter, but resumed their growth over the fourth quarter, due to the increased power of new contracts and non-contract activities;
- The LIDAR activity, which posted 9% growth in published data, simultaneously benefitted from the integration of Halo-Photonics (€4.6 million over the year) and organic growth of 17.4% over the last quarter.

1.2.1.2. Medical

The Medical division had revenues of €57.9 million in 2020 (up 47.2%) in published data, due to the consolidation of Ellex, Optotek, and the companies of the EssMed group, which contributed the amount of €21.7 million. Despite the restrictions imposed by the health crisis, the consolidation, and commercial and industrial synergies were carried out in conformity with the budget, including in the United States.

On a like-for-like consolidation and exchange rate basis, Medical activity was down 7.7%, in connection with the cancellation of major global conferences.

1.2.2. Current operating profitability (COI)

Amidst a financial landscape that was complicated throughout the year by the Covid-19 crisis, impacting the development of business, the Group has demonstrated its ability to adapt, successfully deploying the synergies expected from external growth operations in both 2019 and 2020, relying on the diversity of its laser offerings to improve its gross margin rate, and successfully controlling its operating expenses. It was thus able to limit the effects of the business downturn on its profitability.

During the year, the Group's current operating income was €14.1 million, compared to €12.3 million one year earlier, or an increase of €1.9 million (+15.1%). This development may be explained as follows:

Current operating income of businesses acquired/created in 2019 – 2020	€3.5m
Effect of organic growth on gross margin (1)	€(3.6)m
Decrease in net external expenses at constant scope (2)	+ €2.9m
Change in personnel expenses at constant scope(3)	€(1.2)m
Increase in amortisation and depreciation charges(4)	€(0.4)m
Increase in other current operating expenses net of provisions	+ €0.7m

(1) In a context of a -9.1% organic decline in activity, the improvement in the margin rate of the businesses (from 60.6% to 63.3% overall) made it possible to limit the decline in the margin on purchases consumed. This improvement in the margin rate is due to:

- *the impact of defense contracts, for which the margin on purchases consumed may vary from one period to the next depending on the procurement (resold to the customer) or production phases and the mix between the various contracts. The impact of defense contracts is +1.5 basis points;*
- *the optimization of the product mix in the photonics business over the year;*
- *improved margins in the medical business, due to sales of higher value-added products.*

(2) The Group controlled its external expenses (fees, marketing, travel, subcontracted studies), particularly during the peak of the health crisis, for a net gain of €2.9 million;
(3) The change in personnel costs is linked to the change in the number of employees on a like-for-like basis and to the Group's compensation policy (sharing in the results of growth), partially offset by a better allocation of R&D resources;
(4) The increase in depreciation and amortization is due to investments in property, plant and equipment to increase the capacity of the facilities, and to the amortization of development projects according to plan.

1.2.3. Operational profitability

Despite current operating income of €14.1 million over the year, up €1.9 million compared to last year, the Group has posted an operating result of €8.7 million (compared €11.3 million one year earlier).

This situation is primarily due to the effects of the payment fraud suffered by Lumibird's British subsidiary Halo-Photonics in May 2020. The impact of this fraud, a maximum gross amount of €3.8 million (before any deductions as a result of legal actions and measures to recover misappropriated funds, and before considering attorneys' fees for handling said actions) was recorded under the line item "other current operating expenses."

Following this fraud, the Group commenced an action to freeze the bank accounts in China where the misappropriated amounts were identified, as well as a liability action against the British banking institutions that granted the fraudulent transfer requests. Although the Group is making every effort to obtain full compensation for its damage, it believes that there is a fairly low chance of these actions succeeding at this time.

As at 31 December 2020, after taking into account the expenses that were already incurred, as well as the amounts already restored, the impact of the fraud on the Group's operating income amounts to €4 million.

Excluding non-current effects of this fraud, the Group's operating income would amount to €12.7 million. The change from the previous year (€1.4 million) is linked to:

- In the amount of €1.9 million, to the increase in current operating income;
- For the drop of €0.5 million, to the increase in costs directly related to external growth operations.

1.2.4. Financial result

The financial result in 2020 was −€1.5 million, compared to -€0.7 million in 2019, i.e., a drop of €0.7 million. This change primarily reflects:

- A decrease of €0.2 million for the exceptional amortisation of assembly costs – not yet amortised – of the €35 million acquisition debt, following the mandatory refinancing of 50% of this debt;
- A decrease of €0.6 million, corresponding to the increased amount of debt, within a context of stabilising the cost of the debt (excluding the non-cash impact of refinancing the acquisition debt): the average gross debt went from 28.5 million in 2019 to €60.2 million in 2020, while the annualised rate of the gross financial debt over the same period went from 1.81% to 1.82%;
- An increase of €0.1 million in 2020, due to a net exchange gain.

1.2.5. Net income

Given the change in operating income, on the one hand, and the financial result, on the other, as well as the tax expense (which is evolving in line with the increase in operating profitability), the Group recorded net income of €5.6 million over the 2020 fiscal year.

Excluding the effect of the payment fraud (€3.2 million, net of tax), the result of the period would increase to €8.8 million, including 2.6 million in contributions from companies acquired in 2019 and 2020, in an economic context that was complicated by the health crisis. In 2019, it posted net income of +€8.8 million.

1.3. Balance sheet structure

Extract from the consolidated balance sheet (in million euros)	2019	2020	Of which constant scope	Of which new scope
Non-current assets	90.5	143.3	95.2	48.1
Current assets (excluding cash and cash equivalents)	53.0	82.0	60.5	21.5
Cash and cash equivalents	50.3	80.3	134.2	-53.9
TOTAL ASSETS	**193.8**	**305.6**	**289.9**	**15.7**
Shareholders' equity (incl. minority interests)	124.9	163.8	162.4	1.3
Non-current liabilities	34.5	84.5	81.5	3.0
Current liabilities	34.3	57.4	45.9	11.4
TOTAL LIABILITIES	**193.8**	**305.6**	**289.9**	**15.7**

1.3.1. Non-current assets

Non-current assets primarily consist of fixed assets (tangible and intangible, including goodwill and financial assets), and deferred tax assets.

In comparison with the data from 31 December 2019, the total non-current assets rose €52.8 million. This increase is primarily broken down as follows:

- €48.1 million due to the inclusion of Ellex's Laser and Ultrasound business lines within the consolidation scope, as well as of the EssMed subgroup; this amount includes goodwill of €29.3 million, exclusively concerning Ellex;
- €(0.2) million due to the change in historic goodwill contributed by Lumibird, primarily due to the impact of the change in the price of the British pound on Halo-Photonics' goodwill;
- A €5.0 million increase in net tangible and intangible fixed assets, with the net investment flows for the period (+€13.1 million) being partially offset by net allocations to amortisations (-€8.7 million) and net exchange differences (-€0.3 million);
- A €0.6 million increase in non-current financial assets, primarily corresponding to cash collateral granted to Bpifrance Financement within the context of establishing the two financing lines;
- A €0.7 million decrease in non-current tax credits (excluding deferred tax assets), due to recording the Group's 2020 R&D tax credit [*CIR*], and the change in the age of prior R&D tax credits;
- A €0.5 million increase in deferred tax assets, due to the use of French tax consolidation deficits in the amount of -€1.8 million, and the recording of new temporary differences in the amount of €1.3 million, in line with the year's operations.

1.3.2. Current assets

The current assets, excluding €82.0 million in cash, up €29.0 million from 31 December 2019, of which €21.5 million comes from the contribution of new 2020 acquisitions (the Laser and Ultrasound Business line of Ellex and the sub-group EssMed). Excluding this contribution, on a like-for-like basis, the "current assets" line item increased €7.5 million. This shift, as for that of the "other current assets," should be compared to the change in activity and control of WCR, which is commented on under paragraph 1.4.1 of this report.

1.3.3. Shareholders' equity

The change in shareholders' equity (Group share) over the year gives the following breakdown:

Change in shareholders' equity in million euros	Group
Shareholders' equity at 1 January 2020	124.9
Dividend distribution	-
Income– Group share	5.6
Translation differences	(0.5)
Actuarial differences	(0.3)
Treasury shares	(2.7)
Bonus shares	1.0
Capital increase	35.6
Other change	0.0
SHAREHOLDERS' EQUITY AT 31 DEC 2020	163.7

On 16 June 2020, the Lumibird Group closed a subscribed capital increase of more than 190%, for a gross amount, including issue premiums, of €36.3 million, representing an issuance of 4,037,015 new shares, each at a unit subscription price of €9.

Furthermore, during the course of 2020, excluding the liquidity contract, the Group signed a contract with an investment provider to purchase its own shares to cover the payment of a pending free share plan. Over the course of the year, the number of shares acquired totalled 241,141.

1.3.4. Current and non-current liabilities

	2019			2020		
	Non current	Current	Total	Non current	Current	Total
Financial debts	25.0	7.1	32.1	71.5	16.8	88.3
Provisions (excluding employee benefits)	0.0	0.7	0.7	0.4	0.7	1.1
Employee benefits	2.5	-	2.5	3.1	-	3.1
Deferred tax liabilities	0	-	0	0.6	-	0.6
Other liabilities	6.9	26.6	33.5	8.8	39.1	47.9
Tax payable		0	0		0.7	0.7
TOTAL CURRENT AND NON-CURRENT LIABILITIES	34.5	34.3	68.8	84.4	57.4	141.8

Current and non-current liabilities stand at €141,8 million and show an increase of +€73.0 million compared to 31 december 2019, of which a 14.4 million contribution from new acquisitions in 2020. On a like-for-like basis, the increase in current and non-current liabilities amounted to 58.6 million euro and mainly reflects the change in financial debts (+54.6 million euro) explained below:

The changes in the Group's net financial debt, for each category, are presented below:

Net financial debt in million euros	2019	2020
Debts from credit institutions	22.2	61.5
Bonds	0.0	17.0
Financial lease and lease debts	5.3	5.6
Aid/ Repayable advances	0.9	0.8
Tax credits financing	2.2	2.0
Short-term bank borrowings and overdrafts	1.3	1.2
Other financial debts	0.1	0.2
TOTAL FINANCIAL DEBTS (current and non-current)	**32.1**	**88.3**
Cash assets	(50.3)	(80.3)
NET FINANCIAL DEBT	**(18.2)**	**8.0**
Of which less than one year (1)	(43.2)	(63.5)
Of which over one year	25.0	71.5

(1) Cash assets are considered to be less than one year.

The Group posted, as at 31 December 2020, gross financial debt of €88.3 million (i.e., an increase of €56.2 million) including a contribution from Ellex in the amount of €1.7 million, concerning a leasing debt. On a like-for-like basis, the change amounts to €54.5 million, primarily due to the following:

- In the amount of +€25.9 million to the establishment of several financing lines:
  - two lines of €5 million at Bpifrance Financement for a term of nine years and nine months (including an eight-quarter grace period), repaid at the rate of 1.5% and accompanied by cash collateral totalling €0.5 million;
  - A French EMP at six banks totalling €15 million;
  - A line of credit specifically dedicated to the Covid-19 crisis in the United States, totalling 1.2 million.

These debts are not accompanied by any ratios or interest increase clauses, early repayment clauses, or security.

- In the amount of +€32.2 million, drawing on several financing lines already in existence:
  - Balance of the acquisition debt (€29.9 million) to fund the acquisition of Ellex's Laser and Ultrasound line. This debt (i) bears interest at the Euribor three-month rate +1.65%, (ii) is repayable in five equal yearly payments as from December 2020 (first yearly payment made in December 2021) and (iii) is accompanied by two ratios, which if not respected will result in the debt being due:
    - A leverage ratio (ratio of the net consolidated debt to consolidated EBITDA) must not exceed a declining maximum, gradually moving from three (high limit) at 31 December 2019 to two (low limit) at 31 December 2022;
    - A coverage ratio (ratio of the net consolidated cash flow to the servicing of the debt) which must be greater than one throughout the term of the credit;
  - Part of the property debt established to fund the construction of the Quantel Medical building in Cournon d'Auvergne (€2.3 million).
- In the amount of −€1.4 million for repayments of debts (excluding leases), with the increase in financial lease debts (excluding the effect of scope) being offset by the repayment of the same debts.

Furthermore, and without this coming to modify the amount of gross debt, on 1 December 2020, the Group restructured its acquisition debt as follows:

- Refinancing of its acquisition debt of €35 million through the establishment of:
  - a revolving banking line of €17.5 million with the same banking pool, with the following initial terms of the debt: (i) Euribor three-month rate +1.65% (ii) repayable in five yearly payments as from December 2020 (first yearly payment made in December 2021) and (iii) requiring rate coverage to be put in place for 100% of the nominal amount of this debt;
  - a bond issue of €17.5 million, ultimately repayable on 1 December 2027 and accruing interest at 3.30%.
- Establishment of a supplementary acquisition debt:
  - banking debt in the amount of €41.3 million in budget confirmed for authorised targets and €41.3 million in unconfirmed budget for eligible targets (i) able to be drawn until December 2022 (ii) accruing interest at the Euribor three-month rate + 1.65% (iii) repayable in five yearly payments as from December 2022 (first yearly payment in December 2023) and (iv) requiring the establishment of rate coverage on 100% of the nominal value of this debt;
  - bond issue in the amount of €17.5 million in confirmed budget for authorised targets and €5 million in unconfirmed budget for eligible targets (i) able to be drawn until 31 December 2022 (ii) accruing interest at 3.30% (iii) repayable by 1 December 2027.

All of this debt is accompanied by two ratios, tested annually on 31 December, for which a failure to comply renders the debt due:

- a leverage ratio (ratio of consolidated net debt to consolidated EBITDA) must not exceed a declining maximum, gradually shifting from 3.50 (high limit) at 31 December 2020 to 2.75 (low limit) at 31 December 2026;
- a coverage ratio (ratio of the consolidated cash-flow to the servicing of the debt) which must be higher than 1 throughout the term of the credit.

As at 31 December 2020, the Group was complying with all of its financial ratios.

1.4. Cash flow

In 2020, the Group recorded a net cash flow of +30,1 million euros. The Group's cash flow statement is presented below:

Cash flow in million euros	2019	2020
Cash flow from operations	19,5	13,1
Cash flow from investments	(17,1)	(67,1)
Cash flow from financing	28,9	84,8
Impact of exchange rate variations	0,2	(0,6)
CHANGE IN CASH	31,5	30,1

1.4.1. Cash flow from operations

Over the year, the Group generated €13.1 million of cash flow from operations, broken down as follows:

- - 4.0 million cash impact of the payment fraud suffered by the Group in May 2020;
- +22.1 million in operating cash flow before tax, financial expenses and payment fraud impact, generated almost exclusively by the Group's EBITDA, net of expenses directly related to the scope of consolidation;
- -6.1 million change in working capital requirements, due to the increase in trade receivables at the end of the year, linked to the significant seasonal effect in the fourth quarter;
- + 1.1 million in taxes received (application of the advance payment method in the French tax consolidation group).

1.4.2. Cash flow from investments

1.4.2.1. Investments carried out

Investments carried out in million euros	2019	2020
Industrial investments	11.2	12.7
Financial investments (excluding acquisitions)	0.3	0.6
INVESTMENTS RECORDED	11.5	13.3
Disbursement on acquired industrial investments	11.3	12.4
Cash from disposals of industrial investments	(0.3)	(0.1)
Disbursement on acquired financial investments	0.3	0.6
Cash from disposals of financial investments	(0.3)	0.0
INVESTMENTS PAID OUT	11.0	12.9
Acquisition of subsidiaries – Net cash	*6.1*	*54.2*

The difference between the investments recorded in the accounts and the investments paid out corresponds:

- to financial leases contracts, and
- to the change in trade payables for fixed assets.

The following table presents the various investments carried out by the Group in 2019 and 2020:

Investments carried out in million euros	2019	2020
Intangible investments	5.5	7.1
Investments in tangible assets	5.7	5.6
Financial investments	0.3	0.6
TOTAL	11.5	13.3

In 2020, the industrial investments recorded by the Group rose to 12.7 million. They primarily concern:

- research and development fees capitalised for €6.4 million;
- the new site in Cournon d'Auvergne, future headquarters of the Group's "Medical" business, for €2.9 million;
- arrangement of industrial facilities to match the Group's industrial development, in the amount of €1.1 million, mainly in Lannion ;
- new rights of use (through leases) for €1.2 million;

The acquisitions of subsidiaries concern the amounts withdrawn to purchase Ellex and EssMed shares, net of cash acquired.

1.4.2.2. Ongoing investments

As at 31 December 2020, the amount of ongoing investments recorded is not significant.

1.4.2.3. Investments to be made

In March 2019 a new building intended to house the business of Quantel Médical in Cournon-d'Auvergne was acquired. In fiscal year 2020, 2,9 million worth of work was carried out on the building. Additional work is planned for the first quarter of 2021 at a cost of €0.7 million. The commissioning date is set for March 30, 2021.

The other planned investments concern current investments in R&D and in manufacturing equipment, noting that manufacturing requires very few specific investments.

1.4.3. Cash flow from financing

The Group's financing cash flow stems from:

- Its debt (new loans, repayment of loans, interest paid). Over the year, the Group:
  - drew down €58.1 million from new bank loans or from existing credit lines, which is more extensively described in paragraph 1.3.4 of this report;
  - repaid its financial debts as scheduled (€1.6 million).
  - repaid €2.3 million in finance lease liabilities;
  - the Group has paid €1.4 million in financial charges.

- its relationship with its shareholders (capital increase): in June 2020, Lumibird carried out a net capital increase of €35.6 million, which is more extensively described in paragraph 1.1 of this report.

2. 2020 ACTIVITY OF GROUP COMPANIES

2.1. Result of LUMIBIRD SA

Within the Group, Lumibird SA acts as:

- an entrepreneur for all of the Group's business activities, guiding research, production, and sales activities, and providing management teams, and more generally bearing all expenses linked to the Group's development;
- a main player within the framework of a specific contract linking the Group to a defence developer;
- the main sales subsidiary for laser products in the EMEA zone;
- a financial holding company, bearing equity interests and financial debts. To that end, its handles the financing of its subsidiaries.

A summary of LUMIBIRD's results is presented below:

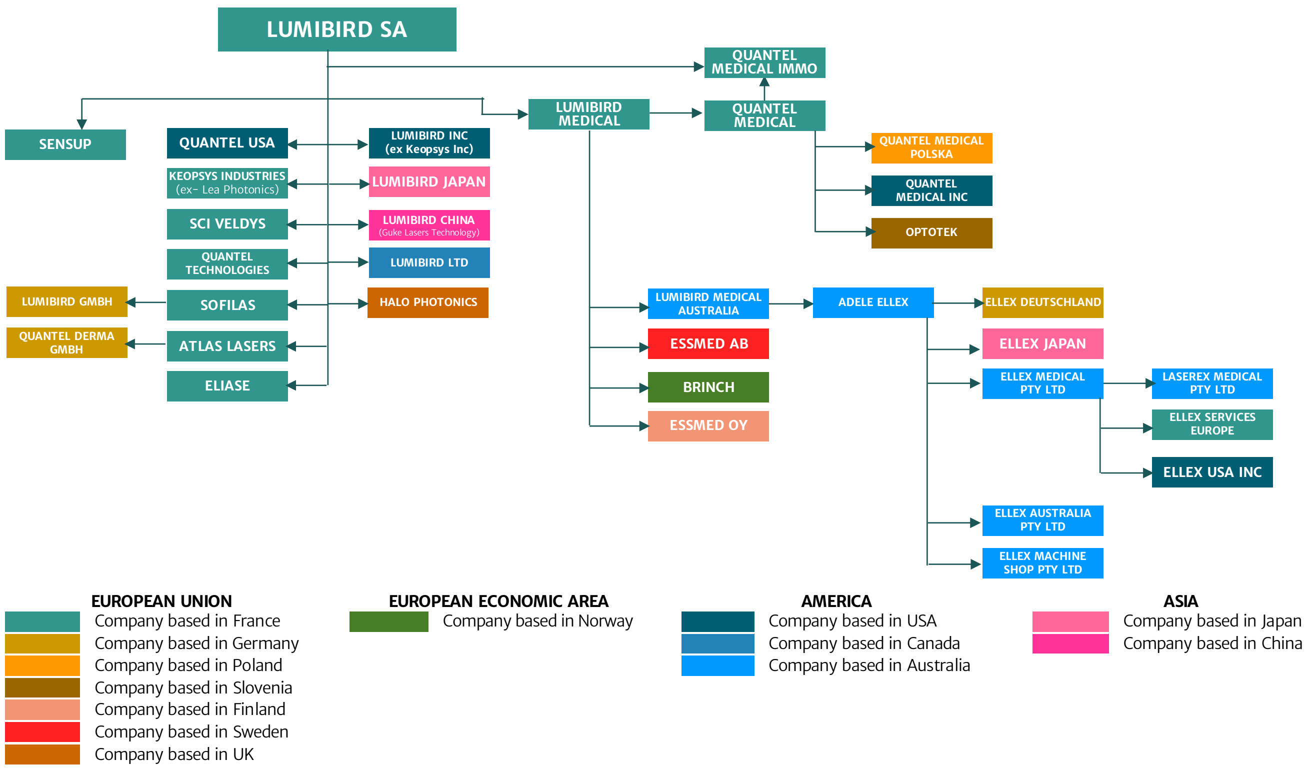
In millions d'euros	31/12/2019	31/12/2020	Change
Revenues	66.7	65.0	(1.7)
Operating income	7.7	-	(7.7)
Financial income	0.6	5.3	+4.7
Extraordinary income	0.3	70.1	69.8
Profit sharing	(0.5)	-	+0.5
Income tax (including tax consolidation)	(0.5)	0.4	+0.9
NET INCOME	**7.6**	**75.9**	**68.3**

Net income stood at €75,9million, up +€68,1 million, distributed as follows:

- -€7,9 million decrease in operating income: the decrease in activity (- 1.7 million euros in terms of revenues) is accompanied by the deployment over a full year of the Group's transfer pricing policy, making Lumibird bear the burden of the Development effort within the Photonics division as well as the variations in activity due to the health crisis;
- +€4.7 million improvement in financial income due to the foreign exchange gain realized through the implementation of a currency hedge in connection with the acquisition of Ellex Group shares;
- + €69,8 million improvement in exceptional income linked to the generation of a capital gain on the sale of shares as part of a reorganization of the medical branch, leading to the reclassification of the Quantel Médical shares under Lumibird Médical ;
- + €0.5 million related to the lack of a participation reserve in 2020, unlike 2019;
- +€0,9 million tax expense, linked to the improvement in the results of the tax consolidation group.

2.2. Subsidiaries' business

2.2.1. Group structure at 31 December 2020



The structure presented above reflects the Group at 31 December 2020. For all the companies presented, the percentage of voting rights is not different from the percentage of capital

The Group's structure aims to reflect the Group's industrial and managerial organization:

For the photonics market:

The laser production activities are organized around the dedicated production companies:

- **KEOPSYS INDUSTRIES**, based in Lannion, France, which houses the design and manufacturing activities for the fiber lasers and fiber amplifiers developed initially by Keopsys and LEA Photonics. LEA Photonics has developed a range of fiber lasers and optical amplifiers for telecoms networks adapted for very long distances, for complex networks in urban environments and for fiber to the home (FTTH). This range uses various components developed and produced in-house that make it possible to guarantee adapted performance features for industrial and medical applications.
  Keopsys has developed a range of high-power and compact pulsed fiber lasers using components developed and produced in-house and making it possible to guarantee performance features that are particularly well adapted for the LIDAR market, enabling it to become a recognized specialist for LIDAR technologies in the defense, industrial, scientific research and space sectors.

- The range of pulsed lasers offered by KEOPSYS INDUSTRIES includes:
  - Mid-infrared (eye-safe 1.5 micron wave-length);
  - Visible wavelength (green) for obstacle detection for the marine sector;
  - Ultraviolet for aerosol detection;
  - Mid-infrared wavelengths (2 microns and higher) for pollutant detection and defense applications.

  Keopsys Industries has put in place high-performance industrial facilities enabling it to manufacture complex products with high volumes and effective cost control.

  - **QUANTEL USA**, company registered in Montana, USA, which, in its laser branch, designs nanosecond lasers that complement the lasers produced by LUMIBIRD in Les Ulis.
  - **QUANTEL TECHNOLOGIES**, whose production plant is based in Les Ulis, France, which designs solid-state lasers and laser diodes for industrial and scientific applications and the defense and space sectors.

The production of LIDAR systems (which uses optical components - fiber lasers and optical amplifiers - developed and manufactured by Keopsys Industries) is supported by the following companies, dedicated to production:

- **HALO-PHOTONICS**, a British company based in Leigh, a purchased company which manufactures Lidar systems to measure wind;
- **LUMIBIRD LTD**, a Canadian company based in Ottawa, structured around a team of R&D engineers focused on Lidar design work.
- **SENSUP**, the company based in Rennes, France, and created in 2013, develops unique and innovative technical solutions with a multidisciplinary team specialized in optics, electronics, mechanics, software and signal processing for a series of compact, long-range and eye-safe LIDARs

Marketing activities for laser products are now headed up by LUMIBIRD, which manages:

- The EMEA market directly, or through its subsidiary Quantel GMBH for after-sales service activities in Germany;
- The Asian market directly or through its subsidiaries LUMIBIRD Japan (longstanding partner acquired on 24 March 2017) and LUMIBIRD China (created in July 2018); on this market, a local presence and local relationships are key factors for development;
- The American market, through LUMIBIRD Inc., based in Pennsylvania, comprising technical sales engineers who market the entire laser range and support clients and prospects with defining their needs and the technical responses that can be developed;

The "Medical" division's activities are led by QUANTEL MEDICAL, the subsidiary created in 1994 and based in Cournon d'Auvergne, which designs the ophthalmology products (lasers for treatment and ultrasounds for diagnosis), and markets them through its global network of over 100 distributors. In addition to this distribution network, QUANTEL MEDICAL is supported by:

- **OPTOTEK MEDICAL**, a Slovenian company acquired in 2019, specialized in the development of laser and optical solutions for medical applications;
- **QUANTEL MEDICAL Inc.**, that sells on the American market, the lasers and ultrasounds manufactured and distributed by Quantel Médical;
- **QUANTEL MEDICAL POLSKA**, a distribution company created in 2018 to serve the Eastern European markets.
- **LUMIBIRD MEDICAL OY** (former EssMed OY), **LUMIBIRD MEDICAL AB** (former EssMed AB) and **LUMIBIRD MEDICAL AS** (former EssMed AS), distribution companies based respectively Norway, Finland and Sweden and serve the Northern European markets;
- **ELLEX MEDICAL PTY** and **ELLEX MACHINE** Shop, Austarilan companies that develop, manufature and distribute Ellex product range in Austalia.
- **ELLEX SERVICES Europe** (France), **ELLEX Japan** (Japan), **ELLEX USA**, Marketing companies in Medical sector that serve European markets, Asian markets, and North American markets respectively.

In addition, the Group includes the following companies:

- **LUMIBIRD MEDICAL**, the holding company at the head of the Medical Division, with the task of managing the entire division;
- **VELDYS**, a real estate company (société civile immobilière), which owns the real estate for the Group's production site in Lannion;

- **QUANTEL MÉDICAL IMMO**, a real estate company (société civile immobilière), which owns the real estate for the Cournon d'Auvergne production site, which is the headquarters for the Group's "Medical" business;
- **QUANTEL DERMA GMBH**, previously called Wavelight Aesthetic GmbH. This company, acquired in September 2007, is based in Erlangen near Nuremberg in Germany. Since the Dermatology Division was sold in August 2012, this company no longer has any business;
- **ATLAS LASERS**, company holding the securities of Quantel Derma GMBH, 100% depreciated (4.7 million euros), taking into account the Dermatology business' sale in August 2012. The company has no business anymore;
- **SOFILAS**, a company incorporated in December 2007, which does not have any business. Since 2014, it holds the Quantel GMBH securities;
- **ELIASE**, incorporated in 2018 in connection with the reorganization operations that took place in 2019, presented in section 1.2 of the management report of the Board of Directors, related to the 2019 fiscal year, and which have not yet recorded any business to date.

The key figures for LUMIBIRD's main subsidiaries at 31 December 2020 are presented in the notes to the corporate financial statements, in the section on "equity securities".

2.2.2. Change in scope over the course of fiscal year 2020

In order to ensure better comprehension and coordination of medical activities, in particular following the acquisition of Ellex and EssMed, in fiscal year 2020, the Group reclassified the shares of Quantel Medical (and in doing so its subsidiaries) under Lumibird Medical, with no impact on the Group's accounts (with regard to transactions carried out between jointly controlled companies).

2.2.3. Change in scope since the start of fiscal year 2021

On 3 March 2021, Lumibird SA announced the signing of an agreement with Saab to acquire its Defence laser rangefinder business, established in Gothenburg, Sweden, representing revenues of more than €10 million based on the fiscal year ended 31 December 2020. The completion of this acquisition is subject to conditions precedent, in particular obtaining the required authorisations from the regulatory authorities. The transaction is expected to be finalised in the first half of 2022.

Within the framework of this new acquisition, the company Goldcup 26878 AB (which became Lumibird Photonics Sweden AB), a subsidiary wholly owned by Lumibird, joined the Group's scope of consolidation as a holding company for the purchased business activities. Lumibird Photonics Sweden AB had no business at the date of this report.

3. RELATIONS BETWEEN LUMIBIRD AND ITS SUBSIDIARIES

The Group is based around LUMIBIRD SA and its subsidiaries, which are all directly or indirectly fully owned.

3.1. Managers in common

At the date of this report:

- Marc Le Flohic, CEO of LUMIBIRD, is also:
  - President of Quantel USA, Quantel Medical USA, LUMIBIRD Inc., LUMIBIRD Japan, LUMIBIRD China, LUMIBIRD LTD;
  - Manager of Atlas Lasers, Sofilas, Veldys;
  - Managing Director of Keopys Industries;
  - Permanent representative of LUMIBIRD, itself president of the subsidiaries Quantel Medical, Keopsys Industries, Sensup, Quantel Technologies, Eliase, Lumibird Médical Australia;
  - Managing Director of Adèle Ellex;
  - Managing Director of Ellex Japan;
  - Managing Director of Ellex USA.

- Monsieur Jean-Marc Gendre, joint CEO of Lumibird is also :
  - President of Quantel Medical Polska;
  - Manager of Quantel Medical Immo;
  - Managing Director of Quantel Medical USA;
  - Managing Director of Adèle Ellex;
  - Managing Director of Ellex Deutschland;
  - Managing Director of Ellex Japan;
  - Managing Director of Ellex Australia;
  - Managing Director of Ellex Medical Pty;
  - Managing Director of Ellex Machine Shop;
  - Managing Director of Laserex;
  - Managing Director of Ellex Services Europe;
  - Managing Director of Ellex USA;
  - Director of Lumibird Medical AB (ex EssMed-AB);
  - Managing Director Lumibird Medical OY (ex EssMed OY);
  - Vice President and Director of Brinch.

3.2. Technical or commercial agreements

Taking into account the Group's organization, within which the company LUMIBIRD performs a role as the holding structure and the main commercial company, the following agreements have been entered into within the Group:

- Service delivery agreement between LUMIBIRD and all its direct subsidiaries, concerning the Group's management and the performance of commercial, financial and administrative missions;
- Sourcing agreement between LUMIBIRD and its production factories for the Laser business, under which LUMIBIRD places orders exclusively with its subsidiaries for the scientific and industrial lasers that it sells directly or through its commercial subsidiaries in the Asia region or the US;
- Cash management agreement between LUMIBIRD on the one hand and all its subsidiaries;
- Tax consolidation agreement, with LUMIBIRD as the head of the tax consolidation structure (refer to section 3.3 of this report).

Furthermore, over the course of fiscal year 2020:

- The Group's factories (Keopsys industries, Quantel USA, Quantel Technologies, Ellex Médical Pty, Optotek Medical) sold, and are continuing to sell to other factories, industrial and medical lasers and components manufactured on their production lines for the production needs of buyer factories;
- The Group's factories (Keopsys industries, Quantel USA, Quantel Technologies, Quantel Medical, Optotek Medical, Ellex Medical Pty) sold, and continue to sell to the marketing subsidiaries, components used to build up repair and spare parts inventories and, for the companies in the Medical scope, medical equipment resold in the preferred markets of its marketing subsidiaries;
- Lumibird Medical Australia has set up an Australian tax consolidation group gathering all Australian companies owned 100% directly or indirectly by it.

Lastly, it is reminded that the liquidity agreement entered with ESIRA, the majority shareholder and lead holding company of LUMIBIRD, whose purpose is to assist the LUMIBIRD Group with determining and establishing its overall strategy (approved by the general meeting of 16 December 2019) is still applied. This agreement does not result in compensation.

3.3. Tax consolidation

The Group has opted for the tax consolidation system whenever possible:

In France

A scope of consolidation was established: the system includes all French commercial companies that are at least 95% directly or indirectly held by the Company as at 1 January 2020. The French company formed over the course of fiscal year 2019, Lumibird Médical, was included within the scope of consolidation as at 1 January 2020.

As at 31 December 2020, the tax group headed by the Company had €11.1 million in deficits (compared to €15.3 million one year earlier). The €0.5 million in its own deficits which the Group had as at 31 December 2019 were transferred to Quantel Technologies within the framework of the partial contribution of assets subject to the legal system of spin-offs completed in 2019, after obtaining consent from the tax administration to make this transfer.

In Australia

A tax consolidation scope was created by Lumibird Medical Australia: the system includes all Australian commercial companies that are directly or indirectly held by Lumibird Medical Australia.

3.4. Deposits, sureties and guarantees

3.4.1. Off-balance sheet commitments resulting from current operating activities

(€'000)	31/12/2019	31/12/2020
Trade receivables not due	-	-
Guarantees given on markets	19	116
Pledges on tangible and intangible assets	-	-
Pledges on securities	-	-
Actual sureties	-	-
TOTAL	**19**	**116**

3.4.2. Off-balance sheet commitments given or received in connection with debt

(€'000)	31/12/2019	31/12/2020
Trade receivables transferred	-	
Guarantees and letters of intent	900	900
Collaterals and pledges on tangible and intangible assets	6,481	7,936
Collaterals and pledges on securities	35,000	140,000
Privilege to money lenders	4,821	5,729
Actual sureties	46,303	153,665
TOTAL COMMITMENTS GIVEN	**47,203**	**154,565**

The guarantees mentioned correspond to those given by LUMIBIRD SA to the Banque Populaire du Massif Central to cover all of Quantel Medical's short-term financing lines, for a maximum amount of 900,000 euros.

All the sureties mentioned above cover liabilities recorded on the balance sheet. The amount indicated above for sureties corresponds to the total amount of the commitment given when setting up the underlying borrowings. The outstanding capital on the borrowings covered by these commitments represented 45,905 thousand euros at 31 December 2020.

Furthermore, within the framework of the operation to structure its acquisition debt, the Company received a commitment from:

- Its banking pool (i) to finance external growth operations on authorised targets in the supplementary amount of €41.5 million (confirmed budget), under the terms detailed under paragraph 1.3.4 of this report and (ii) to finance in the supplementary amount of €41.5 million, subject to the agreement of a credit committee (unconfirmed budget) of external growth operations on eligible targets, under the same financial conditions as those of the confirmed budget;

- Its bond pool to (i) finance external growth operations on authorised targets in the additional amount of €41.5 million (confirmed budget), under the terms detailed in paragraph 1.3.4 of this report and (ii) to finance external growth operations for eligible targets in the additional amount of €5.0 million, subject to the consent of a credit committee (unconfirmed budget), under the same financial terms as those of the confirmed budget.

3.4.3. Operations with related parties

For a description of the agreements entered into between LUMIBIRD and its subsidiaries, refer to section 3.2 of this report.

4. OTHER INFORMATION

Inter-company loans and terms of payment

On the date of this report, the Company has not granted any loans for less than two years to any microenterprises, small and medium enterprises or mid-market companies with which it has economic links justifying this. Furthermore, in accordance with Articles L. 441-6-1 and D. 411-4 of the French commercial code, it is reported to you in the following tables on the breakdown, at the end of the previous two financial years, of the balance of the Company's accounts payable and receivable in relation to its suppliers and clients by due date.

Trade payables, invoices received and not paid at the year-end date whose terms have expired, Article D.441-4 I.1 of the French commercial code

		0 day	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)
A- Late payment instalments	Number of invoices	-	93	7	-	3	103
	Total amount of invoices concerned (All taxes included)	-	1,570	30	-	15	1,616
	% of the total amount of purchases for the year	-	3%	-	-	-	3%
B - Invoices excluded from A, relating to disputes or unaccounted for	Number of invoices excluded	0					
	Total amount excluded invoices	0					
C - Reference payment terms used	Payment periods used to calculate late payments	Legal: France: 45 days net / contractual Abroad: 30 days net					

Trade receivables, invoices issued and not paid at the year-end date whose terms have expired, Article D.441 I. 2 of the French commercial code

		0 day	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)
A- Late payment instalments	Number of invoices		133	28	14	106	281
	Total amount of invoices concerned (All taxes included)		3,956	890	191	1560	6,597
	% of the total amount of purchases for the year		6%	1%	0%	2.5%	10%
B - Invoices excluded from A, relating to disputes or unaccounted for	Number of invoices excluded	0					
	Total amount excluded invoices	0					
C - Reference payment terms used	Payment periods used to calculate late payments	contractual France and abroad: 30 days net					

The late payments mentioned in the table below are mainly related:

- to €3.7 million in invoices issued to intragroup subsidiaries for which payments were made in January and February 2021;
- to €1.5 million in invoices coming due at the end of December and paid 4 January;
- to the balance of €1.4 million, offset by advances and instalments recorded under liabilities in the amount of €0.8 million.

Anti-competitive practices

Neither the Company nor any Group entities have been subject to any prosecutions or convictions for anti-competitive practices during their existence.

5. RESEARCH AND DEVELOPMENT ACTIVITIES

The Group continued moving forward with its efforts focused on developing new products and improving existing products.

Total consolidated R&D spending on projects, whether self-financed, subsidized, eligible or not for the Research Tax Credit or equivalent for the 2020 fiscal year, came to 14 million euros, with 7 million euros capitalized and 7 million euros expensed for the current fiscal year.

6. DECLARATION OF EXTRA-FINANCIAL PERFORMANCE

This Declaration of Extra-Financial Performance, prepared for the 2020 fiscal year, in application of Order No. 2017-1180 relating to the publication of non-financial reporting transposing European Directive 2014/95/EU, presents how the LUMIBIRD Group approaches the social, environmental, and societal challenges arising from its business model.

The construction of the Lumibird Group since 2017, which began with the merger of the Keopsys and Quantel groups, has led to significant structuring work, as well as the implementation of a new organisation in 2019. It aims to standardise the Group's extra-financial performance policies and overall CSR approach.

In 2019, the Group's Senior Management determined the risks and challenges of the business model, with the assistance of the quality, human resources, and finance departments. An initial risk mapping was prepared and shared with the members of the Management Committee. This first year allows the Group to initiate the deployment of policies and key performance indicators relevant to the main risks identified.

The Covid-19 crisis that began in the first quarter of 2020 prompted the Group to mobilise its funds to ensure that all measures had been taken to guarantee the safety of the Group's employees and partners, financing, procurement, and business in general. The departments involved in the ESG project were particularly affected. The pace of the ESG plan indeed ended up being significantly impacted. Senior Management thus redeployed its ESG plan for the 2021-2023 horizon, having completed over the course of 2020:

- further development of its business model, better integrating the identification of the stakeholders, as well as associated risks and challenges;
- a review of its risk mapping, in connection with this analysis work;
- formal approval of the terms of its Purchasing policy.

The information presented below falls within the Group's scope of consolidation for social and environmental indicators. The Group is currently rolling out a process to extend the reporting scope to other non-financial data.

6.1. Business model

The objective of the Lumibird Group is to enable the democratisation of lasers by offering innovative and competitive laser solutions to as many people as possible.

Strengthened by its 50 years of experience, and the mastering of the three most cutting edge laser technologies (solid lasers, laser diodes, and fibre laser), the LUMIBIRD Group designs, manufactures, and distributes high-performing lasers for scientific use (laboratories, research, universities), industrial use (space, defence, lidar sensor), and medical use (ophthalmology). It is also positioned in sensor technology, representing the 4th technological revolution in the field of photonics.

As a midsized group with an average headcount of 846 people in 2020, and reported sales of €126.7 million, LUMIBIRD is the result of the merging of the Quantel and Keopsys groups. Very active in terms of external growth, it is nimbler than a large, diversified group and more powerful than a single-application technology company. A high-tech company with an international scale, in 2020 the Group made 20% of its sales in France (down 27% vs 2019), 23% in other European countries (+17% vs 2019), 23% in the Canada, United States, and Latin America zone (+32% vs 2019), 23% in the Asia-Pacific zone (+49% vs 2019) and 11% in the rest of the world.

The Group's ambition, reaffirmed in its 2020-2023 roadmap, is to position itself as a leader - both technologically and commercially - in the Photonics and Medical sectors with:

- A strengthened position in the ophthalmology market (diagnostics and treatment) through a stronger global presence;
- A strengthening of its strategy as an original equipment manufacturer (OEM) for other players in the medical sector;
- A strengthened position in the Lidar market to keep up with development of autonomous vehicles, wind power, and 3D scanning;
- A strengthened position in the space sector and in the defence sector, to keep up with the development of that sector in Europe and North America.

To do so, it is relying on its innovation and commercial production capacity:

- Innovation, to design increasingly high-performing products that are adapted to the constraints of the end users, in particular concerning miniaturisation, power, and precision;
- Commercial production, to adjust capacity to the strong demand of markets, at increasingly competitive costs. The stages of production of a laser are still currently primarily manual, although the processes and production lines established by LUMIBIRD fall within this culture of commercial production and "lean manufacturing".

This capacity for innovation remains a major source of added value for the Group, which still dominates it, through the patents it files, its control over product assembly (no use of outsourcing) and over the manufacture of critical components.

Insofar as it does not have sufficient resources to simultaneously renew all of the products of its various ranges, the Group is concentrating its investments on products whose commercial success is most likely, and for which it has or will have the appropriate technical expertise.

Its operating and legal areas are implementing this strategic direction, with:

- The rollout of two divisions (Medical, representing 46% of the Group's sales in 2020, and Laser, representing 54% of its sales), connected to the legal entities led by a common management team, which implement the Group's strategy;
- In the Photonics division, the implementation of production, R&D and after-sales activities on the one hand, and sales, on the other, around LUMIBIRD SA – which acts as a lead holding and the main sales company.

Its production plants are located:

- For the Photonics division in France (Lannion, Les Ulis, Le Barp, Cesson-Sévigné), in the United States (Bozeman) and in the UK (Worecester);
- For the Medical division in France (Cournon-d'Auvergne), in Slovenia (Ljubljana) and, since the acquisition of the laser and ultrasound division of Ellex on 30 June 2020, in Australia (Adelaide);

Its sales subsidiaries are located in France (LUMIBIRD SA, Quantel Medical, Ellex Services Europe), inEurope (Poland, Sweden, Finland, Norway, Germany), in China, in Japan, in the United States, in Canada, in Australia. In regions where the Group does not have a commercial establishment, it has 110 distributors.

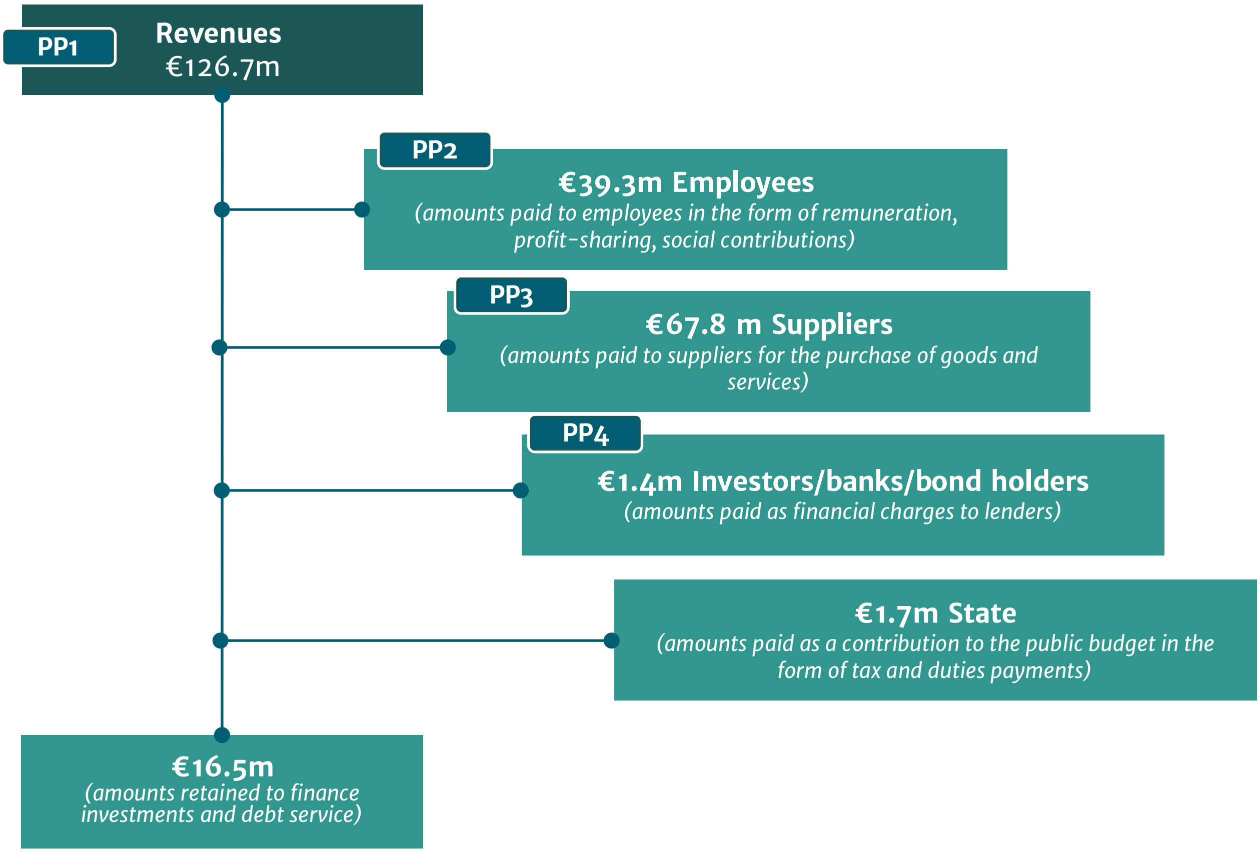
The business model thus described may be outlined as follows:

OUR RESOURCES	WHY ITWILL BE DONE	OUR CREATION OF VALUE
	Propose innovative laser solutions	
Human - 839 employees in 13 countries - (headcount as at 31 December 2020)		**A loyal team committed to strong values** - 14% growth in headcount on a like-for-like basis - 6% departure rate of people working under open-ended contracts [*CDI*]
Intellectual - Seven R&D sites - 145 R&D employees	Design innovative products to allow our clients to grow	**Intellectual property** - €14 million in development expenses, 50% of which have been activated
Industrial - Ten production plants - 421 production employees	Buy critical materials and components, creating a sustainable partnership with our suppliers	**Increased financial stability** - Revenues: €126.7 million (+14.5%) - EBITDA: €23.7 million (+12.8%) - COI: €14.1 million (+11.2%)
Commercial - 13 sales subsidiaries - 107 employees		
Financial - Gross cash: €80.3 million - Financial debt: €88.3 million - Acquisition debts: • €35 million drawn • €105 million able to be drawn	Produce high-quality laser solutions that are safe and adapted to clients' needs	**Recent consolidations:** - Ellex (06-2020) - Essmed (07-2020) - Optotek (08-2019) - Halo-Photonics (12-2019)
Ethics: CSR commitments - Code of Conduct - Compliance Policy - Purchasing Policy	Sell, distribute, and install our laser solutions, offering after-sales service to ensure product durability	**Limited environmental footprint** - GHG Issuance: 462 T/CO2 - Controlled energy consumption: 5,148 MWh (84% electricity)

The sustainability of the model relies on the soundness of the interactions that the Group is able to build with its stakeholders. This solidity relies on properly identifying the latter and having a good understanding of each party's expectations. The work conducted in 2020 allowed the following mapping to be established:

MAIN STAKEHOLDERS	EXPECTATIONS/METHODS OF ACTION
Clients (PP1)	Expectations: ¬ Compliance with regulations ¬ Compliance with technical features of the product/Studies ¬ Contribution of innovative and sustainable technical solutions (management of obsolescence) ¬ Compliance with confidentiality of results ¬ Good quality/price ratio ¬ Consideration of an eco-citizen and eco-responsible process Method of influence: ¬ Indexing of the Group as providers (audit, commitment to responsible purchasing) ¬ Non-renewal of agreements/contracts Non-payment of invoices
Employees (PP2)	Expectations: ¬ Attractiveness of positions (career development, interest of engagement, values) ¬ Equity, equality ¬ Consideration of well-being, health, and work safety ¬ Consideration of an eco-citizen and eco-responsible process Method of influence: ¬ Turnover ¬ Employer-employee dialogue ¬ Reputation on social networks
Suppliers and Providers (PP3)	Expectations: ¬ Clear definition of technical specificities ¬ Contracts for price, quantity, and term that provide sufficient financial visibility Method of influence: ¬ Price ¬ Supply term
Financial community PP4 *(shareholders, investors, bank, insurance, market authority)*	Expectations: ¬ Long-term visibility of strategy ¬ Regular communications, discussions with executive manager ¬ Sustainable financial balance and profitability ¬ Compliance with regulations ¬ Risk management (industrial, financial, non-financial risks) Method of influence: ¬ Analysis, rating, complaints or explanations ¬ Amount of insurance premiums and coverage fields ¬ Evolution of shares held ¬ Extent of financing proposed

In 2020, the value created by the Group was shared as follows:



The Group's CSR process aims to promote and consolidate this business model, incorporating the expectations of all stakeholders. Its construction, roll-out, and implementation is an important growth lever, insofar as it will allow the four main challenges identified to be addressed:

- Develop a trusting relationship with our clients, allowing for sustainable development of the ecosystem and the markets for the most innovative technologies;
- Create loyalty, motivate, and positively involve employees in the strategy, as well as participate in their development;
- Form solid and sustainable partnerships with our suppliers that are able to develop and grow with the Group;
- Adopt a global citizenship approach (which ensures a high threshold of requirements in terms of business ethics) that is environmentally responsible (ensuring the preservation of the ecosystem).

6.2. Main extra-financial risks

In view of this business model, its ambition and its stakeholders, the Group carried out a review of the first mapping of its extra-financial risks in 2020. As in 2019, this review involved the General Management, Finance, HR and Quality departments.

The set of risks is based on an analysis of the regulatory texts applicable to the Declaration of Extra-Financial Performance, in particular the list of information stated in Decree 2017-1265, the business model, the objective of the stakeholders and the main issues identified. Each risk identified was rated, considering the severity and probability of it occurring. The rating was made before taking into account the measures and policies in place to mitigate the effects of the risks.

This mapping, validated by the General Management, led the Group to keep its 2019 analysis of the five main extra-financial risks:

- Risks to talent and expertise
- Product risks
- Risks related to a deterioration in the relationship with clients
- IT system risks
- Risk of insufficient consideration of the consequences of climate change.

The interaction between the issues of the model, the associated risks and the policies/approaches deployed can be summarised as follows:

ISSUES	RISKS	POLICY / APPROACH	SUSTAINABLE DEVELOPMENT GOALS
Supporting our customers in the long term by offering innovative technical solutions	¬ On client relationship ¬ On products ¬ On talents and expertise ¬ On IT systems	¬ Quality policy ¬ R&D Roadmap ¬ HR Policy	3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 5 GENDER EQUALITY 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 10 REDUCED INEQUALITIES
Involving employees in the Group's strategy	¬ On talents and expertise	¬ HR Policy	3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES
Develop a sustainable relationship with critical suppliers	¬ On products	¬ Procurement policy	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Be part of an environmental and civic approach	¬ On client relationship ¬ On talents and expertise ¬ On insufficient consideration of the consequences of climate change	¬ CSR approach ¬ Ethical approach	6 CLEAN WATER AND SANITATION 7 AFFORDABLE AND CLEAN ENERGY 8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 10 REDUCED INEQUALITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

6.2.1. Risks to talent and expertise

There is no innovation process without effective talent management, which allows the Group:

- To have a qualified and motivated management team to lead the Group's strategy, in the various speciality areas;
- To have very specialised technical expertise in the fields of optics and optoelectronics, for all business lines for the R&D approach to production and to VAS, without forgetting the support services: Purchasing, Supply Chain, IT, Quality, Finance, Human Resources, etc.
- To design high-quality products that address the technological challenges of the Company and its clients;
- To manufacture these products with the level of quality and safety required.

To do so, the Group must constantly attract, motivate, continuously train, and build loyalty among a highly qualified staff in the areas of R&D, design and manufacture, technical support, and sales.

The current environment is marked by a shortage of human resources and hyper-competition among organisations. If the Group were not able to attract and keep its talent, the technological advance it has would be lessened and several development programs would be significantly delayed, or even cancelled. The Group could then see its market shares reduced and its reputation as an innovative company diminished.

The Group intends to cover this risk by defining and rolling out a suitable Human Resources policy, and integrating the following sustainable development goals of the United Nations:

- **GOAL 3** : Ensuring healthy lives and promoting the well-being for all at all ages;
- **GOAL 4** : ensuring equal access to quality education for all and promoting lifelong learning opportunities;
- **GOAL 5** : achieve gender equality and empower all women and girls;
- **GOAL 8** : promote sustained, shared and sustainable economic growth, full and productive employment and decent work for all;
- **GOAL 10** : reduce inequalities within and between countries.

This policy, the principles of which have already been determined by Senior Management, must be formalised and rolled out within the Group during the second quarter of 2021.

6.2.2. Product risk

6.2.2.1. Risk to the innovative nature of the products

The Group's markets are subject to multiple and constant technological and regulatory developments.

The Group controls three or four major laser technologies and, strengthened by its confirmed technological lead (notably in fibre laser technologies), strives to maintain and develop an innovative range of products, responding to and anticipating the market's needs. As such, it is positioned as a major player in the 4th technological revolution in the photonics sector, through the development of LIDAR sensors.

If the Group were to abandon, or be unable to deploy its innovative approach, it would lose its leading position in fibre lasers, might not survive technological turning points in the future, and would be unable to position itself in future markets.

In order to cover this risk, the Group strives to deploy a medium to long-term "Development" roadmap allowing it to maintain its technological progress, all while allocating its resources to development projects that are in line with the sector's expectations, as upstream as possible.

This roadmap identifies 50 projects, 20 of which have been deemed to be priority projects.

6.2.2.2. Product quality risk

The products sold by the Group are extremely complex and their manufacture requires particular vigilance.

LUMIBIRD's competitive position in its extremely technological markets also relies on the quality of the products it designs, manufactures, and distributes. The challenge for the Group is both maintaining its reputation, its market shares, and of ensuring the safety of its clients.

6.2.2.3. Risk to supply and to the relationship with suppliers

In order to be able to manufacture its products, LUMIBIRD calls on third-party suppliers, in particular so that it can procure specific components, such as laser crystals for solid lasers, Pockels cells, flashes, laser diodes for all types of lasers, ultrasound transmitters, high precision optical instruments, slit lamps. The company also offers a wide range of products such as bio-microscopes, bio-microscopes and mirror galvanometers for medical lasers.

For all of these components, considered as critical, the Group uses, to the extent possible, at least two suppliers, in order to be able to negotiate prices and deal with any potential failure on the part of either supplier.

The main challenges for the Group that are linked to its choice of suppliers are as follows:

- Preventing a single-source supply from making the Group dependant on the financial health of its supplier, its quality policy, or the political or health stability of the country where that supplier is located;
- Ensuring a responsible purchasing policy under which suppliers commit to complying with environmental criteria and to respecting human rights, in accordance with the sustainable development goals of the United Nations:
  - GOAL 12 – establish sustainable consumption and production patterns;
  - GOAL 16-15 –significantly reduce corruption and bribery practices in all their forms.

  This framework has led the Group to ask its providers to obtain a certificate of compliance with the REACH, RoHS, and CMRT directives (restricting the use of toxic, hazardous, or rare substances), the general principles on respect of human rights, and the fight against slavery and forced labour.

In 2020, the Group endeavoured to formalise this purchasing policy, which will be deployed in the second quarter of 2021.

6.2.3. Risk linked to the client relationship

The demands of LUMIBIRD's clients for products with high added technological value, are significant in terms of product quality, responsive services and respect for deadlines.

Specific attention must be given to client satisfaction, the risk of harming the Group's brand image, and its competitive position in its markets.

The effectiveness of the quality process in connection with client satisfaction may be measured through:

- the measurement of the rate of order renewals or requests within the framework of R&D requests for bids;
- satisfaction surveys (conducted internally, or by external providers);
- rate of client feedback;
- monitoring of payment incidents and their nature.

6.2.4. Risk related to IT system security

LUMIBIRD relies on an evolving IT system, which lists all of the data needed to design, manufacture, and distribute products, and more generally those needed to properly perform all of the Group's services.

Within the context of its work for defence players, specific security measures have been taken to ensure that data is fully leakproof.

LUMIBIRD considers the risk of its data being hacked or of a cyberattack leading to a data loss to be critical, as such an occurrence could severely impact the Group's business continuity, as well as its brand image. A theft of technical data could moreover cause LUMIBIRD to lose its leading position in certain markets.

Over the course of 2020, and despite the fact that no considerable data was compromised, the Group was the victim of fraud due to identity theft in payment methods obtained by hacking the email account of a senior executive.

The following occurred in 2020:

- strengthening of access security protocols (two-factor authentication, password policy, information on phishing techniques);
- roll-out of servers improving the availability and security of servers and data;
- audit of IT systems including intrusion tests leading to recommendations and an action plan.

6.2.5. Risk related to the consideration of the environmental footprint

The ecological footprint of LUMIBIRD's activities remains limited, as its manufacturing process does not require the use of polluting products, nor does it generate the emission of waste that could impact the environment. Only energy consumption is likely to result in greenhouse gas (GHG) emissions, which the Group wishes to control initially.

While the Group's R&D and production activities are not very susceptible to GHG emission, LUMIBIRD does not consider its carbon footprint to be null due to:

- The global sale of its products, which require the use of air and road transportation to carry its products;
- The geographic location of its sites: despite the growing use of modern communications tools (videoconferencing, internal messaging), travel of teams between sites is still frequent

The Group wishes to monitor its carbon footprint and to set goals for improvement in this area. The first stage consists of recording the carbon impact from its facilities. In 2021, the Group will strive to determine and record its carbon impact linked to the activities of transporting people and products. At the end of this recording work, it will set a goal to reduce its footprint, along with an adequate action plan.

6.3. Policies and approaches implemented and indicators

The Group and its Departments' structuring work on non-financial challenges was addressed in a thorough review in 2019, which was set to be finalised in 2020. The health crisis mobilised a portion of the Group's central resources and shifted its priorities. The main policies intended to cover the primary financial risks were not able to be successfully finalised, and have been delayed to 2021. The framework is now ready to formalise the policies and establish a system for essential mechanisms to handle the Group's non-financial challenges.

6.3.1. Human Resources policy

Human Resources management relies on strong values. Dedication to these fundamental values is materially reflected on site. At the core of these values is the constant efforts to better respond to client and consumer expectations, with secure, competitive, innovative, and sustainable solutions.

The expertise and commitment of its associates are one of the Group's main strengths. Employee motivation and valuing human resources have thus been placed at the centre of the Group's social policy.

The diversity of the Group's businesses and activities, their strong potential for development, innovation, and personal challenges, make it possible for the Group to have a dynamic and tailored human resources policy.

The current environment is marked by a shortage of human resources and intense competition from other organisations. As human capital is a key resource for the Group, it strives to improve:

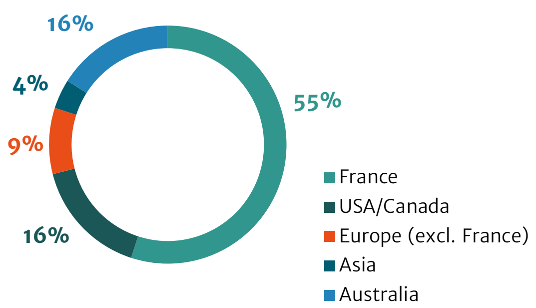
- Its visibility, through its participation in various professional conferences, its communications on social networks, and hosting interns at various levels to present the Group and its business lines;
- Its attractiveness, through a person-centred and motivating social policy: hiring with opened-ended contracts, employee integration, compensation policy adapted to the markets, and ensuring a motivating, variable share of compensation, and geographic mobility within the organisation;

- Employee well-being and their health/safety at work, notably through:
  - Workplaces that are well-suited for the activities being performed;
  - A development of new work methods, in a multi-site and multi-country environment: telework, modern communication methods (videoconferencing, Group messaging, etc.)
  - Medical follow-up adapted to the work performed (in particular specific and regular eye exams for any associate working directly with laser products).
  - the establishment of strict health rules and work protocols that have been adapted to the Covid-19 health situation.
- a skills development policy, implemented through:
  - an open recruitment policy for diverse areas of expertise, talents, and career paths, which promotes internal mobility;
  - assistance with internal and external training needs, throughout their career;
  - the establishment of business line mapping, which will then allow skill bases to be determined. These skill bases will be used to measure employee expertise levels, and will allow bridges to be created between functions and levels, while calibrating training and/or monitoring needs;
  - the creation of an annual review of the workforce and organisations with the goal of measuring their performance level, identifying discrepancies as a function of future developments, and defining action plans for personnel that has been recognised as high-performing and/or who have been deemed to have potential.
- its social cohesion, through:
  - the establishment of a matrix-based, hierarchical organisation which transcends copes of responsibility and geographic boundaries, allowing teams from various different sites to work together in their area of expertise, and to develop a feeling of belonging to the Group;
  - facilitation of a quality employer-employee dialogue, without interruption for several years, based on respect and dialogue;
  - the establishment, in early 2020, of a single Economic and Social Union within France, opening the way to an integrated social structure and active employer-employee dialogue: in 2020, the first participation agreement covering all French employees was signed.

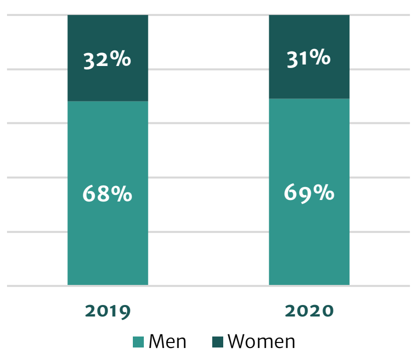
6.3.1.1. Workforce

TO DATE	2019	2020	%	Turnover
TOTAL GROUP WORKFORCE	**604**	**839**		
Number of permanent contracts (constant scope)	514	585	14%	6%
External growth	-	191		
Number of permanent contracts (Group)	514	776	51%	
% / Group workforce	85%	93%		
Number of fixed-term contracts (constant scope)	90	62	-31%	
External growth	-	1		
Number of fixed-term contracts (Group)	90	63		
% / Group workforce	15%	7%		

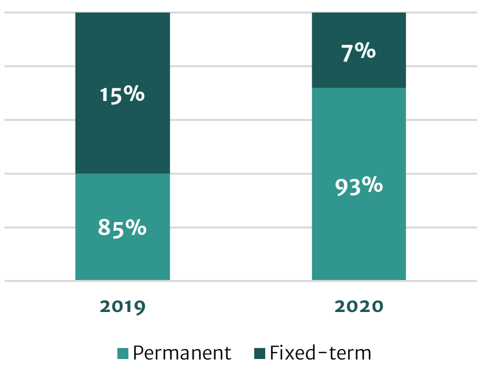
Workforce breakdown by geographic area



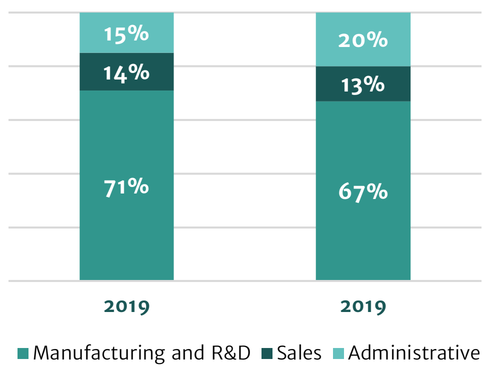
Workforce breakdown by gender



Workforce breakdown by contract type



Workforce breakdown by activity



Average	2019	2020	%
TOTAL GROUP AVERAGE WORKFORCE	**567**	**846**	**49%**
Constant scope	567	652	15%
External growth		198	
Of which men	382	584	
	67%	69%	
Of which women	185	262	
	33%	31%	
Of which executives	201	264	
	35%	31%	
Of which non executives	366	588	
	65%	69%	

	2019	2020
TOTAL GROUP AVERAGE WORKFORCE	**567**	**846**
PERSONNEL COSTS (€m)	**32.2**	**39.3**
Wages and social contribution	30.6	37.9
Profit sharing	0.8	0.4
Free shares allocation	0.8	1.0

The Group strives to ensure:

- Given its business model, a predominant part of the staff in "Studies and Manufacturing"
- A predominant part of open-ended contracts, which ensures the long-term efficacy of the talent management policy;
- A balanced age range, ensuring a harmonious transfer of knowledge between generations;
- The Group is accessible to disabled persons: as at 31 December 2020, the Group employed 21 disabled people (of which 14 in France), compared to 16 one year earlier.

6.3.1.2. Training

Increasing overall performance and managing the structure as efficiently as possible, using a qualified, well-trained, and professional staff, is one of the Group's commitments. In a period of transformation, it is important to mobilise resources and mechanisms to promote increased expertise of associates, and help them develop their business and technologies.

The ongoing training must support the continued improvement of the staff and organisation. It is reflected in:

- Sharing skills internally, within the Group,
- A training plan, in France, very disrupted by the impossibility of conducting face-to-face training for much of the year.

Targeted training needs are determined from each employee's annual progress and professional skills evaluation interview. The choice to offer local training, training between companies, and internal training programs allows the Group to offer all of its employees greater access to training. The mechanism at the Group level is under development, and the systematic analysis of the interviews will make it possible to build the training plan as closely as possible to the needs available from April 2021.

6.3.1.3. Respect for people

Respect for people is a fundamental value of the Group. It entails:

- Respect for equal treatment at all times
- Respect for the physical integrity of all stakeholders, including employees.

6.3.1.3.1. Ensuring equal treatment

As we firmly believe that gender fairness and diversity are true factors for creating efficacy and modernity, the Group believes that men and women must be professional equals, benefiting from equal treatment in terms of access to employment, professional training, and compensation.

This relies on two principles:

- Equal rights between men and women, which entails not discriminating among employees due to sex, whether directly or indirectly;
- Equal opportunity aimed at remedying, through concrete measures, inequalities that may be encountered by men or women in their professional field.

Furthermore, for a given job or a job of equal value, the Group implements a proactive employee policy to ensure equal compensation between men and women.

In terms of recruitment, the Group strives to make sure its recruitment process, whether it is external or internal, takes place under the same conditions for men and women. This process uses criteria based on use of the required skills.

In order to support equal opportunity to access all job vacancies in the company, men and women benefit from an identical recruitment process. The procedure for interviewing and recruiting only refers to the level of education, the nature of the degrees, past experience, and skills required.

In terms of training, the Group guarantees equal access of men and women to professional training, regardless of the type of training. Access to professional training is an essential factor for there to be equality between men and women in their career development.

More generally, the Group ensures that a work environment is created that is free from any discrimination in relation to age, origin, religious or ethnic identification, disability, or any other criterion.

6.3.1.3.2. Health and safety

Personal safety is a priority. The Group's Health, Safety and Environment teams (HSE) are tasked with understanding, anticipating, and remedying risky situations. This requires:

- Ongoing discussion with all company players, in particular with the other divisions and production teams, and with R&D, so that every decision incorporates health and safety;
- Use of regulatory oversight, following up on HSE training;
- Monitoring compliance with current regulations, and communications coordinated with government authorities
- Constructive collaboration with the personnel representative bodies, the CSSCT with quarterly local meetings and an annual meeting at national level.

All facilities or modifications to facilities are done in scrupulous compliance with the regulatory framework, working with the HSE referent persons in France.

In the United States, facilities comply with OSHA (Occupational Safety & Health Administration) standards.

In Australia, WHS (Work Health and Safety) rules are applied, with monitoring by a group of Ellex employees who form a WHS committee.

Hygiene and safety aspects are addressed by the Social and Economic Committee which meets each quarter as provided for by the current regulations. It is noteworthy that to date, no occupational health and safety agreements has been entered with the union organisations or staff representatives.

The level of qualification of personnel working on site is particularly high. The training trajectory leading to the work position is moreover supplemented by regular training sessions, which target aspects of electrical and laser risks.

The costs incurred at the risk prevention level pertain to either investments or to current expenses:

- As concerns investments, there are those that directly address risk prevention and environmental protection, but there may also be investments that are made to maintain industrial equipment, to increase capacity, or introduce new products, and that must take this subject into account. Under that circumstance, the corresponding amounts are hard to identify.
- The same principle applies to current expenses. Indeed, HSE concerns are intimately linked to all current expenses within industrial sites. Likewise, prevention and control activities are part of employees' daily lives at the workplace, through their professional activity. For these reasons, identifying expenses in order to specifically respond to these various regulations is hard, and does not allow quantified information based on easily identifiable and controllable criteria to be provided.

Very particular attention is devoted to the specific risks of lasers: laser radiation and electrical risks. The work structure is geared towards minimising these risks and includes: individual laboratories, the use of mandatory glasses, compliance with electrical safety principles, and regular medical exams.

During the fiscal year ended, the Group recorded 3 work accidents and no occupational illnesses, compared to six work accidents and 3 occupational illnesses in 2019. The number of accidents incudes all reported events, regardless of their severity and circumstances, in particular commuting accidents.

6.3.2. innovation and quality policy

The Group designs and manufactures products that are dedicated to the medical, Lidar sensor, defence and space, science, and industrial markets. Its mastery of technological performance, reliability, and costs is essential to provide leadership for its activities and ensure they are sustainable.

LUMIBIRD's quality policy, which is shared within the Group, aims to improve LUMIBIRD's performance in order to satisfy the needs and expectations of its clients. The Group has set the following goals:

- Innovation (to conquer new markets by developing new products and applications and optimising research and innovation methods within the Group);
- Performance (to improve the efficacy of the processes, maintain the Group's competitiveness, reduce timeframes);
- Reliability (aiming to improve product performance, control manufacturing, our activities, and our external suppliers);
- Expertise (by improving management and staff skills by establishing an ongoing training policy).

6.3.2.1. Innovation

As concerns the innovation policy, the R&D department has established a multi-year innovation plan as well as a list of development projects underway, categorised by order of priority. This plan is regularly presented and reviewed by Senior Management.

To date, the R&D teams are involved in more than 50 projects, 20 of which are considered priorities for the Group's development.

The R&D department's indicators are as follows:

	2019	2020
R&D workforce (to date)	ND	145
% of total workforce		*17%*
Gross R&D expenses	€9.3m	€14.0m
% of revenues	*8.5%*	*11.0%*
Capitalized expenses	*€6.4m*	*€7.0m*
Research tax credit generated (France)	€2.4m	€2.6m

6.3.2.2. Quality

6.3.2.2.1. Consumer safety

The products manufactured and sold by the Group are intended to be used by professionals of the medical, industrial, and defense sectors. They are in no way intended to be used by consumers. However, all measures are taken to at least comply with the European and American standards, and to ensure that users are informed of the risks assumed and the potential need to use appropriate protective glasses.

In 2020, no claims or requests for claims against the Group's products in cases of injury to persons or property were recorded.

6.3.2.2.2. Technical quality of products

A quality control process performed by dedicated teams is conducted for each product before being issued and sent to clients. This allows for ensuring:

- proper functioning of a product;
- compliance with the characteristics expected by the client;
- proper product safety.

Furthermore, an after-sales service, mobilised at each of the Group's plants and rolled out in each sales subsidiary, as close to the client as possible, ensures that technical issues relating to products that are or are not under guarantee are resolved.

The discussion launched in 2019 is still pending within the Group to determine the quality policy within the various departments (R&D, production, purchasing), and to determine the pertinent indicators needed to measure their efficacy.

	2020
Number of operating centres	10
Of which certified	6
%	60%

6.3.3. Purchasing policy – safety of supplies

The Group's purchasing policy falls within ongoing quality and innovation policies. In order to ensure a continuous supply which meets the expected technical requirements and ensures safe supply periods, the purchasing policy has the goal of:

- sharing and disseminating best practices in terms of multi-sourcing. For all sensitive components, the Group uses, to the extent possible, at least two suppliers in order to be able to negotiate prices and handle a potential supplier default (the goal is to have at least two reference suppliers, whenever it is possible to do so);
- pool supplier ratings in terms of fees, product quality, and supply terms;
- deploy a responsible process by choosing the partners committed to the Group's ethical, social, and environmental requirements.

The policy was formally approved in 2020 and must be rolled out within the Group as of 2021. A discussion is pending to determine the pertinent indicators needed to measure their efficacy, including:

- the portion of purchases covered by suppliers' obtaining REACH, RoHS, and CMRT certificates;
- the portion of purchases covered by a quality review of providers;

Over the course of 2020, the purchases of components and materials from French sites (which represent 33% of the Group's purchases over this same year) are covered by providers, 27% of which are certified. The Group's goal is:

- to raise this threshold to 50% by 2023;
- to extend this requirement to all of the Group's production sites.

6.3.4. Environmental policy

6.3.4.1. Combatting pollution

The Group's companies essentially act as assemblers, using optical, mechanical, or electronic components purchased from their suppliers. The environmental impact of their activity is thus low, insofar as the necessary precautions are taken to:

- Eliminate any risk of laser radiation outside of the laboratories equipped for this purpose.
- Have hazardous substances (which are used in limited quantities) processed by a specialised company.

6.3.4.2. Optimising consumption

The Group's environmental impact is essentially measured in terms of electrical consumption. The activities of the Group's companies do not specifically result in greenhouse gas emissions or major disturbances in terms of noise or odours.

Nevertheless, the Group intends to set a target for reducing its greenhouse gas emissions after identifying all sources of emissions. It has already committed to reducing team travel, in line with the practices put in place during periods of confinement and curfew: use of videoconferencing meetings and regular teleworking.

There is no known problem or impact concerning the use of soil, adapting to climate impacts, or biodiversity.

Its energy consumption comes primarily from its plants. The Group controls, to the extent possible, its power consumption, in particular by regulating the clean-rooms, which are one of the places that the most energy is used. Investments likely to reduce overall energy consumption are carefully studied, with the "Purchasing" department having the power to make proposals in this area: choice of printers/type of lighting/insulation plan. The new premises of its administrative centre in Rennes (operational in April 2020) have been established in a High Environmental Quality (HEQ) building. The new operating centre in Cournon d'Auvergne was designed to incorporate HEQ lighting and heating systems.

Overall, consumption for the operating centres was as follows:

In million euros	2019	2020	Change 2020/2019 (%)
Gaz (MWh)			
French site	472	475	1%
Other sites	NC	357	
TOTAL GAZ		**832**	
Électricity (MWh)			
French site	2,946	2,948	
Other sites	NC	1,369	
TOTAL ELECTRICITY		**4,317**	
GHG emitted (Tons CO2 equivalent) per € million of Group revenue			
French site	2.5	2.9	14%
Other sites	NC	2.0	
TOTAL GHG EMITTED		**3.6**	

In terms of the process of promoting the circular economy, the Group carries out the mandatory disposal and recycling procedures for chemical and electronic waste (processed by specialised companies), and recycles cardboard, light bulbs, and batteries. IT equipment is also given to specialised companies.

In terms of energy consumption, a key component of the Group's innovation concerns:

- Establishing shared platforms, which allow use of components (and materials) to be streamlined, focusing added value on design (intellectual capital);
- the democratisation of laser, which will entail developing a better priced laser (different design, which uses less materials), within a five to ten-year horizon.

6.3.5. Ethics policy

Acting with integrity, honesty, and equity are key components of sustainable performance, and an absolute value of the Group. The health crisis that the world has suffered since 2020 has undeniably led to a certain disruption of the teams (proliferation of remote work, reduction of in-person meetings or gatherings). The Group's international expansion prompted by its economic development and external foundational growth in 2019 and 2020 also contributed to this shift.

That is why the Senior Management deemed it necessary to formally approve a code of conduct which recalls all of the Group's ethical commitments. This code must be disseminated to all employees by late March 2021 and will be integrated into any new employee's welcome package.

6.3.5.1. Actions ensuring respect of human rights

6.3.5.1.1. Data Protection Regulation

In conformity with the European Union Data Protection Regulation (EU 2016/679) dated 27 April 2016, the LUMIBIRD Group is striving to establish a policy that will allow the legal provisions to be respected.

An audit was performed in late 2019 on the main support functions as well as on two French sites. Following this audit, a Working Group was established, led by the quality department, and including the Finance, Human Resources, and Systems departments, to determine an action plan and roll it out within the Group in 2020. An external Data Protection Officer has been appointed and is organising, together with the project team, the appropriate processes and documentation.

6.3.5.1.2. Other actions ensuring respect of human rights

Given the markets in which it operates, the Group does not deem it useful to undertake other specific human rights actions, although it complies with the human rights rules declared at the national and international levels.

6.3.5.2. Combatting corruption

The Group does not tolerate any form of corruption or embezzlement, including extorsion and bribes, to obtain a commercial advantage in conducting its business, and is committed to complying with the laws in effect in all of the countries where it operates. The procedures put in place since the establishment of an ERP IT tool have allowed the signing of sales and purchase orders to be monitored. These procedures are embedded in the rates, scales, and commissions established.

Over the course of 2020, the Group formally approved:

- A code of conduct with in particular integrates the proper conduct to be adopted to combat corruption, which must be rolled out at all of the Group's subsidiaries during the first quarter of 2021;
- A compliance policy which, upon validation by Senior Management, will be disseminated and signed by all of the Group's subsidiaries, recalling the Group's ani-corruption commitments.

6.3.5.3. Combatting tax evasion

The LUMIBIRD Group has always adopted a reasonable tax policy, aimed at ensuring its interests while preserving the trusted relationships with the established governments.

The Group's financial teams, regardless of the country where they are working, are committed to, with the support of a Group tax board and local boards where applicable, complying with the national and international tax obligations.

By establishing its transfer price policy, which was redone these past two years considering the restructuring operations made, the Group provided particular oversight on compliance with national and international tax provisions, and the location of profits with regard to the added value generated, without any tax optimisation logic.

Technical discrepancies may nevertheless arise at the time of controls, which could lead to tax disputes that are primarily linked to the interpretation of texts and the performance by the Group of its tax obligations. Where applicable, provisions are recorded in the accounts in order to reflect the consequences of these discrepancies.

During the fiscal year 2020, a tax inspection covering the fiscal years 2016 to 2018 was conducted and concluded without any adjustments.

6.3.5.4. Other ethical issues

Given its business, the subjects of combatting food insecurity, food waste, and respect for animal well-being are not very relevant, and are not covered by any specific policy.

6.3.5.5. Partnership actions

The Group's executives and President participate in numerous professional and academic bodies, and in particular the Pôle de Compétitivité de Bordeaux with ALPhA Route des Lasers/Aquitaine Développement Innovation, participation in GIMRA, and follow-up of the Master's degree in Drug Sciences at the Institut d'optique Graduate School..

7. RECENT DEVELOPMENTS AND OUTLOOK FOR THE COMPANY AND THE GROUP

7.1. Post-balance sheet events

On the date of this management report, the Company is not aware of any significant change on the Group's financial position occurring since 31 December 2020.

To the best of the Company's knowledge, there are no disputes, arbitration proceedings or exceptional events following the reporting date that are likely to have or have in the recent past had a significant impact on the financial position, earnings, business, assets and liabilities of the Company or the Group.

7.2. Recent events

On March 3, 2021, the Lumibird Group announced the signing of an agreement with Saab to acquire its laser defence rangefinder business, established in Gothenburg (Sweden), which has revenues of more than €10 million based on the fiscal year ended 31 December 2020. The completion of this acquisition is subject to conditions precedent, in particular obtaining the authorisations required from the regulatory authorities. It is expected that this operation will be finalised for the first half of 2022.

If this acquisition is successfully completed, Lumibird will be able to offer its European clients in the Defence sector a wider range of lasers and rangefinders, of the short to long-range type, to cover an expanded market. This acquisition would also provide immediate access for all products to a broader panel of European clients.

The acquisition of this business, which Lumibird has been familiar with as a supplier of key components for more than 15 years, is an initial step towards consolidating the European market of defence lasers and rangefinders, and falls within the framework of the Lumibird Group's 2021-2023 Strategic Plan.

7.3. Strategy

As part of its global strategy, the Group's ambition, reaffirmed through its "2020-2023 roadmap", is to position itself as a leader - both technologically and commercially - in the Photonics and Medical sectors with :

- a strengthened position in the ophthalmology market (diagnostics and treatment), with a strengthened global presence;
- a strengthening of its strategy as an original equipment manufacturer (OEM) for other players in the medical sector;
- a strengthened position in the Lidar sensors markets to keep up with the developments of the autonomous vehicle, wind, and 3D scan markets;
- a strengthened position in the space and defence sectors to keep up with developments of the sector in Europe and North America.

A strategic three-year plan was prepared and presented to the market on 25 January 2021, at the same time as the 2020 annual revenues were published. For more information about the Group's business model, the reader is asked to refer to paragraph 6.1 of this report.

7.4. Future outlook and information on trends

After having suspended its guidance in the context of the COVID-19 health crisis, LUMIBIRD is approaching 2021 with confidence, backed by an extensive order book, confirming the upturn on the Group's various markets.

Looking ahead to 2023, the Group plans to continue moving forward with its combined organic and external growth strategy with a view to doubling its current revenues (reported basis). Building on its buoyant markets, its capacity for innovation and the impact of its commercial synergies, it is targeting 8% to 10% average organic growth over the next three years. In terms of profitability, looking beyond the expected synergies, the Group's performance on purchases, supply chain rationalization and growing vertical integration are expected to contribute towards the target for an EBITDA margin rate within a 20% to 25% range from 2021.

8. REGULATORY ENVIRONMENT

The Group works in a complex and evolving regulatory environment. Depending on the division and jurisdiction concerned, the applicable regulations may take the form of export or sale authorisations for the Group's laser or medical products. The Group is also subject to increasingly stringent CSR regulations in the course of its activities.

8.1. Regulations applicable to the Group's export of laser products

The regulations applicable to the Group's Photonics division essentially require, in some cases, obtaining authorisations from national authorities to export certain components or sensitive Laser systems to third parties or to entities of the Group that are located in countries other than those where the components in question were manufactured.

In particular, some products from the Group's Photonics division that are manufactured in Europe are subject to the European regulations on the export of dual-usage goods, under the scope of (EU) Regulation No. 428/2009 of the Council dated 5 May 2009. For example, some versions of the Group's products MERION, or Q-SCAN fall within Category No. 6 ("Sensors and lasers") of Appendix I to these regulations. In conformity with the regulations, the Group's export of these products to third-party countries (located outside the European Union) is subject to authorisation from the national authorities (in France, the minister in charge of industry). Sometimes, the authorisation that was requested and obtained by the Group takes the form of a comprehensive license which is valid for exports to one or more specific end users and/or in one or more specific third-party countries. For France, the procedure to obtain authorisation entails submitting a file to the general corporate office and may take several months.

In the United States, a similar mechanism applies through the Export Administration Regulations ("EAR"), which subjects the export of dual-usage products manufactured in the United States to a system of authorisations issued by the United States Department of Commerce (more specifically, the Bureau of Industry and Security) depending on the country of export. These regulations particularly apply to exports by Quantel USA of certain versions of CFRs, DRLs, and MERIONs. Furthermore, some products in the Group's "Lasers" division that are manufactured in the United States are subject to the American International Traffic in Arms Regulations ("ITAR"), which are more restrictive than the "EAR" regulations, insofar as they concern American components that are linked to the national defence of the United States. The ITAR notably apply to Quantel USA's export of guidance lasers manufactured and supplied to the Group's French subsidiaries under the scope of the contract with Thales, and for which the Group is required to obtain an export authorisation issued by the United States Department of State. The American procedures entail filing applications with the competent authorities, and are generally lengthy and costly. The timeframes for obtaining authorisations in the United States are a few months for "EAR" authorisations, three months for so-called "DSP-5 ITAR" authorisations (which relate to product exports), and six to twelve months for so-called "TAA ITAR" authorisations (which relate to the export of technical data).

8.2. Regulations applicable to the Group's sale of medical products

In addition to the rules relating to the export of laser products, the Group is also subject to regulations on the sale of medical products to the public.

In Europe, the products designed and manufactured by the Medical division must comply with the essential requirements of EC Directive No. 93/42 of the Council dated 14 June 1993 relating to medical devices whose provisions shall be replaced, as of 26 May 2021, by those of EU Regulation 2017/745 dated 5 April 2017 relating to medical devices. These essential requirements primarily concern the safe usage of products by users, and impose obligations on the Group for the testing and transparency of its medical products, before anything is put on the market, as well as the monitoring of security and traceability of devices post-sale.

In the United States, the Medical division products manufactured and sold by the Group on American territory are systematically subject to the requirement of obtaining an authorisation from the Food and Drug Administration ("FDA"). In almost all cases, there is a simplified procedure known as the "510K procedure," which refers to existing authorisations for products that are considered equivalent. This authorisation procedure requires drafting an application which includes a description of the product and its technical structure, as well as the results of a certain number of tests that ensure the product meets the current technical and safety rules for patients and medical staff. Usually the process takes three months, but any questions posed by the FDA could lengthen that period.

In Australia, the DFAT (Department of Foreign Affairs and Trade) imposes strict control on exports to certain countries. For this purpose, Ellex has established an internal process for compliance with these rules. Certain countries are under embargo, while others require an authorisation to be obtained.

Lastly, the Group's Medical division products are also subject to international technical standards that allow the products to be certified. The main requirements are detailed under Medical Standard IEC No. 60601-1 and supplemented by other specific standards relating to the category of medical product (for example, Medical Standard IEC No. 60601-2-22 for lasers). Furthermore, as designer and manufacturer of medical products, the Medical division also has an obligation to comply with the organisational provisions of standard ISO 13485, regarding the requirements of quality management systems (QMS), and those relating to MDSAP (Medical Device Single Audit Program) for the sale of products in the United States, Canada, Brazil, Japan, and Australia.

8.3. CSR regulations applicable to LUMIBIRD

During the course of its business, the Group is required to comply with certain regulations on environmental protection, in particular those controlling the use, storage, or release into the environment of chemical or hazardous substances used to manufacture laser products. The main texts that apply to this subject area are (EU) Directive (UE) No. 2011/65 of the European Parliament and the Council of 8 June 2011 (the so-called "RoHSS" directive), amended by Directive (EU) 2015/863 of 31 March 2015 whose provisions are applicable from 22 July 2019 for the Photonics division products and on 22 July 2021 for the Medical division products, and (EC) Regulation No. 1907/2006 of the European Parliament and the Council of 18 December 2006 (the so-called "REACH" regulation) in the European Union, as well as the Chinese ACPEIP (Administration for the control of pollution caused by electronic information products) from 2006.

The Group is moreover required to comply with the obligations to collect, dismantle, and recycle end-of-life electrical components, per (EC) Directive No. 2002/96 of the European Parliament and the Council dated 27 January 2003.

9. ALLOCATION OF EARNINGS

9.1. Proposed allocation of earnings

It will be proposed to allocate earnings for the year ended 31 December 2020, with a profit of €75,903,814.10, as follows:

- €403,701.50 euros to legal reserve, increasing it from €1,842,986.70 to €2,246,688.20 (i.e. 10% of the share capital)
- €75,500,112.60 to "retained earnings", taking this account's from €+3,388,195.90 to €+78,888,308.50.

9.2. Dividends

The Company has not declared or paid any dividends on its shares during the last three fiscal years. It does not intend to distribute any dividends in respect of fiscal year 2020.

The Company has not set a specific dividend distribution policy. It reserves the right to offer its shareholders the option of receiving dividends in the form of shares in the event that it decides to distribute dividends.

10. TABLE OF LUMIBIRD SA'S RESULTS FOR THE LAST FIVE FISCAL YEARS

In accordance with Article R.225-102 of the French commercial code, the following table presents the Company's earnings for the last five years:

€'000	2016	2017	2018	2019	2020
Capital at the end of the year					
Share capital	8,832	15,771	16,754	18,430	22,467
Number of existing ordinary shares	8,096,015	15,035,456	15,035,456	18,429,867	22,466,882
Operations and results of the year	,	,	,	,	,
Revenues excluding taxes	30,220	35,215	56,669	66,711	65,017
Income before taxes, employee profit-sharing, amortisation and provisions	(346)	866	6,601	9,016	76,565
Income tax	702	1,390	451	(577)	403
Income after taxes, employee profit-sharing, amortisation and provisions	(120)	1,683	(1,638)	7,829	75,904
Income distributed	-	-	-	-	-
Earnings per share					
Income after taxes, employee profit-sharing, before amortisation and provisions	0.04	0.15	0.47	0.44	3.43
Income after taxes, employee profit-sharing, amortisation and provisions	(0.01)	0.11	(0.11)	0.42	3.38
Personnel					
Average number of people employed during the year		145	135	134	60
Payroll		7,428	7,117	3,703	
Employee benefits		3,336	3,445	1,841	

11. SUBSIDIARIES AND EQUITY INTERESTS

By reporting to you on the Company's business, we have presented the activities of its subsidiaries and the various companies that it controls.

The table of subsidiaries and equity interests is presented in the notes to the corporate financial statements.

In accordance with Article L.233-6 of the French commercial code, we can inform you that the Company, during the past year, did not acquire any interests in the capital of companies with their registered office in France.

In accordance with Article R.233-19 of the French commercial code, we can inform you that the Company, during the past year, did not carry out any disposals under the terms of Article L.233-29 of the French commercial code relating to cross-shareholdings.

12. EMPLOYEE SHAREHOLDING

At 31 December 2020, the Company did not have any company or inter-company savings plans enabling employees to directly or indirectly acquire shares of Quantel or related companies.

On this date there was no company mutual fund (FCPE) in place enabling the Company's employees to invest indirectly in LUMIBIRD shares.

During its meeting on 1 April 2019, the Board of Directors also decided to award 182,000 free shares to 39 employees of the Company and certain related companies. The vesting date for the free shares was set for 1 April 2022, with a three-year vesting period, provided that:

- the beneficiary has continuously and uninterruptedly had an employment contract during the vesting period, and has a valid employment contract at the end of the vesting period with the Company or a related company as per Article L.225-197-2 of the French commercial code; and
- the performance conditions set by the Board of Directors are met.

This free share plan was covered in a special report by the Board of Directors, prepared in accordance with Article L.225-197-4 of the French commercial code, which has been presented at the Company's General Shareholders' Meeting convened to approve the accounts for the year ending 31 December 2019.

As of 31 December 2020, of the 182,000 free shares that have been formally granted to beneficiaries, 169,000 are still in force, 13,000 shares having lapsed due to the departure of beneficiaries.

The value of the allocation plan was determined as follows:

Free shares plan	Plan dated 01/04/2019	Plan dated 31/03/2020
Total number of free shares originally allocated	182,000	6,000
Number of free shares void/cancelled/refused	13,000	0
Remaining free shares at 31 December 2020 (A)	169,000	6,000
Board meeting date for allocation decision	01/04/2019	31/03/2020
End of the vesting period	01/04/2022	01/04/2022
Stock price at the date of allocation (B)	15.3	7.8
Corporate social contribution (C)	20%	20%
PLAN VALUE AS OF 01/04/2022 (A*B*(1+C))	**€3,102,840**	**€56,232**

In 2020, the impact of the plan on the financial statements (in shareholders' equity) has been determined pro rata temporis over the vesting period (i.e. 640 days spent over 1,096 days for the plan dated 01/04/2019 and 275 days spent over 731 days for the plan dated 31/03/2020), and amounts to €803,250.

In addition, you are informed that during its meeting of 31 March 2020, the Board of Directors decided to adopt a new free share allocation plan for the benefit of two Group employees, containing identical terms to those of the plan decided by the Board of Directors on 1 April 2019, with the exception of the vesting period, which was set at two years, i.e. expiring on April 1, 2022.

Lastly, the employees do not directly hold any Company shares that would be subject to a non-transferability clause under the regulations in force.

13. INFORMATION CONCERNING THE SHARE CAPITAL

13.1. Share capital

At 31 December 2020, the Company's share capital totaled 22,466,882 euros. It was split into 22,466,882 fully paid-up shares, all of the same category, with a par value of 1 euro. On the date of this report, this remained unchanged.

13.2. Double voting rights

A double voting right is awarded for:

- All fully paid-up shares that have been registered in the name of the same shareholder for at least three years.
- Registered shares freely awarded to shareholders in the event of a capital increase through the incorporation of reserves, profits or issue premiums based on the shares for which they are entitled to this right.

At 31 December 2020, out of the 22,466,882 shares comprising the share capital, 6,036,241 shares were entitled to double voting rights.

13.3. Securities giving access to the share capital

The Company has not issued any security giving a future access to its share capital or the share capital of one of the Group's companies.

13.4. Review of operations carried out as part of an authorized share buyback program

In accordance with Articles L.225-209, paragraph 2 and L.225-211 of the French commercial code, we are reporting to you on the operations carried out as part of authorized share buyback programs.

For reference, under the terms of its first resolution, the Combined General Shareholders' Meeting on 15 March 2007 had granted the Board of Directors an authorization, under the conditions set by Articles L.225-209 et seq of the French commercial code, to buy back the Company's shares. This authorization was implemented from 1 January 2008 under a liquidity agreement with the company Invest Securities to ensure liquidity and manage market-making for Quantel shares. This agreement ended on 1 February 2019 and was replaced from this date by a new liquidity agreement with Louis Capital Markets.

The authorization for the Board of Directors to trade in the Company's shares has been renewed several times and was renewed most recently by the Combined General Meeting on 24 May 2020, under its 11th resolution, which, in accordance with Articles L.225-209 et seq of the French commercial code, authorized the Board of Directors for 18 months, with an option to subdelegate in accordance with the legal and regulatory provisions in force, to purchase and/or appoint third parties to purchase Company shares, under the conditions set by Articles L.225-209 et seq of the French commercial code, notably with a view to:

- ensuring liquidity and managing market-making for the Company's securities through an investment services provider acting independently on behalf of the Company under a liquidity agreement that is compliant with the applicable doctrine of the AMF, or
- retaining and awarding shares subsequently (exchanges, payments, etc.) in connection with the Company's financial, external growth, merger, spin-off or contribution operations, or
- awarding shares in connection with the exercising of rights associated with securities entitling holders to access the capital through their redemption, conversion, exchange, the presentation of a warrant or by any other means, or
- cancelling all or part of the shares bought back in this way, through a share capital reduction, in accordance with the authorization to reduce the capital given by the General Meeting on 24 May 2019 in its 9th resolution, or, if applicable, under a resolution of the same kind that may follow it during the period for which this delegation is valid; or

- awarding or transferring shares to employees or corporate officers of the Company or related companies, notably through a Company's profit-sharing arrangements, under a company or Group (or equivalent) savings plan or for free share awards under Article L.225-197-1 et seq of the French commercial code, or, more generally, honoring obligations relating to programs for stock options or other awards of shares for the employees or corporate officers of the Company or a Group entity, or
- implementing any Company stock option plan in accordance with Articles L.225-177 et seq of the French commercial code or any similar plan.

The share purchases implemented under this authorization must be carried out within the limit of a maximum unit purchase price of 50 euros subject to adjustments linked to potential operations concerning the Company's capital.

The maximum amount of funds set aside for the implementation of this share buyback program has been set at 50,000,000 euros.

On the date of each buyback, the total number of shares bought back in this way by the Company since the start of the buyback program (including those subject to this buyback operation) must not exceed 10% of the shares comprising the Company's capital on this date. The total number of shares held by the Company on a given date must not exceed 10% of the existing capital on this same date.

In accordance with Article L.225-209 of the French commercial code, we can inform you that the amounts initially allocated by the Company to the liquidity agreement represent 50,000 euros.

At 31 December 2020, the following resources were recorded in the liquidity account:

- 24,498 LUMIBIRD shares;
- 435,611.17 euros in cash.

The LUMIBIRD shares were purchased / sold in connection with the liquidity agreement in force based on the following price conditions:

Number of treasury shares held at 31 December 2020	23,498
Number of shares purchased from 1 January 2020 to 31 December 2020	193,497
Number of shares sold from 1 January 2020 to 31 December 2020	183,867
Average purchase price	€10.52
Average sales price	€10.47
Average unit cost price of securities in the portfolio at 31 December 2020	€12.44

13.5. Commitment for executive shareholders to retain shares

To the best of the Company's knowledge, at the date of this report, no commitments to retain shares have been entered into by any of its executive shareholders.

13.6. Information on the portion of LUMIBIRD's capital that is pledged as collateral

On 25 July 2019, ESIRA, the Company's reference shareholder, granted a pledge on 3,685,973 ordinary shares it holds in the Company as security for a loan agreement. To the Company's knowledge, there are no other pledges on its shares.

13.7. Shareholder agreements

There are no shareholder agreements in place providing for preferential conditions to sell or acquire Company shares.

There are no shareholder agreements in place that the Company is a party to and that are likely to have a significant impact on its share price.

13.8. Change in LUMIBIRD's capital and shareholding structure

13.8.1. Change in LUMIBIRD's share capital over the last three years

Date(1)	Operation	Nb. of shares before	Nb. shares issued	Nb. shares after	Additional paid-in capital	Nominal	Share capital
04/06/2018	Capital increase in cash as a result of the definitive allocation of free shares	15,771,457	113,100	15,884,557	N/A	€1	€15,884,557
17/12/2018	Capital increase in cash with shareholders' preferential subscription rights maintained	15,884,557	869,868	16,754,425	€6,958,944	€1	€16,754,425
24/05/2019	Capital increase in cash through a private placement	16,754,425	1,675,442	18,429,867	€23,456,188	€1	€18,429,867
16/06/2020	Capital increase with shareholders' preferential subscription rights maintained	18,429,867	4,037,015	22,466,882	€32,296,120	€1	€22,466,882

(1) *Date when the capital increase was acknowledged by LUMIBIRD's Board of Directors.*

13.8.2. Change in LUMIBIRD's shareholding structure over the last three years

Actionnariat	Situation at 31 December 2018				Situation at 31 December 2019				Situation at 31 December 2020				Situation at 1 March 2021			
	Number of shares	% of capital	Voting rights (2)	% of voting rights (1)	Number of shares	% of capital	Voting rights (2)	% of voting rights (1)	Number of shares	% of capital	Voting rights (2)	% of voting rights (1)	Number of shares	% of capital	Voting rights (2)	% of voting rights (1)
Executives shareholders																
EURODYNE(3)	1,783,488	10.64%	2,527,554	14.23%	1,783,488	9.68%	3,352,587	16.54%	-	-	-	-	-	-	-	-
ESIRA(4)	7,319,457	43.69%	7,319,457	41.20%	7,452,790	40.44%	7,452,790	36.78%	11,667,290	51.93%	17,397,731	61.63%	11,667,290	51 .93%	17,397,731	61.75%
EURODYNE/ESIRA Concert	**9,102,945**	**54.33%**	**9,847,011**	**55.43%**	**9,236,278**	**50.12%**	**10,805,377**	**53.32%**	**11,667,290**	**51.93%**	**17,397,731**	**61.63%**	**11,667,290**	**51.93%**	**17,397,731**	**61.75%**
Group executives	4,709	0.028%	9,059	0.051%	4,209	0.02%	8,059	0.04%	4,209	0.02%	8,059	0.03%	4,209	0.02%	8,059	0.03%
Treasury shares	**8,454**	**0.050%**	**N/A**	**N/A**	**17,946**	**0.09%**	**NA**	**NA**	**268,717**	**1.20%**	**NA**	**NA**	**264,307**	**1.18%**	**NA**	**NA**
Public (bearer shares)																
AMIRAL GESTION(5)	920,966	5.50%	920,966	5.19%	960,583	5.21%	960,583	4.74%	1,361,520	6.06%	1,361,520	4.82%	1,367,672	6.09%	1,367,672	4.85%
FINANCIERE ARBEVEL(5)	866,388	5.17%	866,388	4.90%	-	-		-	-	-	-	-	-	-	-	-
Other	4,941,112	29.49%	4,941,112	27.81%	373,130	2.02%	653,219	3.22%	373,510	1.66%	675,460	2.39%	310,534	1.38 %	550,681	1.95%
Public (registered shares)	**388,137**	**2. 32%**	**655,862**	**3.69%**	**7,738,251**	**41.99 %**	**7,738,251**	**38.19%**	**8,791,636**	**39.13%**	**8,791,636**	**31.13%**	**8,852,870**	**39.40 %**	**8,852,870**	**31.42%**
TOTAL	**16,754,425**	**100%**	**17,762,112**	**100%**	**18,429,867**	**100%**	**20,264,959**	**100%**	**22,466,882**	**100%**	**28,234,406**	**100%**	**22,466,882**	**100%**	**28,177,013**	**100%**

(1) Voting rights able to be exercised at the General Shareholders' Meeting
(2) The percentages of voting rights presented in this table are calculated without taking into account the Company's treasury shares, which are not entitled to voting rights in accordance with Article L.225-210 of the French commercial code, representing a total number of actual voting rights of 28,234,406 at 31 December 2020.
(3) EURODYNE resigned as a director of the Company prior to its absorption by its sole shareholder, ESIRA.
(4) ESIRA is a French-law simplified joint-stock company (société par actions simplifiée) controlled by Mr Marc Le Flohic who is also its Chairman.
(5) Asset management company acting on behalf of funds which it manages.

To the best of the Company's knowledge, on the date of this report, no significant changes have been made to the breakdown of the capital since 31 March 2021 and no other public shareholders (other than those indicated in the table above, if applicable) hold more than 5% of the capital or voting rights.

13.8.3. Shareholding disclosure thresholds

In accordance with Article L.233-13 of the French commercial code and Article 10 of the Company's articles of association, the various instances when the legal and/or statutory disclosure thresholds were passed and that were brought to the Company's attention since 1 January 2020 are presented below:

Disclosure made by	Date of disclosure	Date of threshold crossing	Threshold crossed upwards / downwards	Threshold(s) crossed	Reasons for crossing
AMIRAL GESTION	7 April 2020	3 April 2020	Upwards	5% of the company's voting rights	Acquisition of Lumibird shares on the market
AMIRAL GESTION	6 May 2020	4 May 2020	Downwards	5% of the company's voting rights	Disposal of Lumibird shares on the market
EURODYNE	26 May 2020	21 November 2019	Upwards	15% of the company's voting rights	Automatic allocation of double voting rights (passive crossing)
AMIRAL GESTION	10 June 2020	5 June 2020	Upwards	5% of the company's voting rights	Acquisition of Lumibird shares on the market
Ms Ruthi Wertheimer	23 June 2020	17 June 2020	Upwards	5% of the company's capital	Acquisition of Lumibird shares on the market
EURODYNE	23 June 2020	16 June 2020	Upwards	10% of the company's capital	Subscription to the company's capital increase on 12 June 2020
EURODYNE	30 June 2020	24 June 2020	Upwards	15% of capital and 20% of the company's voting rights	Acquisition from ESIRA of 1,209,000 Lumibird shares (off market)
EURODYNE	14 August 2020	9 August 2020	Upwards	50% of capital and of the company's voting rights	Dissolution-absorption of EURODYNE by ESIRA
AMIRAL GESTION	8 January 2021	31 October 2020	Downwards	5% of the company's voting rights	Increase in the company's total number of voting rights

No other shareholding threshold disclosures were brought to the attention of LUMIBIRD during the past year.

The information concerning the instances when the legal disclosure thresholds were crossed, upwards or downwards, is available on the AMF site (www.amf-france.org).

13.8.4. Listing market and change in the share price

LUMIBIRD's shares, initially listed on NYSE Euronext Paris SA's Nouveau Marché from 30 September 1997, have been admitted for trading on the Euronext market (Compartment B) in Paris since 2005 (ISIN: FR0000038242 – Ticker: LBIRD).

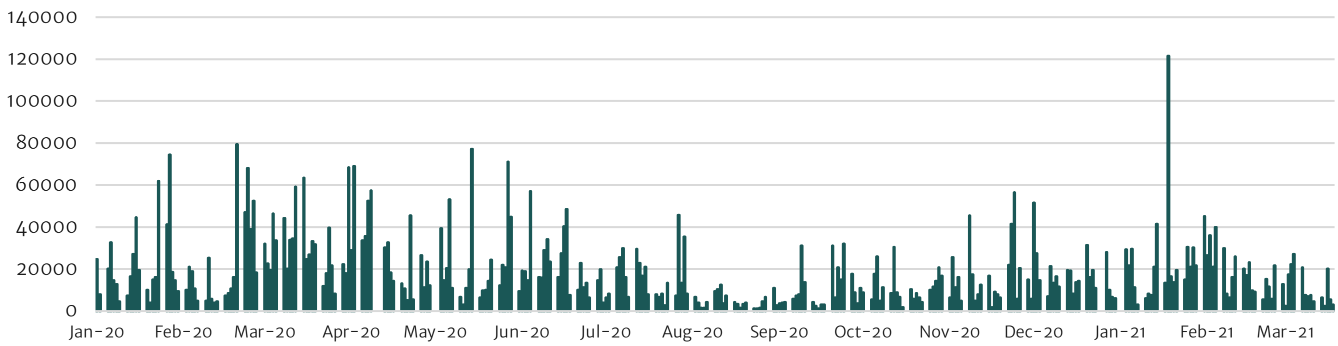
There are no requests underway for the Company's shares to be admitted on another market or stock exchange.

The Company's market capitalization, based on LUMIBIRD's share price at 15 March 2021 (closing price), i.e. 16 euros, and the number of securities comprising the share capital on this date, i.e. 22,466,882 shares, represents 359,470,112 euros.

The changes in LUMIBIRD's share price since 1 January 2020 are presented below:

LUMIBIRD share price (in euros)

LUMIBIRD share: Volumes traded



Summary of share prices and volumes for the period from January 2020 to January 2021 (source: Euronext Paris S.A.)

Date	Highest share price	Lowest share price	Average price (close)	Nb of shares traded
Jan. 2020	15.6	11.96	14.08	496,649
Feb. 2020	12.94	10.14	12.18	456,361
Mar. 2020	11.08	5.4	8.2	666,112
Apr. 2020	10.82	8.02	9.73	594,083
May 2020	10.98	8.9	10.03	491,876
Jun. 2020	12.36	10.22	11.22	476,293
Jul. 2020	12.52	10.88	11.67	364,243
Aug. 2020	12.16	11.3	11.79	102,512
Sep. 2020	11.82	9.8	10.94	229,360
Oct. 2020	10.56	8.96	10.16	252,214
Nov. 2020	12.84	9.4	11.24	354,936
Dec. 2020	14.3	11.7	13.2	372,282
Jan. 2021	15.5	13.6	14.73	480,826

13.9. Potential capital

13.9.1. Information on stock options / warrants

No stock options or warrants were in place or awarded during 2020.

13.9.2. Information on free share awards

The information on free share awards is presented in section 12 of this report.

13.9.3. Non-equity securities

No non-equity securities issued by the Company were outstanding on the date of this report.

13.9.4. Operations carried out in 2020 on LUMIBIRD securities by executive officers, related parties and their family members

In accordance with Article L.621-18-2 of the French monetary and financial code and the AMF's general regulations, the following transactions on LUMIBIRD shares were declared to the French Financial Markets Authority (AMF) by the Company's executives, related parties or their family members in 2020 and since the start of 2021.

Name and position of declarant	Date of disclosure	Date of transaction	Nature of transaction	Security concerned	Unit price (euros)	Volume
EURODYNE *(director)*	8 June 2020	4 June 2020	Acquisition	Preferential subscription right	0.3781	36,424
EURODYNE *(director)*	4 June 2020	3 June 2020	Acquisition	Preferential subscription right	0.3368	64,715
EURODYNE *(director)*	3 June 2020	26 mai 2020	Acquisition	Preferential subscription right	0.3368	64,715
ESIRA *(director)*	17 June 2020	16 June 2020	Subscription	Ordinary share	9.0	1,896,912
EURODYNE *(director)*	17 June 2020	16 June 2020	Subscription	Ordinary share	9.0	534,100
ESIRA *(director)*	30 June 2020	24 June 2020	Disposal	Ordinary share	9.9	1,209,000
EURODYNE *(director)*	30 June 2020	24 June 2020	Acquisition	Ordinary share	9.9	1,209,000

13.10. Other information

13.10.1. Taxation

13.10.1.1 Reporting of luxury expenditure

In accordance with Article 223 iv of the French general tax code (Code général des impôts), we can inform you that the Company's expenses and costs covered by Article 39-4 of the general tax code came to 10,642 euros in 2020, generating a theoretical supplementary corporate income tax charge of 3,076 euros.

13.10.1.2. Excessive overheads or overheads not included on the special filing

During the past year, the Company did not incur any excessive overheads or any overheads not included on the special filing as per Articles 223 v and 39-5 of the French general tax code.

13.10.2. Branches

In accordance with Article L.232-1 of the French commercial code, we can inform you that LUMIBIRD has no branch left on the date of this report.

LUMIBIRD's principal place of business is LUMIBIRD's former headquarters in Les Ulis.

***

We believe that the information that we have just given you and that is presented in the Statutory Auditors' report will enable you to take decisions in line with your interests. We therefore invite you to adopt the resolutions submitted to you.

The Board of Directors

REPORT OF THE INDEPENDENT THIRD-PARTY ORGANIZATION ON THE CONSOLIDATED NON-FINANCIAL PERFORMANCE STATEMENT INCLUDED IN THE MANAGEMENT REPORT

Report of the independent third-party organization on the consolidated non-financial performance statement included in the management report

For the year ended December 31, 2020

This is a free translation into English of the Statutory Auditor's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the shareholders,

In our capacity as the independent third-party organization of the company LUMIBIRD, we hereby report to you on the non-financial statement for the year ended 31/12/2020 (hereinafter the "Statement"), included on a voluntary basis in the Group management report in reference to the requirements of articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (Code de commerce).

The entity's responsibility

The Board of Directors is responsible for preparing the Statement, including a presentation of the business model, a description of the principal non financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are presented in the Statement.

Independence and quality control

Our independence is defined by the requirements of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (Code de déontologie) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements and French professional.

Responsibility of the Statutory Auditor

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the requirements of article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with article R. 225 105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

However, it is not our responsibility to comment on the entity's compliance with other applicable legal and regulatory requirements, in particular the French duty of care law and anti-corruption and tax avoidance legislation nor on the compliance of products and services with the applicable regulations.

Nature and scope of our work

The work described below was performed with reference to the provisions of articles A. 225-1 et seq. of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements and with ISAE 3000 :

- we obtained an understanding of all the consolidated entities' activities and the description of the principal risks associated;
- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information in respect with human rights and the fight against corruption and tax evasion as set out in article L. 225 102 1 III;
- we verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- we verified that the Statement presents the business model and a description of principal risks associated with the entity's activity all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- we referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and;
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix 1; concerning

certain risks "Non-contribution to sustainable individual mobility" and " Lack of implementation of preventive policies to combat corruption, influence peddling, favoritism and conflicts of interest", our work was carried out on the consolidating entity, for the others risks, our work was carried out on the consolidating entity and on a selection of entities ;

- we verified that the Statement covers the scope of consolidation, i.e. all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code within the limitations set out in the Statement;
- we obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix 1, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
  - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities and covers between 23% and 89% of the consolidated data relating to the key performance indicators and outcomes selected for these tests;
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

Means and resources

Our work was carried out by a team of 3 people between January and March 2021 and took a total of 2 weeks.

We conducted 5 interviews with the people responsible for preparing the Statement, including the Company Secretary and Group Finance Director.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the consolidated non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Comments

Without modifying our conclusion and in accordance with article A. 225-3 of the French Commercial Code, we have the following comments:

- The reporting scope of the key performance indicator "Share of purchases from suppliers with certificates" covers France, i.e. 20% of Group revenue.
- For some of the main risks relating to talent and skills, information systems and insufficient consideration of climate change, the Group does not have formal policies.
- For the risks relating to information systems, products and the deterioration of customer relations, the Group does not present key performance indicators.

The CNCC considers that the translation is not signed, as it is a free translation into English of the original report drawn up in French. Indeed, the signature is the graphic means by which a person identifies himself in a document and by which he expresses his approval of the content of the document. Moreover, the affixing of a signature on a report confers on it the quality of being an original. In this particular case, the original is the French version of the report.

Independent Third-Party Body

MAZARS SAS

Paris La Défense, 26 March 2021

Edwige REY
CSR and Sustainable Development Partner

Annex: Information considered most important

Quantitative information included key performance indicators

- Departure rate of permanent contracts;
- GHG emissions related to energy consumption of sites (operational centers);
- Number of suppliers who have issued certificates;
- Share of purchases from suppliers with certificates;
- Number of R&D staff;
- R&D expenditure;
- Share of ISO 9001 certified operational centers.

Section 3

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 31/12/2020

1. BALANCE SHEET AT 31 DECEMBER 2020 (€'000)

ASSETS	2020 Gross	2020 Amort & depr.	2020 Net	2019 Net
Concessions, patents & similar rights	23	(23)	0	0
Other intangible assets	619	(466)	153	78
Intangible assets	642	(489)	153	79
Buildings on unowned land	41	(4)	36	31
Technical facilities, equipment and tools	117	(34)	83	90
Other tangible fixed assets	966	(815)	151	143
Tangible assets in progress	4	-	4	153
Tangible assets	1,127	(853)	274	417
Equity interests	159,086	(15,120)	143,967	36,559
Receivables from equity interests	22,500	-	22,500	
Loans	364	-	364	315
Guarantees and deposits paid	1,414	-	1,414	903
Other long-term receivables	2,183	-	2,183	2,442
Treasury shares	2,962	-	2,962	183
Financial assets	188,508	(15,120)	173,388	40,401
Total Fixed assets	**190,277**	**(16,462)**	**173,815**	**40,896**
Inventories and work-in-progress	854	(153)	702	520
Prepayments and advances paid to suppliers	1	-	1	9
OPERATING RECEIVABLES				
Trade receivables	18,270	(90)	18,180	16,932
Other receivables	48,132	(337)	47,795	29,844
Total Current assets	**67,257**	**(579)**	**66,678**	**47,306**
Cash	54,488	(20)	54,468	28,589
Prepaid expenses	785	-	785	698
Accrued and deferred income	1,847	-	1,847	522
TOTAL ASSETS	**314,654**	**(17,061)**	**297,593**	**118,011**

LIABILITIES	2020	2019
Shareholders' equity and retained earnings		
Share capital	22,467	18,430
Paid-in capital	86,103	54,561
Legal reserve	1,843	240
Reserve for long-term capital gains	90	90
Other reserves	62	62
Retained earnings	3,388	(2,838)
Net income	75,904	7,829
Subventions	–	–
Tax-regulated provisions	–	–
Total shareholders' equity and reserves	189,858	78,375
Other equity		
Conditional advances	–	–
Total shareholders' equity	–	–
Provisions for risks and charges	852	292
Financial liabilities		
Financial debt	68,341	14,084
Other financial liabilities	137	72
Total financial liabilities	68,478	14,156
Advances received on client orders	833	530
Trade payables		
Trade and related payables	25,078	13,096
Other payables	9,518	6,418
Total payables	34,596	19,514
Deferred income	2,510	5,010
Accrued liabilities	466	135
TOTAL LIABILITIES	**297,593**	**118,011**

2. INCOME STATEMENT (€'000)

	2020	2019
Operating revenues		
Net revenues	65,017	66,711
Inventoried production	201	601
Capitalized production	-	-
Operating subsidies	3	-
Reversals of depreciation and provisions - expense transfers	203	351
Other revenues	476	420
Other operating revenues	882	1,372
Total operating revenues	***65,899***	***68,083***
Operating expenses		
Purchases consumed	(38,836)	(46,405)
Other purchases and external expenses	(18,092)	(6,728)
Taxes, duties and similar payments	(503)	(539)
Wages and salaries	(4,375)	(3,633)
Payroll taxes	(2,026)	(1,784)
Depreciations	(461)	(194)
Provisions	(808)	(400)
Other expenses	(708)	(504)
Total operating expenses	***(65,809)***	***(60,186)***
OPERATING INCOME	**91**	**7,897**
Financial income	7,903	843
Financial charges	(2,630)	(260)
NET FINANCIAL INCOME	**5,273**	**583**
Exceptional income	82,165	1,546
Exceptional charges	(12,028)	(1,215)
EXCEPTIONAL RESULT	**70,138**	**330**
Employees profit sharing	-	(404)
Income tax	403	(577)
NET INCOME	**75,904**	**7,829**

3. CASH FLOW STATEMENT (€'000)

	Change 2020	Change 2019
Operating activities		
Net income	75,904	7,829
Depreciations	228	194
Provisions	562	(178)
Income from merger	–	–
Capital gains/losses on assets disposals	(70,044)	5
Subsidies transfered to P&L	–	–
Cash flow before tax and financial expenses	**6,650**	**7,851**
Operating assets		
Inventories and work-in-progress	(181)	(520)
Prepayments and advances paid to suppliers	(3,962)	6
Trade receivables	(1,248)	(148)
Other receivables	(52,889)	(6,424)
Operating liabilities		
Advances received on client orders	303	(1,278)
Trade payables	12,349	(11,918)
Other payables	932	5,518
Change in working capital requirements	**(44,697)**	**(14,764)**
CASH FLOW FROM OPERATIONS (I)	**(38,047)**	**(6,914)**
Investing activities		
Intangible assets	(62)	(18)
Tangible assets	(98)	(266)
Financial investments	(107,790)	(14,154)
Fixed assets investments	(107,950)	(14,438)
Debt on fixed assets investments	(367)	6,663
Net fixed assets investments	(108,317)	(7,775)
Intangible assets disposals	–	–
Tangible assets disposals	–	–
Financial assets disposals	82,344	1,413
Fixed assets disposals	82,344	1,413
Net cash from the merger	–	(968)
NET CASH FLOW FROM INVESTING ACTIVITIES (II)	**(25,973)**	**(7,330)**
Loan issuance	54,984	5,119
Loan repayment	(688)	(235)
Dividends from subsidiaries	–	–
Capital increase / reduction	35,579	24,571
NET CASH FLOW FROM FINANCING ACTIVITIES (III)	**89,875**	**29,456**
FOREIGN EXCHANGE DIFFERENCES (IV)	**-**	**-**
CASH FLOW (I + II + III + IV)	**25,855**	**15,212**
Cash and equivalent at beginning of period	**26,359**	**11,098**
Cash: correction FY transfer / Reclassification / Method change / Fair value	2,248	–
Cash and equivalent at closing	**54,462**	**26,311**

4. ALLOCATION OF NET INCOME PROPOSAL (€'000)

Origin:	Origin	Allocation	Dividends	Post allocation
Paid-in capital	86,103	-	-	86,103
Legal reserves	1,843	404	-	2,247
Long-term capital gain reserves	90	-	-	90
Other reserves	62	-	-	62
Retained earnings from prior years	3,388	75,500	-	78,888
2020 NET INCOME	**75,904**	**(75,904)**	**-**	**-**

5. NOTES TO THE ANNUAL FINANCIAL STATEMENTS

5.1. Key developments in the last financial year

Business in 2020 was conducted in an economic climate that was complicated by the COVID-19 health crisis and the direct and indirect consequences of complete and partial lockdowns on the economies of the various countries where LUMIBIRD SA products are sold. The sites of the company and its subsidiaries (both production and marketing) remained open during this period, and every effort was made to ensure people's safety. There was still a significant amount of activity, and the company did not have to deal with any order cancellations and/or suspended contracts.

Meanwhile, LUMIBIRD SA has further strengthened its already sound financial structure, in order to ensure it has the means to keep pace with the development of the Group:

- During the first half of the year, the Group established several lines of credit:
  - two lines of €5 million each with BPI Financement, for a term of nine years and nine months (including an eight-quarter grace period), repaid at the rate of 1.5% and accompanied by cash collateral for a total of €0.5 million;
  - six lines of government-backed credit totaling €15 million, taken out under the terms of the framework supporting businesses impacted by the COVID-19 health crisis;
- On 12 June 2020, LUMIBIRD SA carried out a capital increase for a gross amount of €36.3 million representing an issuance of 4,037,015 new shares of €9.00 each; This capital increase will be allocated on a priority basis and entirely to finance any external growth operations, in particular in view of the acquisition of new laser technologies;
- On 1 December 2020, LUMIBIRD SA restructured its acquisition debt, leading:
  - to the refinancing of the existing acquisition debt (€35 million),
  - the expansion of the drawdown budget (supplementary budget of €105 million, including 58.8 million in confirmed credit, and
  - the diversification of its sources of financing, shifting the acquisition debt budget from a 100% banking origin to a 71% banking and 29% bond sourced plan.

Lastly, within the context of its holding company activity, the Group carried out the transactions noted in Point 5.3.1.2 hereof.

5.2. Accounting principles, rules and methods

The general accounting conventions have been applied in compliance with the principle of prudence and in accordance with the following basic rules:

- Going concern,
- Consistent accounting methods used from one financial year to the next,
- Separation of the financial periods;

And in accordance with the provisions of the French Commercial Code, the General Accounting Plan as described in the 2014-03 ANC ("Autorité des Normes Comptables") regulation of June 5, 2014, as amended by the ANC regulations 2015-05 and ANC No. 2016-07 and generally accepted accounting practices in France.

5.2.1. Intangible assets

Expenses related to patents and trademarks are amortized on a straight-line basis over a period of 10 years.

Purchased software is recorded at acquisition cost and amortized on a straight-line basis over three years.

Merger losses, corresponding to the goodwill of the absorbed companies, being assets with an undefined useful life, are not amortized but instead subject to an annual impairment test (impairment test based on future cash flows).

Since 2005, research costs have been expensed.

5.2.2. Tangible assets

Tangible assets are recorded at acquisition cost

Depreciation is calculated based on the expected useful life. The most commonly used durations and methods are:

Nature	Duration	Method
Manufacturing facilities	3 to 10 years	Straight line
Improvements to facilities	5 years	Straight line
General plant equipement	10 years	Straight line
Transport equipment	5 years	Straight line
Computer hardware	3 to 5 years	Straight line
Office equipment	4 to 7 years	Straight line
Office furniture	10 years	Straight line

5.2.3. Equity interests

Equity investments are booked on the balance sheet at their acquisition cost excluding incidental expenses. An impairment provision is recorded when the financial situation of the companies justifies it in particular with regard to the value in use determined according to the discounted future cash flow method (DCF), representing the best estimate of all economic conditions by the Finance Department.

5.2.4. Inventories and work-in-progress

Method:

The valuation method is based on the Weighted Average Price principle.

Valuation:

The gross value of goods and supplies includes the purchase price and incidental costs.

Finished goods and work-in-progress include material consumption and direct production costs on the basis of normal activity and are valued using the percentage of completion method.

Impairment:

When the probable recoverable value is lower than the gross value, an impairment equal to the difference is made.

An impairment is booked to account for the slow turnover of the inventory or the destination of certain equipments (eg demonstration equipment).

5.2.5. Receivables

Receivables are valued at nominal value. They are depreciated on the basis of a case-by-case analysis when their inventory value is lower than the book value. This risk is assessed taking into account any credit insurance subscribed.

They consist of sales of goods and services produced. For transactions that only include services, the receivable is recognized only when the services are completed.

5.2.6. Marketable securities

The company has entered into a liquidity agreement to promote the liquidity of transactions and the regularity of quotations of its securities. Transactions carried out on its behalf by the brokerage firm signing the contract are accounted for as marketable securities.

Treasury shares are valued on the basis of the average daily closing price for the month of December.

5.2.7. Receivables and payables in foreign currencies

Receivables and payables in foreign currencies are recorded at the exchange rate of the invoice date. At the end of the year, receivables and payables are valued at the official closing exchange rate. A positive or negative foreign exchange difference is recognized and booked. A provision for foreign exchange risk is recognized to cover the risk of potential loss.

5.2.8. Retirement benefits

Upon retirement, employees receive compensation in accordance with the law and the contractual provisions.

The policy is not to provision the rights acquired by the employees but to record instead the corresponding expenses in the financial year when benefits are actually paid.

5.2.9. Warranty

The products sold benefit from a warranty covering any repair expenses for periods varying between one and three years. A provision is established when the products concerned are sold to cover the estimated cost of this warranty.

The provision for guarantees given to customers is calculated by comparing the turnover over the last 3 years and broken down by guarantee period, to the guarantee expenses made during the last 2 years.

5.2.10. Other provisions

Other provisions are intended to cover risks that occured or on-going events make probable at the closing date. Their amount is estimated.

5.2.11. Revenues

Revenues consist of sales of goods and services produced. A product is recognized as revenue when the company has transferred to the buyer the significant risks and rewards of ownership of the goods. For transactions involving only services, revenue is recognized only when services are completed. For revenue and income on service contracts, the Company applies the percentage of completion method. If the amount of the services performed is greater than the amount of the services invoiced, the difference is shown in accrued income; if not, it is recognized as deferred income. Any loss on probable termination is immediately recorded.

For long-term contracts (ie spread over more than 12 months) generally including phases of studies and definitions of products and components, revenue is recognized gradually by measuring the percentage of completion of expenditures in relation to the overall envelope including: studies, supplies, direct and indirect labor, supervision and hazards. In order to limit as much as possible the risks regarding the recognition of revenues (mainly its anticipation), the contract is divided into phases or deliveries with associated expenses. The performance of each element of the contract is therefore recorded immediately and the costs related to inefficiencies (material losses, unexpected labor costs, etc.) are recorded as expenses.

5.2.12. Going concern

Given the orders already booked and the business evolution, the Management considers that the Company's ability to continue as a going concern is not questioned for the next 12 months.

The financial statements were approved on 16 March 2021 by the Board of Directors.

The annual financial statements of LUMIBIRD SA are expressed in thousands of euros, unless otherwise indicated.

5.2.13. Parent company

LUMIBIRD SA, whose registered office is 2 rue Paul Sabatier - 22 300 Lannion, is the consolidating parent company of the LUMIBIRD Group. The financial statements of the LUMIBIRD Group are available at this address.

LUMIBIRD SA is also part of the ESIRA Group, whose parent company ESIRA is located at 2 rue Paul Sabatier - 22 300 Lannion.

5.3. Information relative to line items of the balance sheet

5.3.1. Fixed assets and amortizations table

5.3.1.1. Tangible and intangible fixed assets

Fixed assets (Gross value) (€'000)	Gross value 31/12/2019	Increase	Decrease	Change in capital in cash and subscription	Other change	Gross value 31/12/2020
Patents, licenses, trademarks	23	-	-	-	-	23
Other intangible fixed assets	404	62	-	-	154	619
Intangible fixed assets	426	62	-	-	154	642
Buildings	32	8	-	-	-	41
Technical installations, plant and equipment	113	1	-	-	2	117
Other tangible assets	884	73	-	-	8	966
Assets under construction	153	15	-	-	(164)	4
Tangible assets	1,182	98	-	-	(154)	1,127
TOTAL FIXED ASSETS INTANGIBLE AND TANGIBLE	**1,609**	**160**	**-**	**-**	**(0)**	**1,769**

Fixed assets (amortization and provision) (€'000)	Amort. 31/12/2019	Increase	Write-back	Change in capital in cash and subscription	Other change	Amort. 31/12/2020
Amortization patents, licenses, trademarks	(22)	(0)	-	-	-	(23)
Amortization other intangible fixed assets	(326)	(140)	-	-	-	(466)
Amortization and depreciation Intangible fixed assets	(348)	(141)	-	-	-	(489)
Amortization buildings	(1)	(3)	-	-	-	(4)
Amortization technical installations, plant and equipment	(24)	(10)	-	-	-	(34)
Amortization other tangible assets	(741)	(74)	-	-	-	(815)
Amortization and depreciation tangible assets	(766)	(88)	-	-	-	(853)
AMORTIZATION AND DEPRECIATIONS FIXED ASSETS INTANGIBLE AND TANGIBLE	**(1,114)**	**(228)**	**-**	**-**	**-**	**(1,342)**

Fixed assets (Net value) (€'000)	Net value 31/12/2019	Increase	Decrease	Change in capital in cash and subscription	Other change	Net value 31/12/2020
Patents, licenses, trademarks	0	(0)	-	-	-	0
Other intangible fixed assets	78	(79)	-	-	154	153
Intangible fixed assets	79	(79)	-	-	154	153
Buildings	31	5	-	-	-	36
Technical installations, plant and equipment	90	(9)	-	-	2	83
Other tangible assets	143	(1)	-	-	8	151
Assets under construction	153	15	-	-	(164)	4
Tangible assets	417	11	-	-	(154)	274
TOTAL FIXED ASSETS INTANGIBLE AND TANGIBLE	**495**	**(68)**	**-**	**-**	**(0)**	**427**

5.3.1.2. Financial fixed assets

Financial fixed assets (Gross value) (€'000)	Gross value 31/12/2019	Increase	Decrease	Change in capital in cash and subscription	Other change	Gross value 31/12/2020
Equity interests	51,679	–	(10,090)	80,000	37,497	159,086
Receivables from equity interests	–	22,500	–	–	–	22,500
Loans	315	49	–	–	–	364
Guarantees and deposits paid	903	536	(25)	–	–	1,414
Other long-term receivables	2,442	–	(259)	–	–	2,183
Treasury shares	183	4,705	(1,926)	–	–	2,962
FINANCIAL FIXED ASSETS	**55,521**	**27,790**	**(12,300)**	**80,000**	**37,497**	**188,508**

Financial fixed assets (Amortization and provisions) (€'000)	Impairment 31/12/2019	Increase	Write-back	Change in capital in cash and subscription	Other change	Impairment 31/12/2020
Impairment on equity interests	(15,120)	–	–	–	–	(15,120)
IMPAIRMENT ON FIXED FINANCIAL ASSETS	**(15,120)**	**–**	**–**	**–**	**–**	**(15,120)**

Financial fixed assets (Net value) (€'000)	Net value 31/12/2019	Increase	Write-back	Change in capital in cash and subscription	Other change	Net value 31/12/2020
Equity interests	36,559	–	(10,090)	80,000	37,497	143,967
Receivables from equity interests	–	22,500	–	–	–	22,500
Loans	315	49	–	–	–	364
Guarantees and deposits paid	903	536	(25)	–	–	1,414
Other long-term receivables	2,442	–	(259)	–	–	2,183
Treasury shares	183	4,705	(1,926)	–	–	2,962
NET VALUE OF FINANCIAL FIXED ASSETS	**40,401**	**27,790**	**(12,300)**	**80,000**	**37,497**	**173,388**

Key events of the financial year

During the financial year, LUMIBIRD SA:

- Restructured the capital of its subsidiary Sensup (by incorporating its current account in the amount of €855k; this transaction led to an increase in the amount of Sensup shares held by LUMIBIRD SA of the same amount (change recorded under the column "other changes").
- Structured its Medical line, through the following transactions:
  - Contribution of €22.5 million in financing to its subsidiary LUMIBIRD Medical, recorded under "credits linked to equity interests"
  - In order to finance LUMIBIRD Medical's acquisition of Ellex's Laser and Ultrasound Line in Australia, increased LUMIBIRD Medical's capital (by incorporating a current account in the amount of €36.6 million); this transaction led to an increase in the value of LUMIBIRD Medical shares held by LUMIBIRD SA of the same amount (change recorded under the column "other changes").
  - Contribution in kind to its subsidiary LUMIBIRD Medical for its investment in Quantel Medical in the amount of €80 million. This transaction in real value resulted in a capital gain of €70 million, with the book value of the Quantel Medical shares amounting to €10 million in LUMIBIRD SA's financial statements.

Subsidiaries and equity interests

Companies (€'000)	Share capital	Other shareholders' equity	ownership	Gross book value	Net book value	Loans and advances given	Endorsements	Revenue	Net income (Group share)	Dividends from consolidated equity interests
Atlas	5,038	(5,394)	100.0%	5,038	0	324	-	-	(14)	-
Sofilas	2	(5)	100.0%	2	2	9	-	-	(3)	-
Quantel USA	14,489	(7,272)	100.0%	15,103	5,975	815	-	11,133	173	-
Veldys	1	(159)	99.0%	1	1	40	-	268	(18)	-
Keopsys Industries (formerly-LEA)	1,795	5,357	100.0%	4,500	4,500	10,819	-	20,035	1,557	987
Sensup	500	205	100.0%	2,155	2,155	83	-	261	(554)	-
LUMIBIRD INC	4	1,452	100.0%	6	-	1,630	-	13,195	880	-
LUMIBIRD Japan (form.-Keopsys Japan)	76	(25)	100.0%	100	100	500	-	2,964	66	-
Quantel Medical Immo	1	(346)	1.0%	0	0	50	-	273	(27)	-
LUMIBIRD China	202	(617)	100.0%	200	200	-	-	2,255	(279)	-
Quantel Technologies	1,753	665	100.0%	1,764	1,764	6,902	-	15,525	477	526
Eliase	100	(11)	100.0%	100	100	-	-	-	(5)	-
LUMIBIRD LTD	0	(411)	100.0%	0	0	3,647	-	2,094	(140)	-
Halo-Photonics	0	3,176	100.0%	12,518	12,518	510	-	4,708	(1,371)	-
LUMIBIRD Medical	116,652	588	100.0%	116,652	116,652	23,338	-	-	592	-

Valuation of equity interests

Each year, LUMIBIRD carries out a valuation of the equity securities held, using the method specified in note 5.2.3. The analysis carried out in 2020 did not highlight the need to adjust provisions for impairment previously recognised.

5.3.1.3. Other financial fixed assets

Other financial fixed assets include:

- Deposits and guarantees. They correspond mainly to the cash pledges deposited in the context of loans contracted with the BPI (700,000 euros) and to a lesser extent to the guarantee deposits on the building of Les Ulis for 170,000 euros,
- since 2019 the financed portion of the CIR (Research Tax Credit) and CICE (Tax Credit for Competitiveness and Employment) receivables. Amounts financed prior to December 31, 2018, previously recorded as tax receivables, were reclassified under "Other financial investments" at January 1, 2019.

5.3.2. Inventories and WIP

Inventories and WIP (€'000)	Gross	Depreciation	Net 31/12/2020	Net 31/12/2019
Inventories of materials and supplies	52	(33)	20	(2)
Work in progress	-	-	-	106
Finished goods	788	(107)	682	330
Parts	14	(14)	0	86
TOTAL INVENTORIES	**854**	**(153)**	**702**	**520**

Provisions (€'000)	Depreciation 31/12/2019	Increase	Write-back	Other entry	Depreciation 31/12/2020
Write-down on inventories – material and supplies.	32	-	(8)	8	33
Write-down on inventories - parts	78	28	-	-	107
Write-down on inventories – finished goods	12	10	-	(8)	14
PROVISIONS FOR INVENTORY WRITE-DOWN	**122**	**38**	**(8)**	**-**	**153**

5.3.3. Receivables

5.3.3.1. Statement of receivables

Receivables (€'000)	Gross 31/12/2019	Gross 31/12/2020	Up to 1 year	Over 1 year
Fixed assets				
Receivables from equity interests	-	22,500	-	22,500
Loans	315	364	-	364
Guarantees and deposits paid	903	1,414	-	1,414
Other long-term receivables	2,442	2,183	-	2,183
Treasury shares	183	2,962	-	2,962
Other financial fixed assets	**3,842**	**29,422**	**-**	**29,423**
Current assets				
Prepayments and advances paid to suppliers	9	1	1	-
Trade and related receivables	***17,041***	***18,270***	***18,270***	***-***
Personnel and welfare agencies receivables	19	18	18	-
Taxes and duties recoverable, excluding income tax	1,063	1,295	1,295	-
Tax consolidation related receivables	595	1,606	1,606	-
Income tax	4,338	5,118	5,118	-
Group and associated companies	24,137	35,599	35,599	-
Other receivables	-	523	523	-
Credit notes receivables	2	3,973	3,973	-
Other receivables	***30,155***	***48,132***	***48,132***	***-***
Prepaid expenses	698	785	785	-
Deferred expenses	371	1,205	191	1,014
Translation differences – assets	152	642	642	-
Total current assets	**48,425**	**69,035**	**68,020**	**1,014**
TOTAL RECEIVABLES	**52,267**	**98,456**	**68,020**	**30,437**

Income tax

As at 31 December 2020, tax receivables mainly consist of tax credits for 2018 to 2020 that have not been offset against advance payments of corporate income tax.

5.3.4. Liquidity agreement

At 31 December 2020, the resources made available to the investment service provider under the liquidity contract were as follows:

- 9 630 shares ;
- 132 099,29 euros in cash.

In connection with this liquidity agreement, LUMIBIRD shares were purchased / sold based on the following price conditions:

Number of treasury shares held at 31 December 2020	23,498
Number of shares purchased from 1 January to 31 December 2020	193,497
Number of shares sold from 1 January to 31 December 2020	183,867
Average purchase price	10.52 €
Average sales price	10.47 €
Average unit cost price of securities in the portfolio at 31 December 2020	12.44 €

5.3.5. Prepaid expenses

Prepaid expenses (€'000)	31/12/2020	31/12/2019
Property lease / Rent	220	177
Equipment lease / rent	33	111
Safety - maintenance and repair	46	64
Insurance	8	17
Fees/studies	219	169
Travel and transportation	-	5
Post/Telecom/WEB	0	14
Fairs, exhibitions and seminars	66	69
Other	192	72
TOTAL PREPAID EXPENSES	**785**	**698**

5.3.6. Change in shareholders' equity

Change in shareholders' equity (€'000)	Share capital	Paid-in capital	Reserves	Retained earnings	Net income (Group share)	Total Shareholders' equity
SITUATION AT 31/12/2018	**16,754**	**31,665**	**393**	**(1,200)**	**(1,638)**	**45,974**
Allocation to retained earnings	-	-	-	(1,638)	1,638	-
Financial year income	-	-	-	-	7,829	7,829
Capital increase	1,675	22,896	-	-	-	24,571
Other	-	-	-	0	-	-
SITUATION AT 31/12/2019	**18,430**	**54,561**	**393**	**(2,838)**	**7,829**	**78,375**
Reclassification	-	-	-	-	-	-
Allocation to retained earnings	-	-	-	7,829	(7,829)	-
Financial year income	-	-	-	-	75,904	75,904
Capital increase	4,037	31,542	-	-	-	35,579
Other	-	-	-	0	-	-
SITUATION AT 31/12/2020	**22,467**	**86,103**	**1,996**	**3,388**	**75,904**	**189,858**

As at 31 December 2020, the share capital consisted of 22,466,882 shares of €1 each are fully paid-up, and represent capital of €22,466,882. They are held as at 31 December 2020 by:

	Nb of shares	% of capital	Nb of voting rights(1)	% of voting rights(2)
ESIRA(3)	**11,667,290**	**51.931**	**17,397,731**	**61.619**
Amiral Gestion(4)	1,361,520	6.06	1,361,520	4.822
Group executives	4,209	0.019	8,059	0.029
Treasury shares	268,717	1.196	NA	NA
Other, incl. Public	9,165,146	40.794	9,467,096	33.53
TOTAL	**22,466,882**	**100%**	**28,234,406**	**100%**

(1) Voting rights able to be exercised at the General Shareholders' Meeting.
(2) The percentages of voting rights presented in this table are calculated without taking into account the Company's treasury shares, which are not entitled to voting rights in accordance with Article L.225-210 of the French commercial code, representing a total number of actual voting rights of 28,234,406 at 31 December 2020.
(3) ESIRA is a French-law simplified joint-stock company (société par actions simplifiée) 85% held by Mr Marc Le Flohic, CEO of the Company.
(4) Asset management company acting on behalf of funds which it manages.

5.3.7. Free shares

During its meeting on 1 April 2019, the Board of Directors decided to issue 196,000 bonus shares to 39 employees from the Company and certain related companies. The vesting date for the bonus shares was set for 1 April 2022, i.e., a three-year vesting period, provided that:

- the beneficiaries were continuously and uninterruptedly employed throughout the vesting period and that at the end of said period, they held a valid employment contract within the Company or a related company pursuant to Article L.225-197-2 of the Commercial Code; and
- the performance conditions set by the Board of Directors were met.

This bonus share plan was the subject of a special report from the Board of Directors, issued in application of Article L.225-197-4 of the Commercial Code, which was presented to the Company's General Meeting of Shareholders, which was called to approve the financial statements for the financial year ended 31 December 2020.

As at 31 December 2020, out of the 196,000 bonus shares that were formally allotted to beneficiaries, 169,000 are still outstanding; 27,000 shares have lapsed due to beneficiary departures.

Furthermore, note that during its 31 March 2020 session, the Board of Directors decided to adopt a new bonus share plan benefiting two of the Group's employees, containing terms identical to those of the plan decided on by the Board of Directors on 1 April 2019, with the exception of the vesting period, which was set at two years, i.e., maturing on 1 April 2022. As at 31 December, of the 6,000 bonus shares allotted to these beneficiaries, 6,000 are still outstanding.

The value of the allocation plan was determined as follows:

Free shares plan	Plan dated 01/04/2019	Plan dated 31/03/2020
Total number of free shares originally allocated (A)	169,000	6,000
Board meeting date for allocation decision	01/04/2019	31/03/2020
End of the vesting period	01/04/2022	01/04/2022
Stock price at the date of allocation (B)	15.3	7.8
Corporate social contribution (« Forfait social ») (C)	20%	20%
Plan value as of 01/04/2022 (A*B* (1+C))	€3,102,840	€56,232
Number of free shares cancelled/refused	0	0
Number of shares remaining at the vesting date (01/04/22)	169,000	6,000
Remaining free shares at December 31 2020	169,000	6,000

5.3.8. Provisions

Provisions (€'000)	Provision 31/12/2019	Increase	Used reversals	Unused reversals	Other movements	Provision 31/12/2020
Tax-regulated provisions	-	-	-	-	-	-
Special tax-allowable provisions	-	-	-	-	-	-
Total I	-	-	-	-	-	-
Provisions for litigation	104	-	-	(28)	-	76
Provisions for warantee	-	27	-	-	-	27
Provisions for foreign exchange loss	152	642	(152)	-	-	642
Other provisions for risk	36	75	-	(4)	-	107
Total II	292	744	(152)	(32)	-	852
TOTAL PROVISIONS FOR RISK AND CHARGES	**292**	**744**	**(152)**	**(32)**	**-**	**852**

	Allocation	Used reversals	Unused reversals
Operational Allocation / Reversal	744	(152)	(28)
Financial Allocation / Reversal	-	-	(4)
Extraordinary Allocation / Reversal	-	-	-
TOTAL ALLOCATION/REVERSAL	**744**	**(152)**	**(32)**

5.3.9. Liabilities

5.3.9.1. Statement of liabilities

Statement of liabilities (€'000)	31/12/2019	31/12/2020	under 1 year	> 1 year
Bond issues	-	17,500	-	17,500
Financial debt and bank overdraft	14,156	50,978	12,121	38,857
Total borrowings and financial debt	***14,156***	***68,478***	***12,121***	***56,357***
Advances and deposits received on orders	530	833	833	-
Trade and related payables	13,096	25,078	21,174	3,904
Personnel and related liabilities	1,563	2,004	2,004	-
Tax liabilities (excluding income tax)	246	261	261	-
Liabilities relating to tax consolidation	3,443	5,734	5,734	-
State – income tax	1,034	3	3	-
Group current account	-	1,056	1,056	-
Other liabilities	131	459	459	-
Other liabilities	6,418	9,518	9,518	-
Prepaid income	5,010	2,510	2,510	-
Accrued liabilities	135	466	466	-
Total current liabilities	***25,188***	***38,405***	***34,501***	***3,904***
TOTAL LIABILITIES	**39,344**	**106,883**	**46,622**	**60,261**

5.3.9.2. Bank borrowings and financial debt

Bank borrowings and financial debt (€'000)	31/12/2019	31/12/2020
Financial liabilities		
Bond issues	-	17,500
Debt from credit institutions	11,836	48,815
Advance related to Research tax credit	1,766	1,766
Advance related to Tax credit for competitiveness and employment	482	261
Interests on debt	34	84
Bank overdrafts	38	53
Total bank borrowings and financial debt	14,156	68,478
Active cash	28,589	54,468
NET FINANCIAL DEBT	**(14,433)**	**14,010**

During financial year 2020, the company:

- Established several lines of financing:
  - two lines of €5 million with BPI Financement for a term of nine years and nine months (including an eight-quarter grace period), repaid at the rate of 1.5% and accompanied by a cash pledge for the total amount of €0.5 million;
  - A French PGE (State-guaranteed bank loan) plan with six banks for €15 million;

  These debts are not accompanied by any ratio or clause on interest increases, early repayment clauses, or security;
- Drawdown from the balance of its acquisition debt line (€29.9 million) to fund Ellex's Laser and Ultrasound
- On 1 December 2020, restructured its acquisition debt, as follows:
  - Refinancing of its €35 million acquisition debt through the establishment of:
    - A revolving bank credit line for €17.5 million, with the same banking pool, with the following initial terms of the debt: (i) Euribor 3 months rate +1.65% (ii) repayable in five annual payments from December 2020 (first annual payment made in December 2021) and (iv) requiring the establishment of an interest rate hedge on 100% of the nominal value of this debt,
    - A bond issue of €17.5 million, ultimately repayable on 1 December 2027 and bearing interest at 3.30%;
  - Establishment of a supplementary acquisition debt:
    - Bank debt in the amount of €41.3 million budgeted for authorised targets and €41.3 million in unconfirmed budget for eligible targets (i) able to be drawn until December 2022 (ii) bearing interest at Euribor 3 months + 1.65% (iii) repayable in five annual payments starting in December 2022 (first annual payment made in 2023) and (iv) requiring the establishment of an interest rate hedge on 100% of the nominal value of this debt;
    - A bond issue totalling €17.5 million for authorised targets with a €5 million unconfirmed budget for eligible targets ((i) able to be drawn until 31 December 2022 (ii) bearing 3.30% interest (iii) ultimately repayable on 1 December 2027.

All of this debt is subject to two ratios, which are tested annually on 31 December, and non-compliance shall result in the debt immediately becoming due:

- A leverage ratio (ratio of net consolidated debt to consolidated EBITDA) which must not exceed a gradually decreasing maximum, ranging progressively from 3.50 (upper limit) as at 31 December 2020 to 2.75 (lower limit) as at 31 December 2026;
- A coverage ratio (ratio of consolidated cash flow to servicing of the debt) which must be higher than 1 throughout the term of the loan.

As at 31 December 2020, the Group was complying with all of its financial ratios.

5.3.9.3. Prepaid income

Prepaid income relates to services still to be performed on contracts and income invoiced for €2,510,000;

5.3.10. Accrued income and accrued expenses

5.3.10.1. Accrued income

Accrued income (€'000)	31/12/2020	31/12/2019
Contracts	3,345	738
Invoices to be issued	687	341
Tax and personnel receivables	18	19
TOTAL ACCRUED INCOME	**4,050**	**1,098**

5.3.10.2. Accrued expenses

Accrued expenses (€'000)	31/12/2020	31/12/2019
Accrued invoices	10,236	1,071
Employee vacation payables	520	401
Other tax and personnel payables	1,749	1,205
Credit notes to be received	3,973	2
Accrued interests	84	34
TOTAL ACCRUED EXPENSES	**16,561**	**2,713**

As at 31 December 2020, the line item "Assets to be obtained" consists of one asset to be received from the subsidiary Quantel Technologies concerning the regularisation of internal billing procedures for a long-term contract in which both companies are stakeholders.

5.3.11. Translation differences

Translation differences assets €'000	31/12/2020	31/12/2019
Customers	99	80
Suppliers	2	0
Current accounts	497	71
Other	45	-
TOTAL TRANSLATION DIFFERENCES ASSETS	**642**	**152**

Translation differences liabilities €'000	31/12/2020	31/12/2019
Suppliers	437	3
Customers	24	26
Current accounts	1	105
Other	4	-
TOTAL TRANSLATION DIFFERENCES LIABILITIES	**466**	**135**

5.4. Notes to the income statement

5.4.1. Revenues

Revenues (€'000)	2020	2019
Sales of goods	48	2
Production sold (goods)	52,629	55,528
Production sold (services)	8,204	8,091
Revenue from auxiliary activities	4,136	3,090
REVENUES	**65,017**	**66,711**
Of which Export	*43,618*	*39,623*

5.4.2. Distribution of export sales by geographical area (€'000)

Distribution of export sales by geographical area	31/12/2020	31/12/2019
Hong Kong	3,136	2,145
USA	10,237	11,149
Germany	3,508	2,833
Korea	3,364	1,197
China	5,080	5,350
Austria	2,099	2,222
Switzerland	2,818	3,858
Other	13,374	10,869
TOTAL EXPORT SALES BY GEOGRAPHICAL AREA	**43,618**	**39,623**

5.4.3. Increase and reversal of operating provisions

Reversals of operating provisions break down as follows:

Reversals of operating provisions (€'000)	2020	2019
Reversal of operating provisions on fixed assets		
Reversal of operating provisions on inventories - materials and supplies	8	-
Reversal of operating provisions on inventories	8	-
Depreciation Trade receivables and related	15	38
Reversals of operating provisions on current asset	15	38
Provisions for litigations	28	65
Provisions for foreign exchange losses	152	286
REVERSALS OF OPERATING PROVISIONS	**203**	**351**

Increase in operating provisions break down as follows:

Increase in operating provisions (€'000)	2020	2019
Operating provisions on fixed assets		
Impairment on inventories – materials and supplies	-	32
Impairment on inventories – intermediary or finished products	28	78
Impairment on inventories - merchandise	10	12
Increase of operating provisions on inventories	38	122
Impairment trade and related accounts	-	22
Impairment current account assets	26	83
Increase of operating provisions on current assets	26	105
Provisions for litigation	-	21
Provisions for guarantees	27	-
Provisions for foreign exchange losses	642	152
Other provisions for risk	75	(0)
Provisions for retirement benefits	(0)	-
Other increase of operating provisions	-	-
INCREASE IN OPERATING PROVISIONS	**808**	**400**

5.4.4. Financial income

Financial income (€'000)	2020	2019
Dividends from other equity interests	0	1
Dividends from consolidated equity interests	2,013	500
Reversals on financial provisions	4	-
Reversal of impairment on financial assets	-	3
Reversal of impairment on Group securities	-	0
Positive foreign exchange differences on financial transactions	4,661	2
Other financial income (2)	1,225	337
Financial income	7,903	843
Interests (1)	(728)	(221)
Negative foreign exchange differences on financial transactions	(184)	(3)
Other financial expenses	(1,716)	(33)
Increase in financial provisions	-	(4)
Increase in impairment on financial assets	(2)	-
Financial expenses	(2,630)	(260)
NET FINANCIAL INCOME	**5,273**	**583**

(1) Of which financial expenses of €4,000 regarding related entities
(2) Of which financial income of €1,211,000 regarding related entities

5.4.5. Exceptional income

Exceptional income (€'000)	2020	2019
Exceptional income from operations	79	(2)
Exceptional income from previous years	27	343
Proceeds from disposals of securities (conso.)	80,000	-
Proceeds from disposals of securities	2,060	1,153
Other exceptional income	0	13
Reversals on provisions on exceptional items	-	38
Exceptional income	82,165	1,546
Exceptional expenses from operations	(9)	(25)
Exceptional expenses from previous years	(3)	(31)
NAV of consolidated securities sold	(10,090)	-
NAV of securities sold	(1,926)	(1,159)
Exceptional expenses	(12,028)	(1,215)
NET EXCEPTIONAL INCOME	**70,138**	**330**

5.4.6. Other information

5.4.6.1. Foreign exchange risk exposure

LUMIBIRD SA sells its production in France and abroad to direct customers or to its marketing subsidiaries. LUMIBIRD SA obtains its supplies in France and abroad, and operations are carried out mainly in euros and, to a lesser extent, in dollars. Purchases in other currencies are non significant.

In financial year 2020:

- 29% of sales were made in foreign currency (exclusively dollars), i.e. 18.9 million euros equivalent;
- 30% of purchases were made in foreign currencies, corresponding to 17.2 million euro equivalents. 93% of these purchases in foreign currencies were made in dollars;
- Net exposure amounted to 1.7 million euros. Foreign exchange gains and losses amounted to €235,000 for the year, recognised in operating income.

5.4.6.2. Research and development activity

As LUMIBIRD SA has transferred its R&D activity to its subsidiary QUANTEL technologies, it no longer bears any research and development costs.

5.4.6.3. Headcount

Headcount	2020	2019
Design and production	5	85
Commercial	13	16
Administrative	40	32
HEADCOUNT TO DATE	**58**	**133**
Average headcount over the year	**60**	**134**

5.4.6.4. Off balance-sheet commitments

5.4.6.4.1. Retirement benefits:

Commitments and expenses related to defined benefit plans are valued each year based on the following conditions:

Assumption used for calculating retirement benefits	2020
Generational mortality tables	85
Collective labor agreement	French metal industries
Change in remuneration	1.50%
Turnover	-
<41 years	4.56%
>41 years and <50 years	2.74%
>50 years	0.00%
Discounting rate	0.58%

The off-balance sheet commitments relating to retirement benefits is estimated, at the balance sheet date, at 778,000 euros. As of 31 December 2019, these commitments amounted to 673,000 euros.

5.4.6.4.2. Pledges given on contracts

The guarantees given on contracts at 31 December 2020 amounts to €116,000 and expires on 31 December 2021.

5.4.6.4.3. Transfer of professional receivables as a guarantee or pre-financing:

Professional receivables transfered as a guarantee amounts to 2,182,000, of which:

- 1,882,000 for Research tax credits from 2016 to 2017,
- 300,000 for 2017 Tax credit for competitiveness and employment.

5.4.6.4.4. Other off balance-sheet commitments:

Quantel has guaranteed all commitments of Quantel Medical to the Banque Populaire du Massif Central (€200,000 at 31 Decmber 2017) for a maximum amount of 500,000 euros.

In connection with the establishment of the acquisition debt of 35 million euros, LUMIBIRD has pledged as collateral its shares in LUMIBIRD Medical.

5.4.7. Tax breakdown

Tax breakdown (€'000)	Income before tax and after profit sharing	Reintegration	Deductions	Tax result breakdown	Tax payable	Net income
Operating income	91	1,765	(71,749)	(69,893)	-	91
Financial income	5,273	-	(1,661)	3,611	-	5,273
Current income before exceptional income and tax	5,363	1,765	(73,410)	(66,282)	-	5,363
Exceptional income	70,138	14	-	70,151	-	70,138
TOTAL	**75,501**	**1,779**	**(73,410)**	**3,869**	**870**	**75,904**

5.4.8. Tax integration

LUMIBIRD, head of the group, integrates fiscally all the French companies directly or indirectly owned by more than 95% on 1 January 2019.

Presentation of the group's tax position:

Losses to carry forward	Opening	Change	Closing
Loss carry-forwards basis	15,201	(4,095)	11,106
TAX RATE	**31.19%**	-	**28.11%**
Tax credit related to losses carried forward	4,741	-	3,122

At 31/12/2020, the group had 11,106 thousand euros of tax loss carry-forwards and used 4,094 thousand euros over the year.

Excluding fiscal integration, LUMIBIRD SA:

- incurred a tax expense of 1,119 thousand euros (excluding tax credit);
- transferred to Quantel Technologies its own deficits available at the beginning of the financial year (i.e. €593 thousand euros), following approval from the tax authorities on this transfer.

5.4.9. Executive compensation

The amount of compensation paid by LUMIBIRD SA to its executives during the financial year 2020 breaks down as follows:

- Non corporate officer directors: €34,000
- Corporate officer directors: €227,000
- Salaried non-director executives (executive committee): €478,000

5.4.10. Post balance-sheet events

No significant event concerning the Company or the Group has occurred since the close of the last financial year and it does not appear that we need to be notified of any.

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2020

This is a translation into English of the statutory auditors' report on the financial statements issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders' Meeting of Lumibird S.A

Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying financial statements of Lumibird S.A. for the year ended December 31, 2020.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as of December 31, 2020 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with the content of our report to the Board of Directors performing the duties of the specialized committee as referred to in Article L.823-19 of the French Commercial Code (Code de commerce).

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code and the French Code of Ethics (Code de déontologie) for Statutory Auditors, for the period from January 1, 2020 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by Article 5(1) of Regulation (EU) No. 537/2014.

Justification of Assessments - Key Audit Matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key points of the audit relating to the risks of material misstatement which, in our professional judgment, were the most significant for the audit of the financial statements for the year, as well as our responses to these risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Measurement of equity securities

(Note 5.2.3 to the financial statements)

Risk description

Equity securities were recorded on the Lumibird S.A. balance sheet as of December 31, 2020 for a net amount of €143,967 thousand.

As stated in Note 5.2.3 to the financial statements, equity securities are recognized at acquisition cost less incidental expenses. A provision for impairment is recorded if substantiated by the cash position of the companies, particularly with regard to the value in use determined using the discounted future cash flow method (DCF), representing management's best estimate of value in use.

The estimate of the value in use of these equity securities requires management to exercise judgement when selecting items to be considered, particularly forecasts and growth and discount rates. Considering these material areas of judgement, we consider the measurement of equity securities to be a key audit matter presenting a risk of material misstatement.

Audit procedures implemented

To assess the reasonableness of the estimated values in use for equity securities determined by management, based on the information made available to us, our work mainly consisted in:

- assessing the relevance of the methodology used to determine the value in use;
- assessing, through interviews with management, the main assumptions and methods used to estimate values in use, particularly forecasts and long-term growth and discount rates.

Recognition of revenue from long-term contracts

(Note 5.2.11 to the financial statements)

Risk description

The Company's revenue totaled €65,017 thousand for the year ended December 31, 2020, with a substantial percentage being generated by long-term contracts. The Company records income from these long-term contracts according to the methods described in Note 5.2.11 to the financial statements.

The amount of revenue and margin to be recognized over the year, and any provisions for losses on completion at the year-end, depends on the entity's ability to measure the costs incurred under a contract and reliably estimate the remaining costs to be incurred until termination of the contract. If the profit or loss on completion of a contract cannot be reliably measured, revenue must be limited to the amount of costs incurred that are likely to be recovered.

These estimates are performed by the account managers under the supervision of management.

Considering the relative percentage of long-term contracts in proportion to total revenue and the complexity of the corresponding estimates, we considered the recognition of revenue arising from long-term contracts to be a key audit matter presenting a risk of material misstatement.

Audit procedures implemented

We reviewed the appropriateness of the internal control procedures implemented by management, and particularly those relating to costs allocated per contract and those relating to the remaining costs to be incurred, to cover the risks of material misstatement that we identified for revenue from long-term contracts.

Furthermore, for contracts representing virtually all revenue recorded using the percentage of completion method, we conducted the following procedures:

- reconcile the financial data (revenue, invoicing, costs and work-in-progress) presented in the contract monitoring reports prepared by the business controller with the accounting records and contractual data;
- conduct interviews with the account managers to assess the remaining costs to be incurred and the contract's level of progress underlying the recognition of revenue;
- confirm the relevance of the estimates made and the information communicated by the business controller by comparing forecast data with actual performance;
- perform a critical review of the data and assumptions underlying the measurements of profit or loss on completion and, where necessary, the correct calculation of losses on completion.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

Information given in the Board of Directors' management report and in the other documents provided to shareholders with respect to the financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents provided to shareholders with respect to the financial position and the financial statements.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D.441-6 of the French Commercial Code.

Report on corporate governance

We attest that the management report on corporate governance sets out the information required by Articles L.225-37-4, L.225-10-10 and L.22-10-9 the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L.22-10-9 of the French Commercial Code relating to compensation and benefits received by or allocated to the directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from controlled companies included in the consolidation scope. Based on this work, we attest the accuracy and fair presentation of this information.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Other Legal and Regulatory Verifications or Information

Format of presentation of the financial statements to be included in the annual financial report

Pursuant to paragraph III of Article 222-3 of the AMF General Regulations, the Company's Management informed us of its decision to postpone the application of the single electronic reporting format, as defined by European Delegated Regulation No. 2019/815 of December 17, 2018, to reporting periods beginning on or after January 1, 2021. Accordingly, this report does not contain a conclusion on the compliance of the presentation of the financial statements to be included in the annual financial report referred to in paragraph I of Article L.451-1-2 of the French Monetary and Financial Code (Code monétaire et financier) with this format.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Lumibird S.A. by the Shareholders' Meetings held on May 17, 2018 for KPMG and on June 5, 2003 for Deloitte & Associés.

As of December 31, 2020, KPMG and Deloitte et Associés were in the 3rd year and 24th year of total uninterrupted engagement, respectively.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Board of Directors performing the duties of the specialized committee as referred to in Article L.823-19 of the French Commercial Code is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, 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 on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his 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 override of internal control;
- Obtains an understanding of 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;
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant 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 his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Board of Directors performing the duties of the specialized committee as referred to in Article L.823-19 of the French Commercial Code

We submit a report to the Board of Directors performing the duties of the specialized committee as referred to in Article L.823-19 of the French Commercial Code which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Board of Directors performing the duties of the specialized committee as referred to in Article L.823-19 of the French Commercial Code includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Board of Directors performing the duties of the specialized committee as referred to in Article L.823-19 of the French Commercial Code with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss with the Board of Directors performing the duties of the specialized committee as referred to in Article L.823-19 of the French Commercial Code the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Rennes and Saint-Herblain, 1 April 2021

The Statutory Auditors

KPMG S.A.	**Deloitte & Associés**
Vincent Broyé *Partner*	Alexis Levasseur *Partner*

CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31/12/2020

1. CONSOLIDATED STATEMENT OF FINANCIAL POSITION (€'000)

LUMIBIRD GROUP – consolidated assets	Notes	2019 Net	2020 Net
Non-current assets			
Goodwill	6.3.1	40,100	69,214
Intangible fixed assets	6.3.1	27,662	39,976
Tangible fixed assets	6.3.2	13,863	24,743
Other non-current financial assets	6.3.3.2	1,329	2,047
Non current tax receivables	6.3.4.1	5,794	5,099
Other non-current non-financial assets	6.3.4.1	0	0
Deferred tax assets	6.3.8	1,703	2,173
Total non-current assets		**90,451**	**143,252**
Current assets			
Inventories	6.3.5	26,256	37,202
Other current financial assets	6.3.3.2	21,851	32,875
Current tax receivables	6.3.4.1	400	2,754
Other current non-financial assets	6.3.4.1	4,497	9,148
Cash and equivalents	6.3.3.3	50,301	80,330
Total current assets		**103,305**	**162,309**
TOTAL ASSETS		**193,756**	**305,561**

LUMIBIRD GROUP – consolidated liabilities	NOTES	2019 Net	2020 Net
Shareholders' equity			
Share capital	6.3.6	18,430	22,467
Consolidated retained earnings	4	97,739	136,165
Foreign Exchange translation differences	4	(43)	(521)
Net income (Group share)	2	8,820	5,638
Shareholders' equity (Group share)		**124,946**	**163,749**
Non-controlling interests		0	0
Long term liabilities			
Long term financial liabilities	6.3.3.4.1	24,996	71,522
Retirement benefits	6.3.7	2,508	3,098
Long-term provisions	6.3.7	30	416
Other long-term financial liabilities	6.3.3.4.2	3,746	3,904
Other long-term non-financial liabilities	6.3.4.2	3,184	4,903
Deferred tax liabilities	6.3.8	2	603
Total long-term liabilities		**34,466**	**84,446**
Passifs courants			
Short term financial liabilities	6.3.3.4.1	7,085	16,789
Provisions	6.3.7	660	730
Tax payable	6.3.4.2	11	737
Other current financial liabilities	6.3.3.4.2	13,392	16,957
Other current non-financial liabilities	6.3.4.2	13,196	22,153
Total current liabilities		**34,344**	**57,366**
TOTAL LIABILITIES		**193,756**	**305,561**

2. CONSOLIDATED INCOME STATEMENT (€'000)

LUMIBIRD GROUP – consolidated income statement	Notes	2019	2020
Revenues	**6.4.1**	**110,717**	**126,729**
Other revenues from ordinary activities	6.4.1	1,936	2,776
Purchases for Production		(43,586)	(49,958)
Salaries and payroll taxes	6.4.4	(32,183)	(39,257)
External expenses		(14,023)	(14,894)
Taxes and duties		(1,889)	(1,737)
EBITDA		**20,975**	**23,658**
Depreciation & amortization	6.4.5	(8,187)	(9,382)
Provisions & impairments	6.4.5	(1,081)	(810)
Other current operating income/expenses	6.4.5	559	673
Current operating income		**12,266**	**14,139**
Income from asset disposals		(168)	(176)
Acquisition costs of business combinations	(1)	(784)	(1,383)
Other non-current operating income/expenses	(2)	(11)	(3,975)
Impairment of goodwill		0	57
Operating income	**6.4.6**	**11,303**	**8,662**
Income from cash and cash equivalents	6.4.7	25	24
Gross cost of financial debt	6.4.7	(719)	(1,388)
Net cost of financial debt		(694)	(1,364)
Other financial income / expenses	6.4.7	(32)	(107)
Financial income		**(726)**	**(1,471)**
Income tax	6.4.8	(1,757)	(1,553)
CONSOLIDATED NET INCOME		**8,820**	**5,638**
Of which attributable to non-controlling interests		*0*	*0*
Of which attributable to equity holders of Group parent		*8,820*	*5,638*
Earnings per share		0.52	0.30
Fully diluted earnings per share	6.1.21	0.52	0.30

(1) Acquisition costs of business combinations correspond to costs incurred during the period and directly attributable to the business combination transactions carried out (Ellex Laser and Ultrasound Division, Essmed sub-group)
(2) The item "other non-current operating income/expenses" corresponds to the loss suffered by the Group in the first half of 2020 as a result of a payment fraud in its new subsidiary Halo-Photonics (UK). the maximum gross cost (before any action to recover the sums) is 3.8 million euros

3. COMPREHENSIVE INCOME STATEMENT (€'000)

COMPREHENSIVE INCOME STATEMENT	2019	2020
Net income for the period	**8,820**	**5,638**
Items that will not be restated in profit or loss subsequently (A)		
Changes in fair value of financial assets measured through other comprehensive income	0	0
Actuarial gains or losses	(29)	(359)
Tax effect	4	101
Sub-total (A)	**(25)**	**(258)**
Items that will be restated in profit or loss subsequently (B)		
Foreign exchange translation differences	103	(477)
Changes in fair value of hedging financial instruments	0	0
Tax effect	0	0
Sub-total (B)	**103**	**(477)**
Sub-total Gains and losses recognised directly in equity	*78*	*(735)*
COMPREHENSIVE INCOME FOR THE PERIOD	**8,899**	**4,902**
Of which attributable to non-controlling interests	0	0
Of which attributable to equity holders of Group parent	8,899	4,902

4. CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY (€'000)

Change in shareholders' equity	Share Capital	Additional paid-in capital	Treasury shares	Retained earnings	Group FX translation reserves	Other Group reserves (actuarial differences)	Other fair value reserves	Shareholders' equity (Group share)	Non-controlling interests	Total shareholders' equity
2018	**16,754**	**31,674**	**(30)**	**42,365**	**15**	**-**	**-**	**90,778**	**-**	**90,778**
Other items of comprehensive income	-	-	-	-	103	(25)	-	79	-	79
Net income	-	-	-	8,820	-	-	-	8,820	-	8,820
Comprehensive income	-	-	-	8,820	103	(25)	-	8,899	-	8,899
Allocation of income for the year N-1	-	-	-	-	-	-	-	-	-	,
Free shares	-	-	-	803	-	-	-	803	-	803
Treasury shares	-	-	(145)	-	-	-	-	(145)	-	(145)
Capital increase	1,675	22,896	-	-	-	-	-	24,572	-	24,572
Other	1	(9)	-	1,158	(161)	1	(949)	39	-	39
2019	**18,430**	**54,561**	**(175)**	**53,146**	**(43)**	**(24)**	**(949)**	**124,946**	**-**	**124,946**
Other items of comprehensive income	-	-	-	-	(477)	(259)	-	(736)	-	(736)
Net income	-	-	-	5,638	-	-	-	5,638	-	5,638
Comprehensive income	-	-	-	5,638	(477)	(259)	-	4,902	-	4,902
Allocation of income for the year N-1	-	-	-	-	-	-	-	-	-	-
Free shares	-	-	-	1,030	-	-	-	1,030	-	1,030
Treasury shares	-	-	(2,683)	-	-	-	-	(2,683)	-	(2,683)
Capital increase	4,037	31,542	-	-	-	-	-	35,579	-	35,579
Other	-	-	-	(28)	(1)	3	-	(25)	-	(25)
2020	**22,467**	**86,103**	**(2,858)**	**59,786**	**(521)**	**(280)**	**(949)**	**163,749**	**-**	**163,749**

In 2019, the "other" line records a reclassification between consolidated reserves and translation reserves with no impact on Group reserves.

5. CONSOLIDATED CASH FLOW STATEMENT (€'000)

Item	2019	2020
Group's consolidated net income	***8,820***	***5,638***
Share of net income of equity-accounted companies	-	-
Dividends from equity-accounted companies	-	-
Amortization, depreciation and provisions	8,501	9,711
Capital gain/loss on assets disposals	168	176
Financing cost	667	1,388
Income and expenses related to stock options and similar instruments	-	-
Other calculated income and expenses	-	(310)
Tax	1,754	1,554
Cash flow before taxes and financial expenses	***19,910***	***18,157***
Change in operating working capital requirements	(104)	(6,110)
Taxes (paid)/received	(334)	1,076
NET CASH FLOW FROM OPERATIONS (I)	**19,472**	**13,123**
Tangible and intangible assets investments	(11,281)	(12,376)
Disposal of tangible and intangible assets	331	67
Disbursements on financial investments	(328)	(610)
Cash-in on financial investments	259	27
Net cash from acquisition / disposal of subsidiaries	(6,129)	(54,245)
NET CASH FLOW FROM INVESTING ACTIVITIES (II)	**(17,148)**	**(67,137)**
Loan issue	9,295	57,091
Loan repayment	(5,005)	(3,868)
Cost of financial debt	(667)	(1,388)
Dividends received from subsidiaries	-	-
Dividends paid/received from parent company	-	-
Capital increase/reduction	24,586	35,580
Change in other shareholders' equity	664	(2,646)
Bank overdrafts (debt)	50	(13)
NET CASH FLOW FROM FINANCING ACTIVITIES (III)	**28,923**	**84,756**
IMPACT OF EXCHANGE RATE VARIATION (IV)	**210**	**(617)**
CASH FLOW (I + II + III + IV)	**31,457**	**30,125**

Cash: opening	17,555	49,012
Cash: closing	49,012	79,138

6. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

LUMIBIRD is a French corporation [société anonyme] with a Board of Directors, governed by French law. Its registered office is located at 2 rue Paul Sabatier - 22300 LANNION. LUMIBIRD shares are listed on Euronext Paris.

LUMIBIRD manufactures lasers for scientific, industrial, and medical applications.

COVID-19 Information

Business in 2020 was marked by an economic climate complicated by the COVID-19 health crisis, and the consequences of complete and partial lockdowns on the economies of the various countries where the Group operates. The Group's sites remained open during this period and all measures were taken to ensure people's safety. The Group was not forced to deal with any order cancellations and/or suspended contracts. It did nevertheless experience (i) delivery delays, in particular those concerning industrial and scientific applications that could no longer be delivered due to the temporary closure of universities, (ii) a slowdown of sales for the Medical division in connection with the cancellation of major international conferences. During the worst of the period, the Group benefited from the measures put in place by the government: governmental assistance (partial unemployment, indemnification for absences to take care of children) in the amount of €0.2 million, the freezing of loan repayments in the amount of €0.6 million (pushed back to the end of the schedule), postponed URSSAF deadlines totalling approximately €1 million (now up to date), the establishment of government-backed lines of credit (€15 million in France, €1.2 million in the United States). It also paid particular attention to monitoring its client receivables, and did not suffer any losses linked to client defaults.

In this context, Lumibird proved it could adapt by making the necessary efforts to preserve its profitability, all while keeping the flexibility needed to ensure a swift recovery after the lockdown ended.

6.1. Accounting principles and practices

6.1.1. Framework for preparation and presentation of financial statements

The consolidated financial statements were approved by Lumibird's Board of Directors on 16 March 2021, and will be submitted for approval to the next Annual General Meeting.

Information is disclosed only when it is of material importance. Figures are expressed in euros rounded up to the nearest thousand. They are prepared on a historical cost basis, with the possible exception of derivative financial instruments measured at fair value.

Preparing the consolidated financial statements in conformity with IFRS requires that the Financial Management take into account assumptions and estimates which affect the amounts of assets and liabilities that appear in the balance sheet, any assets and liabilities mentioned in the notes, as well as the expenses and income shown in the income statement. These estimates and assumptions are made based on past experience and various other factors. They are thus used as a basis for making the judgment needed to determine the book values of assets and liabilities, which cannot be directly obtained from other sources. These estimates are prepared on a going concern basis and according to the information available at the time of preparation.

Due to uncertainties inherent to all evaluation processes, these estimates and assumptions are continuously re-examined. It is possible that the future results of the operations concerned may differ from these estimates. The main estimates made by the Group concern, for assets, the recoverable value of intangible assets (Goodwill and development costs, which amounts are indicated in Note 6.3.1.), and for liabilities, the provisions for contingencies and charges (which amounts are indicated in Note 6.3.8.).

Since 1 January 2005, the Group's consolidated financial statements have been prepared in conformity with IFRS, as adopted in the European Union under European Regulation 1606/2002 of 19 July 2002, which authorised IFRS. These guidelines include the international accounting standards (IAS/IFRS), the interpretations of the Standing Interpretations Committee (SIC), and the International Financial Reporting Interpretations Committee (IFRIC), as published by the International Accounting Standards Board (IASB) as at 31 December 2020 and currently applicable.

New standards and interpretations that are not mandatory and cannot be anticipated as of 1 January 2020

The Group has applied the following standards for the first time with effect from 1 January 2020 and applicable from this date, with no impact on its financial statements:

- Amendments to IAS1 and IAS8 – Definition of Material: the amendments clarify the definition of 'material' - an important accounting concept in IFRS - and how it should be applied.
- Amendments limited to IFRS3 – Definition of a Business
- Amendment to IAS9, IFRS7 and IFRS9 – Interest Rate Benchmark Reform: This amendment is designed to enable companies to provide useful financial information during the period of uncertainty associated with the IBOR reform.
- Amendment to IFRS 16 – Covid-19-Related Rent Concessions: this amendment allows tenants to take account of Covid-19 rent concessions while providing useful information for investors

6.1.2. Change in accounting methods

There have been no changes in accounting methods since 1 January 2020 compared to those applied for the 2019 financial statements.

6.1.3. Major operations and comparability

Purchase of Ellex's Laser and Ultrasound line – 30 June 2020

On 30 June 2020, the Group finalised the acquisition of 100% of the Australian Group ELLEX's Laser and Ultrasound division. This transaction, for an acquisition price of AUD97.4 million was financed in the amount of €29.9 million by a drawdown of the acquisition debt established in June 2019 to fund external growth, and using internal funds for the balance.

The contribution of Ellex's Laser and Ultrasound division to the LUMIBIRD Group's 2020 results amounted to:

- Revenues: €19.3 million
- Net income: €1.2 million

If the transaction had occurred on 1 January 2020, the Group would have recorded:

- Additional revenues of €20.0 million;
- Additional net income of -€1.2 million;

Based on a review of the accounting data obtained within the context of this business combination, the Group, assisted by an independent expert, proceeded to evaluate the identifiable assets and liabilities which allowed it to determine provisional goodwill of AUD46.6 million (€29.3 million) as at 31 December 2020) and to recognise intangible assets for the Ellex brand (€3.5 million) and patents (€4.5 million).

The assets and liabilities that were identified and recorded as at 31 December 2020 break down as follows:

In million euros	Fair value of assets and liabilities recorded at 31/12/2020
Intangible fixed assets	10.6
Tangible fixed assets	7.6
Inventories	10.4
Trade receivables	8.7
Cash and equivalent	5.5
Other current and non-current assets	3
Provisions	-
Current and non-current financial debt	(1.7)
Other current and non-current liabilities	(12.7)
TOTAL ASSETS AND LIABILITIES RECORDED AT FAIR VALUE	**31.4**

Purchase of ESSMED

On 31 July 2020 Lumibird, through its subsidiary, Lumibird Medical, acquired 100% of the shares of the three companies of the Essmed Group, which specialise in the distribution of high-quality medical devices for ophthalmology. This transaction, which was not of great significance with regard to the Group, was completed for €0.7 million and generated goodwill of 0.2 million.

6.1.4. Consolidation method and scope

The consolidation scope of the LUMIBIRD Group includes, in addition to the consolidating parent company LUMIBIRD SA, all of the companies it controls, directly or indirectly, exclusively, jointly, or over which it exercises a considerable influence, and regardless of their legal form. The subsidiaries are consolidated as from the takeover date until the date control is lost. To determine control, any voting rights attached to financial instruments which may, under certain conditions, provide a voting right to LUMIBIRD SA or its subsidiaries, are taken into consideration.

The companies over which the Group directly or indirectly exercises exclusive control are consolidated using the full consolidation method: according to the provisions of IFRS 10, control is determined with regard to the Group's capacity to exercise power over the entities concerned so as to influence the variable returns to which it is exposed or entitled due to its connections thereto. At the time of the initial consolidation of an exclusively controlled company, the assets, liabilities and contingent liabilities of the company acquired are measured at their fair value in conformity with the terms of IFRS. Measurement differences that arise on this occasion are recorded under the assets and liabilities concerned, including for the portion relating to minority shareholders, and not just for the share of the securities acquired. The difference which represents the discrepancy between the acquisition cost and the share of the acquiring party in the net assets measured at their fair value, is recorded under Goodwill.

6.1.5. Conversion of financial statements expressed in foreign currency

The LUMIBIRD Group's consolidated financial statements are presented in euro.

The financial statements of the Group's foreign subsidiaries are maintained in their functional currency. The assets and liabilities of companies whose functional currency is not the euro are converted into euro at the closing price.

- The income statement is converted at the average price for the period, to the extent that there are no major fluctuations in prices,
- The cash flow statement is converted to the average rate, with the exception of cash and cash equivalents, which are converted at the closing rate,
- Translation differences between the assets and liabilities at the closing price, and the income statement at the average rate are recorded separately under the line item "Translation differences" under other comprehensive income.

6.1.6. Conversion of transactions denominated in foreign currency

The recording and measurement of transactions in foreign currencies are defined by IAS 21 as "the effects of changes in foreign exchange rates."

Transactions denominated in foreign currency are converted at the current exchange rate in effect at the time of the transaction. At year-end, the foreign currency assets and liabilities are converted at the closing exchange rate. The resulting translation differences are recorded under exchange gains or losses under operating income, excluding those entries of a financial nature and those relating to the underlying flows directly recorded under equity.

6.1.7. Interest rate hedges

The Group no longer holds any interest rate derivatives.

6.1.8. Tangible and intangible fixed assets

Goodwill

Goodwill represents the excess purchase price on the share acquired by the Group in the fair value of identifiable net assets, liabilities, and contingent liabilities of the entity at the date of acquisition. Corrections or adjustments may be made to the fair value of the assets and liabilities acquired in the 12 months following the acquisition if new information is obtained concerning an element that existed at the date of acquisition.

In the event that the fair value of identifiable assets, liabilities, and contingent liabilities recorded is higher than the consideration transferred, the difference is immediately recognised under income for the year of the acquisition.

Additional acquisitions of securities from a previously consolidated subsidiary do not result in additional goodwill being recorded, as these transactions are considered to be transactions between shareholders, which must be recorded under equity.

Other intangible assets

In conformity with IAS 38 “Intangible Assets,” only items for which it is probable that the future economic advantages will benefit the Group, and whose cost may be reliably determined, are recorded under intangible assets. They are recorded at their acquisition cost.

When their useful life is defined, intangible assets are amortised over the term of use expected by the Group. This term is determined on a case by case basis according to the nature and characteristics of the items included under this heading.

When their useful life is undefined, intangible assets are not amortised but instead subject to annual systematic impairment tests.

The Group’s intangible assets primarily include:

- Development costs (including patents), which are capitalised as soon as are demonstrated:
  - The intention and financial and technical capacity to complete the development project;
  - The probability that the future economic benefits attributable to development expenses will benefit the company;
  - And that the cost of this asset may be reliably evaluated;
  - Research and development costs which do not meet the above criteria are recorded under financial year expenses for the year in which they are incurred. Capitalised developments which meet the criteria prescribed by the accounting guidelines are recorded on the assets side of the balance sheet. They are amortised on a straight-line basis over their estimated useful life, which is generally five years.
- The QUANTEL and Ellex brands, which are not subject to amortisation;
- The intangible value of Defence contracts, amortised over a period of nine years ;
- Software acquired, which is amortised on a straight-line basis over three years.
- Rights of use of leased assets, recognised in accordance with IFRS16.

Tangible assets

As the LUMIBIRD Group’s disposal of its assets is non-recurring, the residual value of a fixed asset at the end of its depreciation period is null (fixed assets thus depreciate for the entirety of their value). The Group has not opted to re-evaluate its property, plant & equipment (preservation of historical cost for all categories of fixed assets, less any depreciation and impairments in value).

The following durations and methods are most commonly used:

Nature	Timeframe	Method
Manufacturing facilities	10 to 30 years	Straight line
Improvements to facilities	10 years	Straight line
Industrial equipment	3 to 10 years	Straight line
Upgrades to industrial equipment	5 years	Straight line
General plant improvements	10 years	Straight line
Transport equipment	5 years	Straight line
Computer hardware	3 to 5 years	Straight line
Office equipment	4 to 7 years	Straight line
Office furniture	10 years	Straight line

Recoverable value of tangible and intangible fixed assets

Tangible and intangible fixed assets must undergo impairment testing in certain circumstances:

- For intangible assets with an indefinite useful life, at least once a year or more frequently if there are signs of impairment;
- For other fixed assets, each time the events, or changes in circumstances indicate that these book values might not be recoverable.

An impairment test consists of comparing the net book value of the asset with its recoverable value, which is the higher value as between its fair value less disposal costs and its value in use.

- Value in use is obtained by adding the discounted values of cash flows expected from use of the asset (or group of assets) and from its ultimate disposal.
- The fair value less disposal costs corresponds to the amount that could be obtained from the sale of the asset (or group of assets), under normal competitive conditions, less the costs directly linked to disposal.

The (tangible and intangible) fixed assets subject to impairment testing are grouped within Cash-Generating Units (CGUs) which correspond to standard groups, whose use generates independent cash flows, namely for LUMIBIRD Group:

- The “Medical” CGU;
- The “Photonics” (former “Laser”) CGU;

The value in use is determined from discounted cash flow projections covering a period of five years, and with a terminal value. The discounted rate used for these calculations is the weighted average cost of the capital after taxes for each of the Cash-Generating Units. In terms of changes in revenues and terminal values, the assumptions used are reasonable and conform to the available market data for each of the business activities.

The discounted rate and the perpetuity growth rate, on the one hand, and the business growth rate, on the other, are the most sensitive assumptions concerning the evaluation of impairment testing. To conduct impairment testing at the close of 2020, the Group used the following assumptions:

- 10.61% discount rate, compared with 10.06% the previous year;
- 2% perpetuity growth rate (which reflects analysts' projections according to value), stable compared with 2019.

6.1.9. Government grants

The grants recorded by the Group are primarily linked to assets. These grants are recorded on the liabilities side of the balance sheet under the heading "other current liabilities." They are booked at the rate of amortisation of the asset they support, under the line item "other income from ordinary activities."

Any operating grants covering expenses for the period are directly recorded in revenue, under the line item "other income from ordinary activities."

6.1.10. Inventories and work-in-progress

Inventories are evaluated at their production cost or probable net realisable value if this is lower. The cost price corresponds to the acquisition cost or production cost.

The net realisable value represents the estimated sale price over the normal course of business, less the costs expected to complete the sale.

6.1.11. Financial instruments

The Group holds the following financial instruments:

- Financial assets: unconsolidated equity interests, loans and receivables at amortised costs, including accounts receivable as well as the positive fair value of derivative financial instruments.
- Financial liabilities: loans, other financing and bank overdraft facilities, accounts payable, and the fair value of derivative financial instrument liabilities.

The measurement and recording of financial assets and liabilities are defined by IFRS 9 "Financial Instruments." In applying this standard during their initial recording, the financial assets are classified at amortised cost, at fair value through other comprehensive income, or at fair value through profit or loss.

Financial assets and liabilities are presented in the balance sheet under assets or liabilities, or current or non-current liabilities according to whether their maturity dates are less than or greater than one year.

Loans and other financial liabilities are measured at amortised cost, which is calculated using the effective interest rate (EIR). For example, lending fees are deducted from the initial amount of the debt, then reintegrated period after period according to the calculation of the EIR, with consideration of these reintegrations being recorded through profit or loss.

Unconsolidated equity interests are recorded, on options, under financial assets at fair value by "other comprehensive income," which has not been recyclable since 1 January 2018.

Receivables: Receivables are recorded at amortised cost. For their impairment, the Group applies the simplified method proposed by IFRS 9 and recognizes the expected losses at maturity of these receivables. These expected losses are measured taking into account any credit insurance that may have been taken out.

6.1.12. Cash and cash equivalents

Cash consists of liquid assets in bank current accounts.

Cash equivalents include open-end mutual funds (SICAV) and time deposits, which can be readily transferred or sold (in a period of less than three months) and do not present any significant risk of impairment in case of a change in interest rate.

6.1.13. Repurchase of equity instruments

If the Group repurchases its own equity instruments, the amount of consideration paid, including the directly attributable costs, is recorded under change in equity.

6.1.14 Share-based payments to personnel

The Group chose to apply IFRS 2 "Share-based payment" to all of its share option plans, starting with the one that was established on 7 November 2002, in conformity with the provisions of the rule.

As at 31 December 2020, no plan is currently in place.

6.1.15. Free shares

In conformity with IFRS 2, an expense must be recorded when free shares are granted, in order to reflect the services rendered by employees or agents. This charge is offset under the line item consolidated reserves. The principle for measuring the expense is as follows:

- Each share is valued at the fair value of the free shares allotted; in other words at the unit stock price on the date the shares are allocated, less any amount reflecting the market conditions and other characteristics such as the lack of dividend or post-acquisition non-transferability clauses. This fair value is set at the allocation date. It is not subject to subsequent re-estimates as a function of the change in stock price.
- The fair value is then multiplied by the number of shares acquired by the beneficiaries, employees, or agents.

When the free share allocation plan includes a condition for ongoing service with the group until the end of the vesting period in order for the award to become final, the charge is then spread over the term of the continued service condition (vesting period).

6.1.16. Provisions

The provisions are established in the balance sheet when the Group has a current (legal or implicit) obligation towards a third party and it is probable that an outflow of resources representative of future economic advantages will be necessary to settle the obligation.
A provision is only allotted in the Group's financial statements on the condition that the amount of the outgoing resources that will be necessary to settle the obligation can be reliably measured. Without a reliable estimate and/or once the Group believes it has solid and pertinent arguments to defend the issues in dispute, no provision is recorded. The information is then presented in the section "Management of risks and disputes – disputes and exceptional events" in the notes hereto.

The main provisions established by the Group concern:
- the coverage of customer warranties;
- risks and various disputes;
- employee benefits.

Losses on completion

The total costs of contracts, and in particular those still pending, are regularly subject to follow-up and estimates in order to monitor the expected level of margins. If these estimates demonstrate that a contract will be loss-making, a provision for loss on completion will be recorded for the entire estimated loss.

Warranties

The products sold by the Group benefit from a warranty covering any repair expenses for period varying between one and three years. A provision is established when the products concerned are sold, to cover the estimated cost of this warranty.

Employee benefits

Employee benefits concern the Group's commitments, for the French subsidiaries, in terms of end-of-career indemnities, and are measured in conformity with revised IAS 19. As the Group does not outsource its commitments, they are recorded in the financial statements in the form of provisions, which are calculated based on actuarial measurements using the prospective method (projected unit credits method) which notably integrates:

- the statistical elements of the TPF 2005 generational table which allows death probabilities to be determined.
- The average turnover rate by age group, which allows the probabilities of remaining in the Group until retirement age to be determined
- age and seniority of employees
- a coefficient on changes in remuneration and a discounting rate. The rate used for discounting was 0.575% in 2020 compared to 1.077% in 2019.
- Actuarial differences are recorded under other comprehensive income, in application of IAS 19.

6.1.17. Income from ordinary activities

In conformity with the provisions under IFRS15, revenue is recognised if there is a contract between the Group and its client. There is a contract if it is probable that the Group will recover the payment to which it is entitled, and if the rights to the goods or services and the terms of payment may be identified, and if the parties to the contract are committed to settling their respective obligations.

Contracts with multiple performance obligations:

Le Groupe est amené à signer des contrats à éléments The Group may sign contracts with multiple elements that could correspond to a combination of different services, and delivery of goods. The revenue is recognised separately for each of the items when they can be identified separately and the client can benefit from this practice.

When a contract contains several performance obligations, the price is allotted to each of them based on its individual sale price.

Principal or Agent:

When the Group provides specific supplies or services to clients, which are qualified as distinct, it acts as principal, in particular if it is responsible for these goods or services complying with the client's specifications, or if it assumes a delivery or inventory risk.

Recognition of revenue at a given date over time or on an ongoing basis:

The Group records revenue when it has fulfilled (or as it fulfils) a performance obligation by providing the client with a promised good or service.
- For performance obligations that are fulfilled gradually (ongoing revenue), the Group records revenue according to stage of completion. The stage of completion is determined according to the costs incurred in comparison with the total costs provided for under the contract.
- Moreover, when the Group constructs assets in a series, the revenue is recognised on an ongoing basis according to the costs incurred, when the Group's performance obligation consists of constructing assets that the client controls as they are gradually created, or if said assets have no alternative use other than the one the client will make of them, and the Group has an irrevocable right to payment for the work completed to date under the terms of the contract. If these conditions are not met, the revenue is recognised at a given date.
- For performance obligations fulfilled at a given date, the Group records the revenue when the client takes control of the good or service.

6.1.18. EBITDA

In its consolidated income statement, the LUMIBIRD Group shows an aggregate - the EBITDA - which is not defined by IFRS but is useful for its investors.

The EBITDA corresponds to the Group's added value, plus subsidies paid in the result and less taxes and assimilated payments and personnel expenses. Value added includes production for the financial year (sold, inventories or fixed assets) net of purchases consumed and other external charges.

6.1.19. Deferred tax

Differences in time which appear in the balance sheet between the consolidated book values and the tax values of the corresponding assets and liabilities result in the calculation of deferred taxes.
In conformity with IAS 12, the Groupe presents deferred taxes in the consolidated balance sheet separately from the other assets and liabilities. Deferred tax assets are recorded in the balance sheet to the extent that it is probable that they will be recovered over the course of subsequent years. Deferred tax assets and liabilities are not discounted.
To assess the Group's capacity to recover these assets, the following elements are particularly taken into account:
- Forecast of future tax results,
- History of tax results from previous years.

Deferred tax assets and liabilities are measured using the liability method, meaning using the tax rate whose application is expected over the current year in which the asset will be realised or the liability settled, based on the tax rates (and tax regulations) which were adopted or quasi-adopted at the closing date, taking into account future rate increases and decreases.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would result from the way in which the company expects, at the closing date, to recover or settle the book value of its assets and liabilities.

6.1.20. Segment information

The Group distinguishes its medical activity from its industrial and scientific activity. The segment information is presented under Note 6.4.2.

6.1.21. Earnings per share

Basic earnings per share are calculated by dividing the net income from the financial year attributable to bearers of ordinary shares by the average weighted number of ordinary shares outstanding during the financial year.

The average number of shares outstanding is calculated based on the various changes in share capital, restated, where applicable, for Group holding of its own shares, i.e. for financial year 2020, 18,591,914 shares.

To calculate the diluted earnings per share, the net profit attributable to bearers of ordinary shares and the average weighted number of shares outstanding are adjusted for the effects of all ordinary shares subject to dilution. As at 31 December 2020, there were no ordinary shares subject to dilution.

6.1.22. Financial items in the income statement

Income from cash and cash equivalents

The line item "income from cash and cash equivalents" primarily includes the result from the disposal of cash equivalents, net of losses in value recorded on cash equivalents carried as assets.

Cost of financial debt

The cost of gross financial debt includes interest expenses on loans calculated at the effective interest rate as well as the cost of rate hedging on these same loans, where applicable. The cost of net financial debt corresponds to the cost of the gross financial debt less income from cash and cash equivalents.

Other financial expenses and income

Other financial expenses and income corresponds to revenue from financial loans and receivables, to dividends paid from unconsolidated companies, currency result, the accretion of provisions, and impairments of financial assets.

6.2. Consolidation scope

6.2.1. Parent company

LUMIBIRD SA

A French limited liability company (société anonyme) having capital of €22,466,882
2 rue Paul Sabatier – 22300 Lannion

6.2.2. Consolidated subsidiaries

Company	Registered office	Consolidation method	Closing date	% ownership
Quantel Médical	Cournon d'Auvergne (France)	Full consolidation since 06/10/2017	31/12	100%
Atlas Lasers	Les Ulis (France)	Full consolidation since 06/10/2017	31/12	100%
Sofilas	Les Ulis (France)	Full consolidation since 06/10/2017	31/12	100%
Quantel USA	Bozeman (USA)	Full consolidation since 06/10/2017	31/12	100%
Quantel Derma GmbH	Erlangen (Germany)	Full consolidation since 06/10/2017	31/12	100%
LUMIBIRD Gmbh	Köln (Germany)	Full consolidation since 06/10/2017	31/12	100%
Veldys	Lannion (France)	Full consolidation since 01/01/2016	31/12	100%
Keopsys Industries	Lannion (France)	Full consolidation since 01/01/2016	31/12	100%
Sensup	Rennes (France)	Full consolidation since 01/01/2016	31/12	100%
LUMIBIRD Inc	Bozeman (USA)	Full consolidation since 01/01/2016	31/12	100%
LUMIBIRD Japan	Tokyo (Japan)	Full consolidation since 01/04/2017	31/12	100%
Quantel Médical Immo	Cournon d'Auvergne (France)	Full consolidation since December 2017	31/12	100%
Quantel Médical Polska	Warsaw (Poland)	Full consolidation since March 2018	31/12	100%
LUMIBIRD China	Shanghai (Chine)	Full consolidation since 01/07/2018	31/12	100%
Quantel Technologies	Les Ulis (France)	Full consolidation since 01/07/2018	31/12	100%
Eliase	Les Ulis (France)	Full consolidation since 01/07/2018	31/12	100%
Quantel Medical USA	Dallas (USA)	Full consolidation since 19/04/2019	31/12	100%
LUMIBIRD LTD	Ottawa (Canada)	Full consolidation since 31/01/2019	31/12	100%
Optotek	Ljubljana (Slovnia)	Full consolidation since 01/09/2019	31/12	100%
Halo Photonics	Worcester (UK)	Full consolidation since 31/12/2019	31/12	100%
LUMIBIRD Medical	Cournon d'Auvergne (France)	Full consolidation since 23/12/2019	31/12	100%
LUMIBIRD Medical Australia Pty Ltd	Sydney (Australia)	Full consolidation since 30/06/2020	30/06	100%
Adele Ellex SPV Pty Ltd	Mawson Lakes (Australia)	Full consolidation since 30/06/2020	30/06	100%
Ellex Deutschland GmbH	Berlin (Germany)	Full consolidation since 30/06/2020	30/06	100%
Ellex Japan Corporation	Tokyo (Japan)	Full consolidation since 30/06/2020	30/06	100%
Ellex Australia Pty Limited	Mawson Lakes (Australia)	Full consolidation since 30/06/2020	30/06	100%
Ellex Medical Pty Limited	Mawson Lakes (Australia)	Full consolidation since 30/06/2020	30/06	100%
Ellex Machine Shop Pty Ltd	Mawson Lakes (Australia)	Full consolidation since 30/06/2020	30/06	100%
Laserex Medical Pty Limited	Mawson Lakes (Australia)	Full consolidation since 30/06/2020	30/06	100%
Ellex Services Europe SARL	Lyon (France)	Full consolidation since 30/06/2020	30/06	100%
Ellex USA Inc	Minneapolis (USA)	Full consolidation since 30/06/2020	30/06	100%
Essmed AB	Mölnlycke (Sweden)	Full consolidation since 31/07/2020	31/07	100%
Brinch	Drammen (Norway)	Full consolidation since 31/07/2020	31/07	100%
Essmed OY	Borga (Finland)	Full consolidation since 31/07/2020	31/07	100%

6.3. Information relating to line items of the balance sheet

6.3.1. Intangible fixed assets

GROSS VALUE	2019	Acquisitions during the year	Disposals during the year	Change in consolidation scope	Other movements	2020
Goodwill	40,100	0	0	26,882	2,233	69,214
Total Goodwill	40,100	0	0	26,882	2,233	69,214
Development costs	56,386	6,421	(186)	1,553	(1,415)	62,760
Brand	1,800	0	0	3,389	140	5,329
Defence contracts	1,750	0	0	0	0	1,750
Other intangible assets	2,120	706	(1)	5,170	343	8,338
Total intangible fixed assets	62,056	7,127	(187)	10,112	(931)	78,177
Rights of use (IFRS16)	5,651	1,184	(486)	1,508	(279)	7,578
Total rights of use	5,651	1,184	(486)	1,508	(279)	7,578
TOTAL GROSS VALUE INTANG. ASSET	**107,807**	**8,311**	**(673)**	**38,501**	**1,023**	**154,969**

AMORTISATION OR IMPAIRMENT	2019	Acquisitions during the year	Disposals during the year	Change in consolidation scope	Other movements	2020
Goodwill	0	0	0	0	0	0
Total Goodwill	0	0	0	0	0	0
Development costs	(36,427)	(4,389)	0	(145)	1,036	(39,925)
Brand	0	0	0	0	0	0
Defence contracts	(435)	(194)	0	0	0	(629)
Other intangible assets	(1,689)	(484)	1	(81)	(1)	(2,254)
Total intangible fixed assets	(38,550)	(5,068)	1	(226)	1,035	(42,809)
Rights of use (IFRS16)	(1,495)	(1,929)	394	0	59	(2,970)
Total rights of use	(1,495)	(1,929)	394	0	59	(2,970)
TOTAL AMORT. INTANG. ASSETS	**(40,045)**	**(6,997)**	**395**	**(226)**	**1,095**	**(45,779)**

NET VALUE	2019	Acquisitions during the year	Disposals during the year	Change in consolidation scope	Other movements	2020
Goodwill	40,100	0	0	26,882	2,233	69,214
Total Goodwill	40,100	0	0	26,882	2,233	69,214
Development costs	19,959	2,032	(186)	1,408	(378)	22,834
Brand	1,800	0	0	3,389	140	5,329
Defence contracts	1,315	(194)	0	0	0	1,121
Other intangible assets	431	221	0	5,089	342	6,084
Total intangible fixed assets	23,505	2,059	(186)	9,886	104	35,368
Rights of use (IFRS16)	4,156	(745)	(92)	1,508	(219)	4,608
Total rights of use	4,156	(745)	(92)	1,508	(219)	4,608
TOTAL NET VALUE INTANG. ASSETS	**67,761**	**1,314**	**(278)**	**38,275**	**2,118**	**109,190**

The other entries correspond mainly to translation differences on fixed assets held in foreign currencies.

Development costs

Development costs correspond to development costs capitalised by the Group. For the 2020 financial year, the acquisition of development costs includes those incurred during the financial year and capitalised, for €6,421 thousand.

Brands

The "brands" item mainly includes the Quantel Médical brand (valued as part of the allocation of the acquisition price of the QUANTEL Group) for 1.8 million euros and the Ellex brand (valued as part of the allocation of the acquisition price of the Ellex Laser and Ultrasound division) for 3.5 million euros.

Goodwill

The change in the amount of goodwill on the balance sheet is due to the acquisition of Ellex Laser and Ultrasound division and ESSMED Group's 3 distribution companies (described in section 6.1.2 of these notes).

When there is no sign of impairment, impairment tests are conducted once a year, on 31 December. The impairment test performed in 2020 (according to the specific terms of these notes, under the accounting principles and methods – recoverable value of tangible and intangible fixed assets) allowed it to be concluded that there was no impairment to be recorded. The sensitivity tests applied to the various CGUs consisted of varying the discount rate and the perpetuity growth rate by 1% tranche and the cash flows by 10% tranche. A summary of the value of the CGUs and tests performed is presented below:

(€'000)	CGU value in use	CGU book value	Change in CGU value in use if:		
			Discount rate rises by 1%	Perpetuity growth rate declines by 1%	Cash flow decreases by 10%
Laser CGU	147,898	53,098	(16,392)	(11,271)	(14,790)
Medical CGU	158,397	62,729	(19,593)	(13,703)	(15,840)

It is moreover noted that the sensitivity analysis did not reveal a probable scenario according to which the recoverable value of the CGUs would become less than their net book value.

6.3.2. Tangible fixed assets

GROSS VALUE	2019	Acquisitions during the year	Disposals during the year	Change in consolidation scope	Other movements	2020
Land	1,549	0	0	0	0	1,549
Buildings	7,847	180	0	5,433	426	13,886
Technical facilities, equipment and tools	13,275	2,117	(204)	3,013	13	18,214
Other tangible fixed assets	5,945	3,499	(139)	82	(386)	9,001
Assets under construction	473	30	0	0	(480)	23
TOTAL GROSS VALUE TANGIBLE ASSETS	**29,091**	**5,825**	**(343)**	**8,527**	**(426)**	**42,674**

AMORTISATION OR IMPAIRMENT	2019	Acquisitions during the year	Disposals during the year	Change in consolidation scope	Other movements	2020
Land	0	0	0	0	0	0
Buildings	(1,678)	(307)	0	(4)	(156)	(2,144)
Technical facilities, equipment and tools	(10,148)	(1,536)	200	(898)	170	(12,211)
Other tangible fixed assets	(3,402)	(542)	137	0	232	(3,576)
Assets under construction	0	0	0	0	0	0
TOTAL AMORT TANGIBLE ASSETS	**(15,228)**	**(2,385)**	**337**	**(901)**	**246**	**(17,931)**

NET VALUE	2019	Acquisitions during the year	Disposals during the year	Change in consolidation scope	Other movements	2020
Land	1,549	0	0	0	0	1,549
Buildings	6,170	(127)	0	5,429	270	11,742
Technical facilities, equipment and tools	3,127	581	(5)	2,115	183	6,002
Other tangible fixed assets	2,544	2,957	(2)	82	(154)	5,426
Assets under construction	473	30	0	0	(480)	23
TOTAL NET VALUE TANGIBLE ASSETS	**13,863**	**3,440**	**(6)**	**7,626**	**(181)**	**24,743**

6.3.3. Financial instruments

	2019			2020		
	Non-Current	Current	Total	Non-Current	Current	Total
Financial assets at fair value through OCI	0	0	0	0	0	0
Other non-current financial assets	1,329	0	1,329	2,047	0	2,047
Other current financial assets	0	21,851	21,851	0	32,875	32,875
Financial assets	**1,329**	**21,851**	**23,180**	**2,047**	**32,875**	**34,922**
Cash and cash equivalent	**-**	**50,301**	**50,301**	**-**	**80,330**	**80,330**
Financial debt	24,996	7,085	32,081	71,522	16,789	88,312
Other financial liabilities	3,746	13,392	17,139	3,904	16,957	20,861
FINANCIAL LIABILITIES	**28,742**	**20,477**	**49,219**	**75,427**	**33,746**	**109,173**

6.3.3.1. Financial assets at fair value through OCI

Financial assets at fair value through other comprehensive income concern, as at 31 December 2020, unconsolidated shares of MEDSURGE (a company in which the Group holds a less than 10% stake), whose fair value is null.

	31/12/2019	Acquisitions	Disposals during the year	Other movements	31/12/2020
Medsurge shares	-	-	-	-	-
Unconsolidated securities	-	-	-	-	-

6.3.3.2. Other financial assets

	2019			2020		
	Non-Current	Current	Total	Non-Current	Current	Total
Deposits and guarantees	1,014	0	1,014	1,668	0	1,668
Loans	315	0	315	379	0	379
Trade receivables	0	20,947	20,947	0	32,467	32,467
Advances and deposit paid on orders	0	904	904	0	409	409
Receivables on fixed assets	0	0	0	0	0	0
OTHER FINANCIAL ASSETS	**1,329**	**21,851**	**23,180**	**2,047**	**32,875**	**34,922**

Other non-current financial assets mainly concern deposits and guarantees and, to a lesser extent, the 1% construction loans paid for the construction effort of LUMIBIRD and Quantel Technologies. Deposits and guarantees correspond primarily to the cash collateral deposited within the framework of a loan with BPI (€1,175,000), and to a lesser extent, the security deposits on the Ulis building totalling €170,000. The increase in the item is linked to the setting up of 2 additional tranches of the BPI loan.

Other current financial assets mainly concern trade receivables, of which €8.7m of the change (€11.5m) is due to the integration of the Ellex Laser and Ultrasound division in the scope of consolidation, and €2.8m to the change in trade receivables on a constant scope of consolidation basis. This variation is attributable to the optimisation of trade receivables management and to the variation of business over the year.

The breakdown of other financial assets, excluding cash, according to gross and net value, is presented below:

	2019			2020		
	Gross	Impairment	Net	Gross	Impairment	Net
Financial loans and receivables	2,278	(949)	1,329	2,996	(949)	2,047
Operating receivables	22,166	(315)	21,851	33,101	(226)	32,875
Other financial assets	24,444	(1,264)	23,180	36,097	(1,175)	34,922

6.3.3.3. Cash and cash equivalents

The Group's cash and cash equivalents includes the following items:

	2019	2020
Marketable securities (a)	30	63
Bank accounts (b)	50,271	80,267
Cash and cash equivalents in the statement of financial position (a)+(b)	50,301	80,330
Short-term bank borrowings (c)	(1,288)	(1,192)
CASH AND CASH EQUIVALENTS IN THE CASH FLOW STATEMENT (B)+(C)	**49,012**	**79,138**

6.3.3.4. Financial liabilities

6.3.3.4.1. Financial debt

Financial debt	2019			2020		
	Non-Current	Current	Total	Non-Current	Current	Total
Debts from credit institutions	20,102	2,135	22,237	50,083	11,464	61,547
Bonds	0	0	0	17,065	(74)	16,991
Financial lease and lease debt	3,447	1,865	5,313	3,876	1,735	5,611
Aid/ Repayable advance	460	440	899	480	311	791
Tax credits financing	977	1,270	2,248	0	2,027	2,027
Other loans and financial debts	9	87	96	18	135	153
Short-term bank borrowings and overdrafts	-	1,288	1,288	-	1,192	1,192
TOTAL FINANCIAL DEBT	**24,996**	**7,085**	**32,081**	**71,522**	**16,789**	**88,312**

Tax credit financing

Research tax credits from 2014 to 2016 and the 2014 to 2017 CICE from LUMIBIRD and Quantel Médical were disposed of in guarantee of an annually renewable advance, in the amount of €2,182 thousand.

Change in financial debt over the financial year

	2019	FY increase	FY decrease	Change in scope	Other movements	2020
Debts from credit institutions	22,237	57,500	(18,692)	601	(100)	61,547
Bonds	0	16,985	6	0	0	16,991
Financial lease and lease debt	5,313	1,387	(2,361)	1,508	(235)	5,611
Aid/ Repayable advance	899	0	(108)	0	0	791
Tax credits financing	2,248	0	(221)	0	0	2,027
Other loans and financial debts (D&C)	96	106	(34)	0	(14)	153
Total (excluding bank overdrafts)	30,793	75,977	(21,410)	2,108	(349)	87,119
Short-term bank borrowings and overdrafts	1,288	0	0	334	(430)	1,192
TOTAL FINANCIAL DEBT	**32,081**	**75,977**	**(21,410)**	**2,442**	**(779)**	**88,312**

The increases for the financial year are primarily composed of the following:

- +€29.9 million: drawdown on the acquisition debt to finance Ellex's Laser and Ultrasound division;
- +€0.1 million: amortisation of costs of establishing the acquisition debt;
- +€15.0 million: establishment of an EMP programme in France for the health crisis;
- +€10 million: establishment of two lines of credit from BPI
- +€1.2 million: establishment of a programme to provide assistance in the US crisis;
- +€2.3 million: drawdown on real property debt to finance the facilities of the Cournon d'Auvergne building;
- +€1.4 million: new leases.

Furthermore, without impacting the amount of debts, on 1 December 2020 LUMIBIRD SA carried out a transaction to restructure its acquisition debt, as follows

- Refinancing of its €35 million acquisition debt by establishing:
  - A revolving line of bank credit of €17.5 million, with the same banking pool, and initial debt conditions: (i) Euribor 3 month rate + 1.65% (ii) repayable in five annual payments starting in December 2020 (first annual payment made in December 2021) and (iv) requiring the establishment of an interest rate hedge on 100% of the nominal value of this debt;
  - A bond issue of €17.5 million ultimately repayable on 1 December 2027 and bearing interest at 3.30%.

- Establishment of a supplementary acquisition debt:
  - Banking debt, in the amount of €41.3 million for authorised targets, and €41.3 million for unconfirmed eligible targets (i) able to be drawn until December 2022 (ii) accruing interest at Euribor 3 months + 1.65% (iii) repayable in five annual payments starting in December 2022 (first annual payment made in December 2023) and (iv) requiring the establishment of an interest rate hedge on 100% of the nominal rate of this debt;
  - Bond issue in the amount of €17.5 million for authorised targets and €5 million in unconfirmed budget for eligible targets (i) able to be drawn until 31 December 2022 (ii) accruing interest at 3.30% (iii) ultimately repayable on 1 December 2027.

The entirety of this debt is subject to two ratios, tested annually on 31 December; non-compliance shall result in the debt becoming due:
- A leverage ratio (ratio of consolidated net debt to consolidated EBITDA) which must not exceed a gradually decreasing maximum, which ranges from 3.50 (upper limit) as at 31 December 2020 to 2.75 (lower limit) as at 31 December 2026;
- A coverage ratio (ratio of consolidated cash flow on servicing the debt) which must be greater than 1 throughout the term of the loan.

As at 31 December 2020, the Group was in compliance with all of its financial ratios

This transaction generated:
- In the amount of +€0.2 million, an exceptional amortisation of the costs of establishing the initial debt which were accordingly not yet amortised according to the Effective Interest Rate method,
- For -€1.1 million, the recording, less the new debt, of the costs of establishing the new line of acquisition debt.

Financial debts break down as follows:

	TOTAL	Less than 1 year	From 1 to 5 years	More than 5 years
Debts from credit institutions	61,547	11,464	38,527	11,556
Bonds	16,991	(74)	(297)	17,362
Financial lease and lease debt	5,611	1,735	2,969	907
Aid/ Repayable advance	791	311	480	0
Tax credits financing	2,027	2,027	0	0
Other loans and financial debts (D&C)	153	135	0	18
Total (excluding bank overdrafts)	87,119	15,597	41,680	29,843
Short-term bank borrowings and overdrafts	1,192	1,192	0	0
TOTAL FINANCIAL DEBT	**88,312**	**16,789**	**41,680**	**29,843**

As concerns leases, the minimum future payments total, as at 31 December 2020, €5,854 thousand and break down as follows, by maturity date:

Lease minimum future payments	2020	Less than 1 year	From 1 to 5 years	More than 5 years
Other intangible assets	5,049	1,436	2,672	942
Buildings	22	22	0	0
Technical facilities, equipment and tools	676	275	400	0
Other tangible assets	107	72	34	0
TOTAL MINIMUM FUTURE PAYMENTS	**5,854**	**1,805**	**3,106**	**942**

6.3.3.4.2. Other financial liabilities

Other financial liabilities	2019			2020		
	Non-Current	Current	Total	Non-Current	Current	Total
Trade payables	0	9,099	9,099	0	11,952	11,952
Customer prepayments	0	1,292	1,292	0	1,585	1,585
Liabilities on fixed assets	3,746	3,001	6,748	3,904	3,420	7,325
OTHER FINANCIAL LIABILITIES	**3,746**	**13,392**	**17,139**	**3,904**	**16,957**	**20,861**

Change in other financial liabilities mainly concerns trade payables. Its evolution is explained for €2.8 million by the entry into the scope of Ellex's Laser and Ultrasound branch and for the balance, by the evolution of the business at the end of the year 2020.

6.3.4. Other non-financial assets and liabilities

6.3.4.1. Other non-financial assets

Other non-financial assets	2019			2020		
	Non-Current	Current	Total	Non-Current	Current	Total
Research tax credit	5,455	1,166	6,621	5,099	2,284	7,383
Tax Credit for Competitiveness and Employment	337	259	597	0	338	338
Other tax receivables [1]	2	(1,025)	(1,023)	0	132	132
Total tax receivables	5,794	400	6,194	5,099	2,754	7,854
Social security receivables	0	134	134	0	108	108
Tax receivables (excluding income tax)	0	2,637	2,637	0	4,987	4,987
Other receivables	0	1,725	1,725	0	4,053	4,053
Other assets	0	4,497	4,497	0	9,148	9,148
TOTAL OTHER NON-FINANCIAL ASSETS	**5,794**	**4,896**	**10,691**	**5,099**	**11,903**	17,002

(1) Corporate income tax liability before allocation of tax credits

6.3.4.2. Other non-financial liabilities

Other non-financial liabilities	2019			2020		
	Non-Current	Current	Total	Non-Current	Current	Total
Income tax	0	11	11	0	737	737
Tax liabilities	0	11	11	0	737	737
Social liabilities	0	6,060	6,060	425	9,359	9,784
Tax liabilities (excluding income tax)	0	1,232	1,232	0	4,368	4,368
Subsidies (including research tax credit spread out)	3,183	651	3,834	3,299	953	4,252
Prepaid income on contracts	0	5,106	5,106	1,179	4,636	5,816
Other current liabilities	0	146	146	0	2,837	2,837
Other non-financial liabilities	3,183	13,194	16,377	4,903	22,154	27,057
TOTAL OTHER NON-FINANCIAL LIABILITIES	**3,183**	**13,205**	**16,388**	**4,903**	**22,891**	**27,794**

The research tax credit recorded, for the portion corresponding to the development projects booked under assets as development expenses, is recorded under "grants to be spread" under the liabilities section of the balance sheet, and returned to profit or loss at the amortization rate for the underlying asset.

Prepaid income on contracts concern contracts for which revenue is recognised on an ongoing basis, to which the Group applies the percentage of completion method.

6.3.5. Inventories and work-in-progress

Inventories	2019			2020		
	Gross	Impairmt	Net	Gross	Impairmt	Net
Raw material and consumables	13,103	(2,818)	10,286	14,515	(2,793)	11,723
WIP	2,390	0	2,390	14,620	(2,461)	12,159
Finished goods	7,137	(732)	6,405	7,674	(1,171)	6,503
Parts	8,346	(1,170)	7,175	7,814	(996)	6,818
TOTAL INVENTORIES	**30,975**	**(4,720)**	**26,256**	**44,623**	**(7,420)**	**37,202**

The integration of Ellex's Laser and Ultrasound division in the scope of consolidation on 30 June 2020 led to the recognition of €9,564 thousand in work-in-progress, and the inclusion of the Essmed Group in the scope of consolidation on July 31, 2020 led to the recognition of €793 thousand in inventories of parts.

6.3.6. Shareholders 'equity

Capital structure

Number of shares	
Number of shares as of 01/01/2020	18,429,867
Capital increase (June 2020)	4,037,015
Number of shares as of 31/12/2020	22,466,882

As at 31 December 2020, these 22,466,882 shares of €1 each are fully paid-up, and represent a capital of €22,466,882. They are held as at 31 December 2020 by:

	Nb of shares	% of capital	Nb voting rights(1)	% voting rights (2)
ESIRA(3)	11,667,290	51.931	17,397,731	61.619
Amiral Gestion(4)	1,361,520	6.06	1,361,520	4.822
Group executives	4,209	0.019	8,059	0.029
Treasury shares	268,717	1.196	NA	NA
Other incl. public	9,165,146	40.794	9,467,096	33.53
TOTAL	**22,466,882**	**100%**	**28,234,406**	**100%**

(1) Voting rights able to be exercised at the General Shareholders' Meeting.
(2) The percentages of voting rights presented in this table are calculated without taking into account the Company's treasury shares, which are not entitled to voting rights in accordance with Article L.225-210 of the French commercial code, representing a total number of actual voting rights of 28,234,406 at 31 December 2020.
(3) ESIRA is a French-law simplified joint-stock company (société par actions simplifiée) 85% held by Mr Marc Le Flohic, CEO of the Company.
(4) Asset management company acting on behalf of funds which it manages.

Free shares

The extraordinary shareholders' meeting of 27 April 2017 in its 21st resolution authorised the Board of Directors to allot free shares (attribution gratuites d'actions) in existence or to be created to members of the salaried personnel and corporate officers of the Company or related companies pursuant to Article L. 225-197-2 of the commercial code, within the limit of a cap representing 10% of the Company's share capital existing at the date of the decision to allot the shares.

Using this authorisation, the Board of Directors' meeting of 1 April 2019, to which the power to determine the identity of the beneficiaries and the conditions of allocation had been delegated, decided to set up a free share plan under the following conditions:

- Allocation of a maximum of 196,000 shares to a list of specified beneficiaries ;
- Definitive vesting date of 1 April 2022 (i.e. a vesting period of 3 years), subject to conditions of presence within the Group and performance set by the Board.

At 31 December 2020, 169,000 bonus shares had been formally granted to beneficiaries.

In addition, the Board of Directors of 31 March 2020, under the same authorisation, decided to adopt a new free shares allocation plan for the benefit of 2 Group employees containing identical terms to those of the plan decided by the Board of Directors of 1 April 2019, with the exception of the vesting period, which was set at two years, i.e. expiring on 1 April 2022.

The value of the two allocation plans was determined as follows:

Free shares plan	Plan dated 01/04/2019	Plan dated 31/03/2020
Total number of free shares originally allocated (A)	169 000	6 000
Board meeting date for allocation decision	01/04/2019	31/03/2020
End of the vesting period	01/04/2022	01/04/2022
Stock price at the date of allocation (B)	15.3	7.8
Corporate social contribution (« Forfait social ») (C)	20%	20%
Plan value as of 01/04/2022 (A*B* (1+C))	€3,102,840	€56,232
Number of free shares cancelled/refused	0	0
Number of shares remaining at the vesting date (01/04/22)	169,000	6,000
Remaining free shares at 31/12/2020	169,000	6,000

6.3.7. Provisions

	2019	Increase	Used reversals	Unused reversals	Change in scope	Other movements	2020
Employee benefits	2,508	226	-	(4)	6	362	3,098
Provisions for litigation	-	-	-	-	-	-	-
Warranties given to customers	-	105	-	-	201	76	382
Other non-current provisions	30	(53)	-	-	62	(5)	34
Non-current provisions	2,538	277	-	(4)	270	433	3,514
Employee benefits	17	-	-	-	-	(3)	15
Provisions for litigation	138	-	0	(28)	-	-	110
Warranties given to customers	505	239	-	(230)	-	16	531
Other current provisions	0	75	-	-	-	-	75
Current provisions	660	314	-	(230)	-	13	730
TOTAL PROVISIONS	**3,198**	**592**	**-**	**(262)**	**270**	**447**	**4,244**

Changes in the scope of consolidation mainly concern the Laser and Ultrasound division of Ellex.

Employee benefits – End-of-career indemnities

The provisions for employee benefits mainly concern the French companies.

	2019	2020
Employee benefits France	2,379	2,947
Employee benefits outside of France	146	166
TOTAL EMPLOYEE BENEFITS	**2,525**	**3,113**

The employee benefits for the Group's French employees are end-of-career indemnities. The Group's commitment has evolved as follows:

	31/12/2020
Commitment at the beginning of the year	2,379
Service costs in the year	191
Interest costs in the year	25
Benefits paid in the year	(12)
Actuarial differences	357
Scope integration	6
Other (including translation difference)	-
COMMITMENT AT THE END OF THE YEAR	**2,947**

For companies outside France, post-employment benefits concern Optotek for €166k.

Disputes and exceptional events

There is no governmental, judicial, or arbitration proceeding, including any proceeding of which the Company is aware that is pending or with which it has been threatened, that could have or has had over the last twelve months significant effects on the financial or profitability situation of the Company and/or Group, and which would not be reflected in these financial statements.

6.3.8. Deferred tax

The breakdown and variation in deferred taxes by nature is presented below:

	31/12/2019	Change on income	Change / OCI	EC	Change in scope	Other variations	31/12/2020
Used losses and temporary differences	7,444	(1,294)	-	(161)	4	134	6,127
Retirement benefits	700	24	101	-	-	-	825
Intragroup current account depreciation reversal	(410)	16	-	-	-	-	(395)
Capitalisation of development costs	(5,301)	(404)	-	88	(107)	-	(5,724)
Cost-based contracts	(414)	193	-	3	-	-	(217)
QUANTEL brand	(450)	-	-	-	-	-	(450)
Capital leases	22	49	-	-2	-	-	69
Margin on inventories	109	1	-	-1	-	-	108
Other (Expenses to be amortised, Other)	-	563	-	(468)	1,132	-	1,227
NET TOTAL DEFERRED TAX	**1,700**	**(852)**	**101**	**(541)**	**1,029**	**134**	**1,571**
Of which deferred tax assets	*1,703*	-	-	-	-	-	*2,173*
Of which deferred tax liabilities	*2*	-	-	-	-	-	*603*

6.3.9. Off-balance sheet commitments

6.3.9.1. Off-balance sheet commitments resulting from current operations

Off-balance sheet commitments resulting from current operations	2019	2020
Transferred receivables not due	0	0
Guarantees given on contracts	19	0
- Pledging of intangible and tangible assets	0	0
- Pledging of securities	0	0
Actual surety	0	0
TOTAL	**19**	**0**

6.3.9.2. Off-balance sheet commitments given or received related to debt

Off-balance sheet commitments given or received related to debt	2019	2020
Trade receivables transferred	0	0
Guarantees and letters of intent	900	900
- Collaterals and pledges on tangible and intangible assets	6,481	7,936
- Collaterals and pledges on securities	35,000	140,000
- Privilege to money lenders	4,821	5,729
Actual surety	46,303	153,665
TOTAL	**47,203**	**154,565**

All of the guarantees mentioned above cover the debts carried in the balance sheet.

With the exception of this pledge, the amount indicated above as security corresponds to the total amount of the commitment given at the time of entering into the underlying loans. The remaining capital due for loans covered by these commitments totals, as at 31 December 2020, €45,905 thousand.

The security was provided by LUMIBIRD SA to Banque Populaire du Massif Central to cover all short-term lines of financing of Quantel Medical, for a maximum amount of €900 thousand.

Furthermore, within the framework of the operation to structure its acquisition debt, the company received a commitment from:

- its banking pool to (ii) finance in the amount of an additional €41.3 million (confirmed budget) external growth transactions for authorised targets, under the conditions described in point 6.3.3.4.1 of this document and to (ii) finance in the amount of an additional €41.3 million, subject to the consent of a credit committee (budget not confirmed) external growth operations for eligible targets, under the same financial conditions as those of the confirmed budget;
- its bond pool (ii) to finance in the amount of an additional €17.5 million (confirmed budget) external growth operations for authorised targets, under the conditions noted in point 6.3.3.4.1 of this document and to (ii) finance in the amount of an additional €5.0 million, subject to the consent of a credit committee (unconfirmed budget) external growth operations for eligible targets, under the same financial conditions as those of the confirmed budget.

6.4. Notes on the income statement

6.4.1. Income from ordinary activities

Income from ordinary activities breaks down as follows:

Income from ordinary activities	2019	2020
Sales in France	34,423	24,645
Sales outside France	76,294	102,084
Other revenues from ordinary activities	1,936	2,776
TOTAL	**112,653**	**129,505**
Of which revenues recognised on an on-going basis (1)	*19,524*	*14,271*

(1) in conformity with the principles presented in point 6.1.16 of the notes to the consolidated financial statements

The distribution of sales outside of France by recipient country is presented below:

Distribution of sales by recipient country	2019	% sales outside France	2020	% sales outside France
USA	17,395	23%	24,256	24%
China	10,162	13%	9,822	10%
Germany	4,190	5%	7,243	7%
Switzerland	4,344	6%	3,419	3%
Other	40,203	53%	57,344	56%
TOTAL	**76,294**	**100%**	**102,084**	**100%**

6.4.2. Segment information

The Group distinguishes its Medical activity from its Photonics (formerly Laser) activity, as specified in Note 6.1.8. For the 2020 financial year, the segment data was as follows:

Segment information	2019			2020		
Activité:	Photonics	Medical	Global	Photonics	Medical	Global
Revenues	71,416	39,301	110,717	68,844	57,886	126,729
EBITDA	15,530	5,444	20,974	14,302	9,357	23,659
Amortisation	(6,179)	(2,008)	(8,187)	(6,426)	(2,955)	(9,382)
Current operating income	9,260	3,004	12,264	8,042	6,098	14,140
NET INCOME	7,276	1,544	8,820	1,686	3,953	5,638

The Photonics division manufactures a portion of the medical lasers. A portion of the medical margin is thus found within the industrial and scientific division.

6.4.3. Development costs

Direct expenditure incurred on development projects, whether self-financed, subsidised or eligible for the Research tax credit, amounts to €14 million. The capitalised portion amounts to €7 million and the portion retained as expenses amounts to €7 million.

The capitalised developments, deducted from the corresponding expenses, break down as follows:

Capitalised development costs by type of expenses	2019	2020
Purchases	1,411	1,081
Labor	4,104	5,275
Other	693	691
Total expenses	6 208	7,048
Subsidies	(705)	(626)
TOTAL	5,503	6,421

6.4.4. Personnel

The personnel expenses line item breaks down as follows:

Breakdown of personnel expenses	2019	2020
Salaries and payroll taxes	30,590	37,824
Tax credit for competiveness and employment	0	0
Profit sharing	790	404
Post-employment benefits expenses	0	0
Share-based payments paid in equity instruments	803	1,030
TOTAL	32,183	39,257

The €1,030,000 charge relating to share-based payments paid in equity instruments reflects the spread of the cost of the free share plan decided on by the Board of Directors meeting of 3 June 2016 and exercised 3 June 2018.

In France, an equity participation agreement between LUMIBIRD and QUANTEL MEDICAL was negotiated in 2013 with the representative bodies of LUMIBIRD and Quantel Medical. It provides for a fair distribution, by half, of the equity interests of each company among all of the employees of the Group's French companies, pro rata of their wages.

The Group's headcount was as follows:

Headcount	2019	2020
Europe	519	538
USA	76	130
Asia	9	33
Australia	0	138
Other countries	0	0
TOTAL	604	839

6.4.5. Composition of the current operating income

Composition of the current operating income	2019	2020
EBITDA	20,975	23,658
Intangible assets depreciation (1)	(6,228)	(6,997)
Tangible assets depreciation	(1,959)	(2,385)
Depreciation reversals	0	0
Net depreciation	(8,187)	(9,382)
Operating provisions	(1,390)	(1,304)
Operating provisions reversals	309	494
Net provisions	(1,081)	(810)
Other operating income (2)	600	776
Other operating expenses (3)	(41)	(104)
Total other operating income/expenses	559	673
TOTAL	**12,265**	**14,139**

(1) Amortisation of rights of use, due to their intangible nature, are recognised as intangible assets.
(2) Other operating income corresponds to the share returned to profit or loss, for the financial year, of grants recorded in advance on the liabilities side of the balance sheet. They are returned to profit or loss at the amortisation rate of the underlying assets that benefited from the grants concerned.
(3) Other operating expenses concern losses on bad debts (covered by reversal of previously recorded provisions) as well as other operating expenses, which entries are covered by the corresponding reversals of provisions for risks and charges.

Breakdown of net allocations to provisions, by type, is presented below:

Breakdown of net allocations to provisions, by type	2019	2020
Provisions on inventories	(798)	(653)
Provisions on other current assets	(136)	(29)
Provisions for employee benefits	(196)	(179)
Provisions for other risks and expenses	(261)	(444)
Operating provisions	(1,390)	(1,304)
Provision reversals on inventories	94	147
Provision reversals on other current assets	38	85
Provision reversals for employee benefits	0	0
Provision reversals for other risks and expenses	177	262
Operating provision reversals	309	494
NET PROVISIONS	**(1,081)**	**(810)**

6.4.6. Breakdown of operating income

Operating income	2019	2020
Current operating income	12,265	14,139
Income on assets disposals	(168)	(176)
Acquisition costs for business combinations	(784)	(1,383)
Other non-current operating income/expenses	(11)	(3,975)
Impairment of goodwill	0	57
OPERATING INCOME	**11,302**	**8,662**

The line item "Acquisition costs for business combinations" records all direct costs incurred by LUMIBIRD for its external growth transactions. Over the 2020 financial year, they primarily concerned the ELLEX transaction.

In May 2020 during the first half of 2020, the Group was the victim of payment fraud at its new subsidiary Halo-Photonics (UK) for which the maximum cost (before any action to recover amounts) totalled €3.8 million. This fraud, which was quickly brought under control, is not of a type that would call into question the Group's development nor its ability to face its short, medium, and long-term commitments. It was recorded under the operating results for the period. After considering the costs that were already incurred as well as the amounts that have already been restored, the impact of fraud on the Group's operating result amounts to €4 million.

6.4.7. Financial income

Financial income	2019	2020
Income from cash and cash equivalents	25	24
Cost of gross financial debt	(719)	(1,388)
Other financial income and expenses	(32)	(107)
FINANCIAL INCOME	**(726)**	**(1,471)**

Other financial income and expenses break down as follows:

Other financial income and expenses	2019	2020
Foreign exchange translation differences	(1)	134
Net allocations to financial provisions for employee benefits	(35)	(26)
Other net allocations to financial provisions	3	(2)
capital gain/losses on disposal of financial assets	0	0
Other financial income and expenses	0	(214)
OTHER FINANCIAL INCOME AND EXPENSES	**(32)**	**(107)**

6.4.8. Tax

Tax	2019	2020
Tax expenses for current financial year	(1,651)	(702)
Tax adjustment on previous financial years	22	0
Tax due	(1,629)	(702)
Deferred tax	(125)	(852)
TOTAL TAX EXPENSES	**(1,754)**	**(1,554)**

The shift from theoretical tax to the rate in effect for the total tax expense for the financial year is explained as follows:

Tax proof	2020
Net income, excluding tax expenses	7,134
Tax rate of consolidating entity	28.11%
Theoretical tax at the consolidating entity tax rate	(2,006)
Impact on theoretical tax of:	
Rate change over the period	(367)
Rate differences for subsidiaries	293
Unrecorded tax / tax assets	(138)
Previous years tax losses unused	18
Tax / other permanent differences	645
ACTUAL TAX EXPENSES	**(1,554)**

Within the context of the tax consolidation group for which LUMIBIRD is the parent, and which combines all of the French companies directly or indirectly held by more than 95% by LUMIBIRD, as at 1 January 2020, there was a €334,000 tax savings.

The gradual drop in the income tax rate in France from 33.33% to 25% (excluding social contribution on profits) as voted by the 2018 Finance Act had no impact on the Group's result at the end of 2020, as the Group considers, through its tax planning, that it will be able to recover its losses by 2022.

The main losses of the LUMIBIRD Group as at 31 December 2020 are presented herewith:

	2020	Used	Unused
Tax consolidation losses	11,106	11,106	0
Tax loss France	2,153	2,153	0
Tax loss Europe (excl. France)	4,351	0	4,351
Tax loss America	7,513	7,243	270
Tax loss Asia	3,953	595	3,358
Tax loss Other	226	226	0
TOTAL	**29,301**	**21,322**	**7,979**

For the record, the main losses of the LUMIBIRD Group as at 31 December 2019 were as follows:

	2019	Used	Unused
Tax consolidation losses	15,201	15,201	0
Tax loss France	2,471	2,471	0
Tax loss Europe (excl. France)	3,022	0	3,022
Tax loss America	7,150	5,098	2,052
Tax loss Asia	401	329	72
Tax loss Other	0	0	0
TOTAL	**28,245**	**23,099**	**5,146**

The change in subsidiaries' deficits in Europe is mainly due to the deficit recorded by Essmed AB, which cannot be used for five years from the date of its inclusion in the LUMIBIRD consolidation scope.

6.5. Management of financial risks

6.5.1. Exposure to foreign exchange risk

The foreign exchange risk to which the Group is exposed comes from:

- the conversion of the contributions from foreign subsidiaries outside the eurozone to its balance sheet and income statement;
- purchase and sale transactions carried out in non-eurozone currencies: The bulk of Group sales are made in the currency of the country of manufacture: euros in France and dollars in the USA.

As the risk was considered to be minimal, the Group did not establish specific foreign- exchange hedging.

The exchange rate result achieved for 2020, recorded under operating income (for the portion concerning commercial transactions) and under financial result (for the portion concerning financial transactions) breaks down as follows:

Foreign exchange risk exposure	2020
Foreign exchange result Europe	(392)
Foreign exchange result USA	0
Foreign exchange result Asia	0
Other	527
TOTAL	**134**

6.5.2. Exposure to interest rate risk

The bank loans taken out by the Group are at fixed rate and the Group is not exposed to interest rate risk. The consolidated average cost of the net financial debt amounted to 1.82%, excluding impact of the exceptional amortisation linked to the refinancing of the debt, compared to 1.81% as at 31 December 2019.

6.5.3. Exposure to liquidity risk

The liquidity risk corresponds to the risk that the Group might experience difficulties in honouring its debts when they reach maturity.

As at 31 December 2020, residual contractual maturity dates on financial liabilities were analysed as follows:

Exposure to liquidity risk	Book value	Contractual flow	Less than 1 year	From 1 to 5 years	More than 5 years
Debts from credit institutions	61,547	67,392	14,322	40,763	12,307
Bonds	16,991	21,600	586	2,344	18,671
Finance lease	5,611	5,854	1,805	3,106	942
Aid/ repayable advances	791	791	311	480	0
Tax credits financing	2,027	2,027	2,027	0	0
Other borrowings and financial debts	153	153	135	0	18
Short-term bank borrowings and overdrafts	1,192	1,192	1,192	0	0
Total financial debt	88,312	99,009	20,378	46,693	31,938
Tax liability (income tax)	737	737	737	0	0
Other liabilities (trade, tax and social debts)	47,918	47,918	39,111	8,807	0
TOTAL	**136,967**	**147,665**	**60,227**	**55,501**	**31,938**

Receivables and payables occurred under normal conditions, without any delay or significant delay.

The Company conducted a specific review of its liquidity risk and considers itself to be able to face its upcoming maturities.

If the development of the activities of the Group's companies were to require significant liquidities which the Group could not face with its available cash and bank overdraft facilities, it could become necessary to call on additional sources of financing (lines of credit, bond issues, capital increases, etc.), to the extent that the measurement or increased use of its cash and cash equivalents to finance its investments could leave the Group without sufficient available assets to finance its operations.

6.5.4. Exposure to counterparty risk

The counterparty risk corresponds to the loss that the Group could experience in the event that its counterparties default on their contractual obligations. As concerns the Group, this relates to the amortised loans and receivables of an operational nature. The aged balance of operational loans and receivables at amortised cost is presented as follows:

Exposure to counterparty risk	Book value	Not due	Due 0-6 mths	Due 6 mths-1 yr	Due over 1 yr
Trade receivables	32,467	27,737	4,450	280	0
Advances and prepayments	409	409	0	0	0
TOTAL LOANS AND RECEIVABLE AT AMORTISED COST	**32,875**	**28,146**	**4,450**	**280**	**0**

6.6. Dividends

Over the course of financial year 2020, the Group did not distribute any dividends.

6.7. Transactions with related parties

The related parties with whom the Group could maintain relations are:

- The Group's unconsolidated subsidiaries and the associated companies: the LUMIBIRD Group does not maintain any significant relationship with its unconsolidated subsidiaries and has no affiliate companies within its scope;
- Members of the Board of Directors and the officers whose remuneration is presented below.

6.8. Executives compensation

The compensation allotted in 2020 by LUMIBIRD SA (or its subsidiaries) for the financial year to its executives are distributed as follows:

- Non-corporate officer directors: €34,000
- Corporate officer directors: €200,000
- Employee officers who are not corporate officers (members of the executive committee): €478,000

6.9. Post balance-sheet events

We have not learned of any event occurring after the closing of the accounts that would be likely to have a material impact on the assets, financial position, or operating income of the Group.

To the Company's knowledge, there is no dispute, arbitration, or exceptional event following the year-end closing of accounts that is likely to have or that had in the recent past a material impact on the financial position, result, activity, or assets of the Group's Company.

6.10. Statutory auditor fees

Audit	2019 KPMG	2019 DELOITTE	2020 KPMG	2020 DELOITTE
Statutory auditing, certification, review of individual and consolidated accounts				
-LUMIBIRD SA	167	170	140	139
-Fully-consolidated subsidiaries	45	0	92	0
Other audits and services linked directly to statutory auditing assignment				
-LUMIBIRD SA	219	2	160	8
-Fully-consolidated subsidiaries	0	0	6	0
Sub-total	432	172	397	147
Other services provided by networks to fully-consolidated subsidiaries				
-Legal, tax, social	0	0	0	0
-Other (to be specified if >10% of audit fees)	0	0	0	0
Sub-total	0	0	0	0
TOTAL	**432**	**172**	**397**	**147**

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2020

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.

This statutory auditors' report includes information required by European regulations and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France

To the shareholders of Lumibird S.A.,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Lumibird S.A. for the year ended 31 December 2020.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2020 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Board of Directors performing the functions assigned to the specialized committee referred to in Article L.823-19 of the French Commercial Code (Code de commerce).

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code and the French Code of Ethics (Code de déontologie) for statutory auditors for the period from 1 January 2020 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments – Key Audit Matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of health emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Provisional amounts of identifiable assets and liabilities of the laser and ultrasound activities of the Ellex Group

(Notes 6.1.3, 6.1.8 and 6.3.1 to the consolidated financial statements)

Risk identified

On 30 June 2020, Lumibird acquired Australian group Ellex's laser and ultrasound activities. The business combination was accounted for in accordance with IFRS 3 "Business Combinations".

The acquisition price was provisionally determined at the acquisition date on the basis of information available at that date. Since the transaction, the Group has adjusted its evaluation of the fair value of the identifiable assets and liabilities and measured the acquisition price of Ellex's laser and ultrasound activities at 31 December 2020, as described in Note 6.1.3 "Major operations and comparability".

Consequently, the Ellex brand was recognised under intangible assets for €3.5 million and patents for €4.5 million. Provisional goodwill amounted to €29.3 million at 31 December 2020.

We considered the accounting treatment of the provisional acquisition price of Ellex's laser and ultrasound activities to be a key audit matter, given the materiality of the amounts in question and management's use of estimates and judgement.

Audit procedures in response to the risk identified

We assessed the methods used to determine the provisional fair value of the identifiable assets and liabilities of Ellex's laser and ultrasound activities. Our approach consisted in analysing the reports prepared by the independent expert mandated by the Group and the consistency with the business plans obtained. Consequently, we:

- Assessed the nature and scope of the independent expert's work and the main assumptions used;
- Assessed the independent expert's competence and objectivity;
- Assessed the relevance of the valuation methods used to measure assets and liabilities with the support of our own valuation experts;
- Performed a critical review of the information provided to check the assumptions used in the underlying business plans, in particular the measurement of intangible assets and deferred tax assets;
- Verified the method used to calculate provisional goodwill.

We also assessed the appropriateness of the disclosures provided in Note 6.1.3 to the consolidated financial statements.

Measurement of goodwill

(Notes 6.1.3, 6.1.8 and 6.3.1 to the consolidated financial statements)

Risk identified

Recognised goodwill amounted to €69.2 million, with a risk of impairment of the related assets due to internal or external factors, including a decline in performance, changes in the economic environment, and unfavourable market conditions. The Group tests the assets for impairment in accordance with the methods described in Note 6.1.8 to the consolidated financial statements. Management performs the impairment tests based on the 5-year business plan and terminal value. Future cash flows were discounted at a rate of 10.61% and the perpetuity growth rate used was 2%.

Determining the recoverable amount of these assets as well as any impairment losses is a key audit matter, given the high degree of estimates and judgment required by management regarding business activity growth assumptions, the long-term growth and discount rates used and sensitivity to the assumptions.

Audit procedures in response to the risk identified

With regard to goodwill, we assessed:

- The completeness of the items comprising the carrying amount of each group of CGU to which the goodwill belongs and the consistency of the method used to determine this amount with the calculation of cash flow projections for value in use;
- The reasonableness of cash flow projections compared with the economic and financial context in which the groups of CGUs operate and the consistency of forecasts with actual performance;
- The consistency and reasonableness of the applicable discount rate and perpetuity growth rate used for projected flows as assessed by our appraisal specialists;
- Management's analysis of the sensitivity of value in use to changes in the main underlying assumptions.

Recognition of revenue according to stage of completion

(Note 6.1.17 to the consolidated financial statements)

Risk identified

Group revenue amounted to €126.7 million at 31 December 2020, with contracts in which revenue is recognised according to the stage of completion accounting for €14.2 million.

The Group recognises profit/loss from these contracts as per the method described in Note 6.1.17 in accordance with the applicable standard when it has fulfilled (or as it fulfils) its performance obligation by providing the customer with the promised good or service.

For contracts in which the Group recognises revenue according to the stage of completion, revenue is recognised separately for each identified performance obligation when control of the goods or services is transferred to the customer. Recognised revenue depends on the estimated total transaction price and its allocation to the various components of the contract.

Total contract costs, including remaining costs, are regularly reviewed and estimated in order to determine the stage of completion and profit margin. If the estimates show that a contract will be loss-making, a provision for losses at completion will be recognised for the full amount of the estimated loss.

We considered the recognition of revenue and associated costs for contracts in which revenue is recognised according to the stage of completion to be a key audit matter as the identification of performance obligations and allocation of the transaction price to each performance obligation require the use of estimates and judgment by Management.

Moreover, when revenue is recognised on the basis of incurred costs, the stage of completion is measured based on operating assumptions and estimates which have a direct impact on the level of revenue and profit margin recognised in the consolidated financial statements.

Audit procedures in response to the risk identified

Our work consisted in:

- Analysing the allocation of the transaction price to each performance obligation;
- Reconciling the financial data (revenue, invoicing, costs and work in progress) in the contract monitoring reports prepared by the Management Controller with the accounting records and contractual data;
- Conducting interviews with the contract managers to evaluate remaining costs and the estimated stage of completion of the contract on which revenue recognition is based;
- Checking the relevance of estimates performed against the information provided by the Management Controller by comparing forecast data with actual performance;
- Performing a critical review of the data and assumptions used to determine estimated margin at completion and of provisions for losses at completion.

We also assessed the appropriateness of the disclosures provided in Note 6.1.17 to the consolidated financial statements.

Recognition of capitalised development costs

(Notes 6.1.8 and 6.3.1 to the consolidated financial statements)

Risk identified

A net amount of €22.8 million is recognised in the consolidated statement of financial position for capitalised development costs.

As indicated in Note 6.1.8 to the consolidated financial statements, development costs are capitalised as an intangible asset based on costs incurred if all of the following criteria are met:

- The Group has the intention and adequate technical and financial resources to complete the development project;
- The Groupe can demonstrate that the development will generate future economic benefits;
- The expenditure attributable to the development can be measured reliably.

Capitalised developments are then amortised on a straight-line basis over the estimated useful life of the related assets.

Management is required to exercise judgment when estimating gross carrying amounts to determine the appropriate timing for capitalising development costs and the fulfilment of the abovementioned criteria (particularly with regard to the technical aspects and assumptions used to demonstrate future economic benefits) and when determining the related assets' useful lives.

Given the materiality of the development costs recognised in the consolidated statement of financial position, the technical complexity and sensitivity to changes of the assumptions used by management when deciding to capitalise them and when determining the related assets' useful lives, we considered the recognition of intangible assets resulting from development projects to be a key audit matter.

Audit procedures in response to the risk identified

Our audit work primarily consisted in:

- Ensuring that the development projects relating to capitalised development costs meet the criteria for capitalisation under the applicable standard and that the expenditure attributable to the development projects is appropriately measured;
- Cross-checking future expected economic benefits against current orders or orders expected in the near future;
- Assessing the reasonableness of estimated useful lives for development costs recognised as intangible assets by management.

We also assessed the appropriateness of the disclosures presented in Note 6.3.1 to the consolidated financial statements.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group's information given in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L.225-102-1 of the French Commercial Code, is included in the Group's management report, it being specified that, in accordance with the provisions of Article L. 823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein and this information must be reported by an independent third party.

Report on Other Legal and Regulatory Requirements

Format of presentation of the consolidated financial statements intended to be included in the annual financial report

In accordance with Article 222-3, III of the AMF General Regulation, the Company's management informed us of its decision to postpone the presentation of the consolidated financial statements in compliance with the European single electronic format as defined in the European Delegated Regulation N° 2019/815 of 17 December 2018 to years beginning on or after 1 January 2021. Therefore, this report does not include a conclusion on the compliance with this format of the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2,I of the French Monetary and Financial Code (code monétaire et financier).

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Lumibird S.A. by the annual general meeting held on 17 May 2018 for KPMG and on 5 June 2003 for Deloitte & Associés.

As at 31 December 2020, KPMG and Deloitte et Associés were in the 3rd and 24th year of total uninterrupted engagement.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Board of Directors performing the functions assigned to the specialized committee referred to in Article L.823-19 of the French Commercial Code is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

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

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

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

As specified in Article L.823-10-1 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his 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 override of internal control;
- Obtains an understanding of 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;
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant 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 his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Board of Directors performing the functions assigned to the specialized committee referred to in Article L.823-19 of the French Commercial Code

We submit a report to the Board of Directors performing the functions assigned to the specialized committee referred to in Article L.823-19 of the French Commercial Code which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Board of Directors performing the functions assigned to the specialized committee referred to in Article L.823-19 of the French Commercial Code includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this audit report.

We also provide the Board of Directors performing the functions assigned to the specialized committee referred to in Article L823-19 of the French Commercial Code with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set out in particular by Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for statutory auditors. Where appropriate, we discuss with the Board of Directors the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Rennes and Saint-Herblain, 1 April 2021

The Statutory Auditors

KPMG S.A.	**Deloitte & Associés**
Vincent Broyé *Partner*	Alexis Levasseur *Partner*

2020 PROFORMA FINANCIAL REPORTING

Introduction

The acquisition by LUMIBIRD of the Laser and Ultrasound division of Ellex has a significant impact on the scope of consolidation, and on the financial aggregates. Consequently, pro forma consolidated financial information has been prepared.

The proforma consolidated financial reporting presented below (the "Proforma Consolidated Financial Reporting") consists of the proforma consolidated income statement for the period from 1 January 2020 to 31 December 2020, supplemented by explanatory notes.

This information was prepared to represent the effects of the transaction described below.

On 23 December 2019, LUMIBIRD SA entered a final agreement concerning the LUMIBIRD Group's acquisition of the Ellex Group's Laser and Ultrasound division (the "Transaction"). This transaction, which LUMIBIRD's Board of Directors approved, and Ellex's shareholders approved at their general meeting on 24 April 2020, was completed on 30 June 2020.

In order to finance the operation, LUMIBIRD, during the 2019 financial year, had entered into all of the financing agreements intended to cover the payment of the purchase price (including the related costs and fees), as well as refinancing the pre-existing debt of the Ellex Group's laser and ultrasound division (respectively the "Financing" and "Refinancing," together with the Transaction, the "Transactions").

The proforma consolidated income statement was prepared assuming that the Transactions occurred on 1 January 2020. By its very nature, the Proforma Consolidated Financial Reporting presents a hypothetical situation and is not intended to represent or provide an indication of the results that would have applied to LUMIBIRD if the Transactions had taken place at the opening date of the financial year covered by the proforma consolidated income statement. The Proforma Consolidated Financial Reporting is not indicative of the Group's future results.

The proforma adjustments included in the Proforma Consolidated Financial Reporting are limited to adjustments that are directly attributable to the Transactions and that may be supported by facts. They do not reflect the synergies, improvement in operational efficacy, and other reductions in costs likely to be generated by the Transaction.

The proforma consolidated financial reporting is based on a certain number of assumptions that are deemed reasonable by LUMIBIRD at the date of this document, and in the context of the Transaction.

This Proforma Condensed Consolidated Financial Reporting was prepared using:

- LUMIBIRD's consolidated income statement from consolidated annual financial statements as at 31 December 2020 and for the financial year ended on the same date, which from 1 July 2020 includes the contribution of the Laser and Ultrasound division acquired, and were prepared according to the IFRS international accounting standards as adopted by the European Union and audited by KPMG and Deloitte;
- Consolidated income statement prepared by Ellex for the 6-month period ended 30 June 2020 for its Laser and Ultrasound division. This consolidated income statement for the 6-month period ended 30 June 2020, accompanied by a basis of preparation, was drafted according to the accounting and evaluation rules applied by Ellex in its annual consolidated financial statements for the financial year ended 30 June 2020, taking into account the adjustments linked to the application of standard AASB 16 - Leases described in the basis of preparation. It should be noted that the Laser and Ultrasound division sold by Ellex was an operating segment in Ellex' consolidated financial statements.

The Proforma Consolidated Financial Reporting is presented in thousands of euros and has been prepared in accordance with the accounting principles used to prepare the historical audited annual consolidated financial statements of LUMIBIRD for the financial year ended 31 December 2020.

1. REGULATORY FRAMEWORK

This Proforma Consolidated Financial Reporting is presented in conformity with Appendix 20 to Delegated Regulation No. 2019/980 supplementing European Regulation No. 2017/1129. The proforma Consolidated Financial Reporting applies the recommendations issued by ESMA (ESMA 32-382-1138 dated 4 March 2021) and AMF Recommendation DOC-2021-02, of which the third part relates to proforma financial reporting.

Indeed, the Transaction implied a change of more than 25% in size of LUMIBIRD's key indicators.

To recall, in its 2019 URD, the LUMIBIRD Group had disclosed the proforma financial information for the 2019 financial year for the financial commitment made in the context of taking over the Ellex Group's Laser and Ultrasound Division.

This Universal Registration Document only presents one proforma income statement for the 2020 financial year, as the impacts of this transaction on the balance sheet were recorded under the financial statements as at 31 December 2020. The full implications of this transaction on the 2020 financial statements at the takeover date are described in detail under Note 6.1.3 to the consolidated financial statements.

2. PROFORMA CONSOLIDATED INCOME STATEMENT FOR THE 12 MONTH PERIOD FROM 1 JANUARY 2020 TO 31 DECEMBER 2020

€'000	LUMIBIRD historical information	Consolidated income statement of Ellex's Laser and Ultrasound division 1st half 2020	Proforma adjustments related to financing and refinancing	Proforma consolidated information
	Note 1	Note 2	Note 3	
Revenues	126,729	19,988	-	146,718
Other revenues from ordinary activities	2,776	759	-	3,535
Purchases consumed	(49,958)	(9,054)	-	(59,012)
Personnel expenses	(39,257)	(6,100)	-	(45,357)
External expenses	(14,894)	(3,163)	-	(18,057)
Taxes and duties	(1,737)	-	-	(1,737)
EBITDA	23,658	2,430	-	26,088
Net amortisation	(9,382)	(1,148)	-	(10,529)
Net provisions	(810)	(82)	-	(892)
Other net operating expenses	673	228	-	901
Current operating income	14,139	1,428	-	15,567
Income from asset disposals	(176)	(23)	-	(142)
Acquisition costs from business combination	(1,383)	-		
Other non-current operating income/expenses	(3,975)	-	-	(1,383)
Impairment of goodwill	57	-	-	(3,980)
Operating income	8,662	1,405	-	10,067
Financial income	(1,471)	(1,439)	(94)	(3,005)
Tax	(1,553)	(1,136)	26	(2,664)
Income of consolidated companies	5,638	(1,171)	(68)	4,399
Minority interests	-	-	-	-
NET INCOME	**5,638**	**(1,171)**	**(68)**	**4,399**

3. NOTES TO THE PROFORMA FINANCIAL REPORTING

Note 1 – Historical consolidated financial reporting of LUMIBIRD

The column "LUMIBIRD historical information" shows the income statement of LUMIBIRD for the period from 1 January 2020 to 31 December 2020, as resulting from the historical annual consolidated financial statements of LUMIBIRD, prepared according to IFRS international accounting standards as adopted by the European Union and audited by KPMG and Deloitte.

The acquired business was consolidated as at 30 June 2020, the date the acquisition was completed.

Note 2 – Historical consolidated financial reporting of Ellex's Laser and Ultrasound Division

The column on the consolidated data of Ellex's Laser and Ultrasound Division shows consolidated financial information for the 6-month period ended 30 June 2020 for Ellex's Laser and Ultrasound Division. This consolidated financial statement, accompanied by a basis of preparation, was prepared according to the accounting and evaluation rules applied by the Ellex company in its annual consolidated financial statements for the financial year ended 30 June 2020 (prepared in conformity with the accounting rules and principles generally accepted in Australia), taking into account adjustments related to the application of standard AASB 16 – Leases, which are described in the basis of preparation.

This 6-month income statement has not been subject to a limited review by the statutory auditor but has been prepared on the basis of the following historical financial information:

- Audited annual consolidated financial statements for the year ended 30 June 2020;
- Interim consolidated financial statements (6 month period) ended 31 December 2019, accompanied by a basis of preparation, and taking into account the application of AASB 16 - Leases. These financial statements have been subject to a limited review by the independent auditor.

The standardisation of the accounting and presentation methods used by Ellex with those of LUMIBIRD did not reveal any necessary adjustments.

Ellex prepared the financial reporting mentioned above in the currency used to prepare its financial statements, i.e. the Australian dollar (AUD). LUMIBIRD prepares and presents its financial statements in euros. The exchange rates below, published by Banque de France, were used for converting the Financial Reporting of Ellex's Laser and Ultrasound Division into euros: average exchange rate for the 12-month period to 31 December 2020 of AUD 1.6554 for EUR 1.

Note 3 –Proforma adjustments related to financing and refinancing

3.1. Financing during financial year 2019

In order to ensure the financing of the acquisition of Ellex's Laser and Ultrasound Division, during the course of financial year 2019, LUMIBIRD:

- Carried out a capital increase in the amount of €25.1 million, for which the costs related to the transaction were allotted to the issue premium;
- On 27 June 2019, assumed a debt for €35 million to finance part of its external growth operations, of which €5.1 million were drawn down in October 2019 for the Optotek transaction and €29.9 million were drawn in April 2020 for the Ellex transaction.

This debt, which may be repaid in five annual payments of 20% of the amount outstanding as of 1 December 2021, accrues interest at the rate of EURIBOR+1.65%.

The direct issue costs of the loan were deducted from the financial debt as at 31 December 2019.

These transactions are reflected in the 2019 and 2020 consolidated financial statements of LUMIBIRD.

3.2. Proforma adjustments related to financing and refinancing

The column "Proforma adjustments related to financing and refinancing" presents the impact on the income statement resulting from the transactions from Financing and Refinancing as presented below:

If the LUMIBIRD Group had completed the transaction, arranged the financing and repaid the bank debt carried by Ellex's Laser and Ultrasound division on 1 January 2020, the Group:

- Would have incurred additional financial charges of €159,000 in respect of the acquisition bank loan relating to the amount of debt actually drawn in April 2020;
- Would have saved the non-utilisation fees charged over 2020 by the lending banks of €65,000;

Note 4 – Costs incurred by the acquisition

The acquisition costs incurred by the Group to complete the transaction - totalling €1,304,000 - have been recorded when they occur in 2019 and 2020 and are included in the historical information presented in the pro forma income statement.

- Costs incurred in 2019 amount to €454,000
- Costs incurred in 2020 amount to €1,304,000.

STATUTORY AUDITORS' REPORT ON THE PROFORMA FINANCIAL REPORTING FOR THE YEAR ENDED 31 DECEMBER 2020

This is a free translation into English of the statutory auditors' report issued in the French language and is provided solely for the convenience of English-speaking readers.

This report should be read in conjunction with, and is construed in accordance with, French law and professional standards applicable in France

To the Chairman and CEO,

In our capacity as statutory auditors of your company and in accordance with Regulation (EU) n°2017/1129 supplemented by the Commission Delegated Regulation (EU) n°2019/980, we hereby report to you on the proforma financial reporting of Lumibird S.A. (the "**Company**") for the year ended 31 December 2020 set out in Chapter 4, section 7 of the Universal Registration Document (the "**Proforma Financial Reporting**").

The Proforma Financial Reporting has been prepared for the sole purpose of illustrating the impact that the Company's acquisition of the Ellex Group's Laser and Ultrasound division could have had on the consolidated income statement for the year ended 31 December 2020 had it taken place with effect from 1 January 2020. By its very nature, the Proforma Financial Reporting presents a hypothetical situation and is not intended to represent or provide an indication of the results that would have been reported if the transaction had taken place at an earlier date than the actual or contemplated date.

It is your responsibility to prepare the Proforma Financial Reporting in accordance with the provisions of Regulation (EU) n°2017/1129 and ESMA's recommendations on Proforma Financial Reporting.

It is our responsibility to express a conclusion, based on our work, in accordance with Appendix 20, section 3 of Commission Delegated Regulation (EU) n°2019/980, as to the proper compilation of the Proforma Financial Reporting on the basis stated.

We performed those procedures that we deemed necessary according to the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements. These procedures, which did not include an audit or a review of the financial information used as a basis to prepare the Proforma Financial Reporting, mainly consisted in ensuring that the information used to prepare the Proforma Financial Reporting was consistent with the underlying financial information, as described in the notes to the Proforma Financial Reporting, reviewing the evidence supporting the proforma adjustments and conducting interviews with the management of the Company to obtain the information and explanations that we deemed necessary.

In our opinion:

- the Proforma Financial Reporting has been properly compiled on the basis stated;
- that basis is consistent with the accounting policies of the issuer.

This report has been issued solely for the purposes of:

- the filing of the Universal Registration Document with the French financial markets authority (Autorité des marchés financiers or "AMF");
- and, where applicable, the admission to trading on a regulated market, and/or a public offer, of securities of the Company in France and in other EU member states in which the prospectus approved by the AMF is notified;

and cannot be used for any other purpose.

French original signed by

Rennes and Saint-Herblain, 1 April 2021

The Statutory Auditors

KPMG S.A.	**Deloitte & Associés**
Vincent Broyé *Partner*	Alexis Levasseur *Partner*

Section 9

HISTORICAL FINANCIAL INFORMATION

1. CONSOLIDATED FINANCIAL STATEMENTS

1.1. Consolidated financial statements of LUMIBIRD for the year 2018

This information is presented in chapter 7, pages 46 to 75 of the 2018 LUMIBIRD Registration Document which was filed with the French Financial Markets Authority on 26 April 2019 under the reference number D.19-0423.

1.2. Consolidated financial statements of LUMIBIRD for the year 2019

This information is presented in chapter 3 – section 5, pages 109 to 134 of the 2019 LUMIBIRD Universal Registration Document which was filed with the French Financial Markets Authority on 22 April 2020 under the reference number D.20-0335.

2. MANAGEMENT REPORTS

2.1. Management report of LUMIBIRD for the financial year 2018

This information is presented in chapter 9, pages 94 to 124 of the 2018 LUMIBIRD Registration Document which was filed with the French Financial Markets Authority on 26 April 2019 under the reference number D.19-0423.

2.2. Management report of LUMIBIRD for the financial year 2019

This information is presented in chapter 1 – section 3, pages 52 to 84 of the 2019 LUMIBIRD Universal Registration Document which was filed with the French Financial Markets Authority on 22 April 2020 under the reference number D.20-0335.

3. STATUTORY AUDITORS' REPORTS

3.1. Statutory auditors' reports on the consolidated financial statement for 2018

This information is presented in chapter 6, pages 35 to 40 of the LUMIBIRD Registration Document which was filed with the French Financial Markets Authority on 26 April 2019 under the reference number D.19-0423.

3.2. Statutory auditors' reports on the consolidated financial statement for 2019

This information is presented in chapter 3 – section 6, pages 135 to 138 of the 2019 LUMIBIRD Universal Registration Document which was filed with the French Financial Markets Authority on 22 April 2020 under the reference number D.20-0335.

3.3. Statutory Auditors' report on the annual financial statements for 2018

This information is presented in chapter 6, pages 40 to 44 of the LUMIBIRD Registration Document which was filed with the French Financial Markets Authority on 26 April 2019 under the reference number D.19-0423.

3.4. Statutory Auditors' report on the annual financial statements for 2019

This information is presented in chapter 3 – section 4, pages 105 to 108 of the 2019 LUMIBIRD Universal Registration Document which was filed with the French Financial Markets Authority on 22 April 2020 under the reference number D.20-0335.

4. STATUTORY AUDITORS' SPECIAL REPORTS

4.1. Statutory Auditors' special report on regulated agreements and commitments for 2018

This information is presented in chapter 6, paragraph 6.4.3, pages 44 and 45 of the 2018 LUMIBIRD Registration Document which was filed with the French Financial Markets Authority on 26 April 2019 under the reference number D.18-0423.

4.2. Statutory Auditors' special report on regulated agreements and commitments for 2019

This information is presented in chapter 3 – section 7, page 139 of the 2019 LUMIBIRD Universal Registration Document which was filed with the French Financial Markets Authority on 22 April 2020 under the reference number D.20-0335.

Chapter 5

GENERAL MEETING ON 4 MAY 2021

AGENDA AND DRAFT RESOLUTIONS

1. AGENDA

TO BE SUBMITTED TO THE ORDINARY GENERAL MEETING

- Board of Directors' report on the proposed resolutions,
- Additional Board of Directors' report on the final terms and conditions of the capital increase decided pursuant to the delegation of authority granted by the General Meeting of 24 May 2019 under the terms of its 10th and 13th resolutions,
- Board of Directors' report on the management and operations of the Company and the Group during the year ended 31 December 2020,
- Board of Directors' special reports on share subscription or purchase options for the financial year ended December 31, 2020 and on free share allocations for the year ended December 31, 2020,
- Board of Directors' corporate governance report as provided for in Article L.225-37 of the French commercial code,
- Statutory Auditors' reports on the annual and consolidated financial statements for the year ended 31 December 2020 and on regulated agreements under Article L.225 of the French Commercial Code,
- Approval of the annual financial statements for the year ended 31 December 2020,
- Allocation of earnings for the year ended 31 December 2020,
- Approval of the consolidated financial statements for the year ended 31 December 2020,
- Appointment of a new Statutory Auditor,
- Non-renewal of the term of office of a joint Statutory Auditor,
- Ratification of the cooptation of Ms Gwenaëlle Le Flohic as a member of the Board of Directors,
- Reappointment of Ms Marie Begoña Lebrun as a member of the Board of Directors,
- Reappointment of Mr Emmanuel Cueff as a member of the Board of Directors,
- Reappointment of EMZ Partners as censor of the Board of Directors,
- Setting of the global compensation package awarded to Directors,
- Approval of the statutory auditors' report as provided for in Article L. 225-40 of the French commercial code,
- Approval of the information relating to the compensation of corporate officers for the year ended 31 December 2020 presented in the Board of Directors' report on corporate governance, in accordance with Article L. 22-10-9 of the French commercial code,
- Approval of the fixed, variable and exceptional items making up the total compensation and benefits of any kind paid or allocated to Mr. Marc Le Flohic, Chief executive officer, for the year ended 31 December 2020,
- Approval of the fixed, variable and exceptional items making up the total compensation and benefits of any kind paid or allocated to Mr. Jean-Marc Gendre, Chief operating officer, for the year ended 31 December 2020,
- Approval of the compensation policy applicable to the members of the Board of Directors for the financial year 2021,
- Approval of the compensation policy applicable to the CEO for the financial year 2021,
- Approval of the compensation policy applicable to the COO for the financial year 2021,
- Authorization for the Board of Directors to trade in the Company's shares as part of the program for the Company to buy its own shares.

TO BE SUBMITTED TO THE EXTRAORDINARY GENERAL MEETING

- Board of Directors' report on the proposed resolutions,
- Statutory Auditors' special reports on the draft delegations of authority and financial authorizations presented to the General Meeting,
- Authorization for the Board of Directors to reduce the Company's share capital by canceling treasury stock,
- Delegation of authority for the Board of Directors to increase the share capital (i) of the Company or another company by issuing ordinary shares and/or securities entitling holders to access the capital immediately or in the future, with shareholders' preferential subscription rights maintained or (ii) by incorporating premiums, reserves, profits or other elements,
- Delegation of authority for the Board of Directors to increase the share capital of the Company or another company by issuing ordinary shares and/or securities entitling holders to access the capital immediately or in the future, with shareholders' preferential subscription rights waived, through a public offer other than those covered under section 1 of Article L.411-2 of the French monetary and financial code (Code monétaire et financier),
- Delegation of authority for the Board of Directors to increase the share capital of the Company or another company by issuing ordinary shares and/or securities entitling holders to access the capital immediately or in the future, with shareholders' preferential subscription rights waived, through a public offer covered under section 1 of Article L.411-2 of the French monetary and financial code (Code monétaire et financier),
- Authorization for the Board of Directors to increase the number of securities to be issued in the event of excess demand for capital increases with preferential subscription rights maintained or waived,

- Authorization for the Board of Directors to determine the issue price, within the limit of 10% of the share capital per year, in connection with a capital increase by issuing capital securities with shareholders' preferential subscription rights waived,
- Authorization for the Board of Directors to increase the share capital of the Company or another company by issuing ordinary shares and/or securities entitling holders to access the capital immediately or in the future, with preferential subscription rights waived, as payment for contributions in kind,
- Authorization for the Board of Directors to increase the share capital of the Company or another company by issuing ordinary shares and/or securities entitling holders to access the capital immediately or in the future, with shareholders' preferential subscription rights waived, for categories of people in accordance with Article L.225-138 of the French commercial code,
- Authorization for the Board of Directors to award new or existing free shares to some or all of the employees or corporate officers of the Company or related companies,
- Authorization for the Board of Directors to award stock options to some or all of the Group's employees and corporate officers,
- Authorization for the Board of Directors to increase the share capital by creating ordinary shares, with shareholders' preferential subscription rights waived for employees who are members of a company savings plan,
- Various issues,
- Powers.

2. DRAFT RESOLUTIONS

TO BE SUBMITTED TO THE ORDINARY GENERAL MEETING

First resolution

(Approval of the annual financial statements for the year ended 31 December 2020)

The General Meeting, having reviewed the Board of Directors' management report and the Statutory Auditors' report, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, **approves** the transactions that are reflected or summarized in these reports. and the financial statements for the year ended 31 December 2020, as presented to it, showing a profit of 75,903,814.10 euros.

In accordance with the provisions of article 223 quater of the French general tax code, the General Meeting also approves the overall amount of costs and expenses referred to in article 39-4 of the code, incurred by the company during the past financial year, which amounted to 10,642 euros, generating a notional additional income tax of 3,076 euros.

Second resolution

(Allocation of earnings for the year ended 31 December 2020)

The General Meeting, on the proposal of the Board of Directors, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, and after noting that the financial statements as at 31 December 2020 and approved by this meeting show a profit for the financial year of 75,903,814.10 euros, **decides** to allocate 403,701.50 euros to legal reserve, thus bringing the legal reserve to 2,246,688.20 euros and 75,500,112.6 euros to retained earnings, the positive balance of which is thus brought from 3,388,195,90 euros to 78,888,308.50 euros.

In accordance with the law, the General Meeting acknowledges that no dividends were distributed during the three previous financial years.

Third resolution

(Approval of the consolidated financial statements for the year ended 31 December 2020)

The General Meeting, having reviewed the Board of Directors' report on the LUMIBIRD group management and the Statutory Auditors' report on the consolidated financial statements, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, **approves** the transactions that are reflected or summarized in these reports. and the financial statements for the year ended 31 December 2020, as presented to it, showing a profit of 6,353,407 euros.

Fourth resolution

(Appointment of a new Statutory Auditor)

The General Meeting, having reviewed the report of the Board of Directors on the draft resolutions, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, **notes** that the term of office of Deloitte & Associés as Statutory Auditor expires at the present meeting and **decides** to appoint as new Statutory Auditor:

Mazars
61 rue Henri Regnault – 92400 Courbevoie
Represented by Ludovic Sevestre

For a period of six financial years, i.e. until the ordinary General Meeting called to approve the financial statements for the financial year ending 31 December 2026.

Fifth resolution

(Non-renewal of the term of office of a joint Statutory Auditor)

The General Meeting, having reviewed the report of the Board of Directors on the draft resolutions, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, **notes** that the term of office of BEAS SAS as joint Statutory Auditor expires with this meeting and **decides** not to renew its term of office and not to appoint its replacement.

Sixth resolution

(Ratification of the cooptation of Ms Gwenaëlle Le Flohic as a member of the Board of Directors)

The General Meeting, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, **decides** to ratify the cooptation of Mrs. Gwenaëlle Le Flohic as a member of the Board of Directors, decided by the Board of Directors on 22 September 2020, for the remainder of the term of office of Eurodyne, which has resigned, i.e. until the ordinary General Meeting called to approve the financial statements for the financial year ending 31 December 2021.

Seventh resolution

(Reappointment of Ms Marie Begoña Lebrun as a member of the Board of Directors)

The General Meeting, having reviewed the report of the Board of Directors on the draft resolutions, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, **decides** to renew the term of office of Ms Marie Begoña Lebrun as a Director for a period of six (6) years, i.e. until the general meeting called to approve the financial statements for the financial year ending 31 December 2026.

Ms Marie Begoña Lebrun has indicated in advance that she will accept the renewal of her term of office.

Eight resolution

(Reappointment of Mr Emmanuel Cueff as a member of the Board of Directors)

The General Meeting, having reviewed the report of the Board of Directors on the draft resolutions, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, **decides** to renew the term of office of Mr Emmanuel Cueff as a Director for a period of six (6) years, i.e. until the general meeting called to approve the financial statements for the financial year ending 31 December 2026.

Mr Emmanuel Cueff has indicated in advance that he will accept the renewal of his term of office.

Ninth resolution

(Reappointment of EMZ Partners as censor of the Board of Directors)

The General Meeting, having reviewed the report of the Board of Directors on the draft resolutions, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, **decides** to renew the term of office of EMZ Partners as censor for a period of two (2) years, i.e. until the general meeting called to approve the financial statements for the financial year ending 31 December 2022.

EMZ Partner has indicated in advance that it will accept the renewal of its term of office.

Tenth resolution

(Setting of the global compensation package awarded to Directors)

The General Meeting, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, **decides** to set at a total of 34,000 euros the global compensation package to award to Directors for the year 2019 and the current and following years, unless a new General Meeting in the future changes the annual amount. The breakdown between the Directors will be decided on by the Board of Directors.

Eleventh resolution

(Approval of the Statutory Auditors' report provided for in Article L. 225-40 of the French Commercial Code)

The General Meeting, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, having considered the Statutory Auditors' Special Report on agreements under the provisions of Articles L. 225-38 and L. 225-40-1 of the French Commercial Code, **approves** this report in all its provisions.

Twelfth resolution

(Approval of the information relating to the compensation of corporate officers for the year ended 31 December 2020 presented in the Board of Directors' report on corporate governance, in accordance with Article L. 22-10-9 of the French commercial code)

The General Meeting, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, having considered the Board of Directors' report on corporate governance referred to in Article L. 225-37 of the French Commercial Code, **approves**, in accordance with Article L. 22-10.34 I. of the French Commercial Code, all information relating to the compensation paid or granted to the corporate officers during the financial year ended 31 December 2020 presented in the Board of Directors' report on corporate governance, included in Chapter 2 of the Company's 2020 Universal Registration Document, in accordance with section I of Article L.22-10-9 of the Commercial Code.

Thirteenth resolution

(Approval of the fixed, variable and exceptional items making up the total compensation and benefits of any kind paid or allocated to Mr. Marc Le Flohic, Chief executive officer, for the year ended 31 December 2020)

The General Meeting, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, having reviewed the Board of Directors' report on corporate governance as provided for in Article L.225-37 of the French commercial code, **approves**, in accordance the provisions of Article L.22-10.34 II. of the French commercial code, the fixed, variable and exceptional components of the global compensation and benefits of any kind paid or awarded to Marc Le Flohic, Chief executive officer, for the year ended 31 December 2020, as presented in the Board of Directors' report on corporate governance, included in Chapter 2 of the Company's 2020 Universal Registration Document.

Fourteenth resolution

(Approval of the fixed, variable and exceptional items making up the total compensation and benefits of any kind paid or allocated to Mr. Jean-Marc Gendre, Chief operating officer, for the year ended 31 December 2020)

The General Meeting, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, having reviewed the Board of Directors' report on corporate governance as provided for in Article L.225-37 of the French commercial code, **approves**, in accordance the provisions of Article L.22-10.34 II. of the French commercial code, the fixed, variable and exceptional components of the global compensation and benefits of any kind paid or awarded to Jean-Marc Gendre, Chief Operating Officer, for the year ended 31 December 2020, as presented in the Board of Directors' report on corporate governance, included in Chapter 2 of the Company's 2020 Universal Registration Document.

Fifteenth resolution

(Approval of the compensation policy applicable to the members of the Board of Directors for the financial year 2021)

The General Meeting, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, having reviewed the Board of Directors' corporate governance report as provided for in Article L.225-37 of the French commercial code, describing the components of the compensation policy for corporate officers, **approves**, in accordance the provisions of Article L.22-10-8 of the French commercial code, the compensation policy applicable to the members of the Board of Directors for the 2021 fiscal year, as presented in the Board of Directors' report on corporate governance, included in Chapter 2 of the Company's 2020 Universal Registration Document.

Sixteenth resolution

(Approval of the compensation policy applicable to the CEO for the financial year 2021)

The General Meeting, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, having reviewed the Board of Directors' corporate governance report as provided for in Article L.225-37 of the French commercial code, describing the components of the compensation policy for corporate officers, **approves**, in accordance the provisions of Article L.22-10-8 of the French commercial code, the compensation policy applicable to the CEO for the 2021 fiscal year, as presented in the Board of Directors' report on corporate governance, included in Chapter 2 of the Company's 2020 Universal Registration Document.

Seventeenth resolution

(Approval of the compensation policy applicable to the COO for the financial year 2020)

The General Meeting, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, having reviewed the Board of Directors' corporate governance report as provided for in Article L.225-37 of the French commercial code, describing the components of the compensation policy for corporate officers, **approves**, in accordance the provisions of Article L.22-10-8 of the French commercial code, the compensation policy applicable to the COO for the 2021 fiscal year, as presented in the Board of Directors' report on corporate governance, included in Chapter 2 of the Company's 2020 Universal Registration Document.

Eighteenth resolution

(Authorization for the Board of Directors to trade in the Company's shares as part of the program for the Company to buy its own shares)

The General Meeting, having reviewed the Board of Directors' report, ruling under the quorum and majority conditions for Ordinary General Meetings:

1. **authorizes** the Board of Directors, with an option to subdelegate in accordance with the legal and regulatory provisions, to purchase and/or appoint other parties to purchase Company shares, under the conditions set by Articles L.22-10-62 and L.225-210 et seq of the French commercial code, notably with a view to:

(i) ensuring liquidity and managing market-making for the Company's securities through an investment services provider acting independently on behalf of the Company, under a liquidity agreement that is compliant with the AMF guidelines in force, or

(ii) retaining and awarding shares subsequently (exchanges, payments, etc.) in connection with the Company's financial, external growth, merger, spin-off or contribution operations, or

(iii) awarding shares in connection with the exercising of rights associated with securities entitling holders to access the capital through their redemption, conversion, exchange, the presentation of a warrant or by any other means, or

(iv) cancelling all or part of the shares bought back in this way, through a share capital reduction, in accordance with the authorization to reduce the capital given by this General Meeting in its nineteenth resolution, or, if applicable, under a resolution of the same kind that may follow it during the period for which this delegation is valid, or

(v) awarding or transferring shares to employees or corporate officers of the Company or related companies, notably through the company's profit-sharing arrangements, under a company or group savings plan (or related plan) or for the awarding of free shares under Article L.225-197-1 et seq of the French commercial code, or, more generally, honoring obligations relating to programs for stock options or other awards of shares for the employees or corporate officers of the Company or a Group entity, or

(vi) implementing any Company stock option plan in accordance with Articles L.225-177 et seq of the French commercial code or any similar plan,

This program is also intended to make it possible to implement any market practices that may be approved by the French Financial Markets Authority (AMF), and more generally to carry out any other operation in line with the regulations in force. In such cases, the Company will notify its shareholders in a press release.

The shares may be acquired, sold, retained and, if applicable, exchanged or transferred, on one or more occasions, by any means, notably through on-market or off-market transactions and in accordance with the stock market regulations applicable, including by using, if applicable, any derivative or optional financial instruments traded on regulated markets or over-the-counter, provided that these last means do not contribute to any significant increase in the volatility of the security or in any other way.

These operations may be carried out at any time, with the Company reserving the right to purchase or sell blocks of securities and continue implementing this share buyback program during a public offering period concerning the Company's securities,

2. **decides** that the share purchases under this authorization will be carried out within the limit of a maximum unit purchase price of 50 euros subject to adjustments linked to potential operations concerning the Company's capital. The General Meeting delegates the authority to the Board of Directors, in the event of a change in the par value of the share, an increase in the capital through the incorporation of reserves, free share awards, stock splits or consolidations, the distribution of reserves or any other assets, the amortization of the capital, or any other transaction concerning the share capital or shareholders' equity, to adjust the abovementioned maximum purchase price in order to factor in the impact of such transactions on the share's value.

3. **sets** the maximum amount of funds allocated for carrying out this share buyback program at 50,000,000 euros,

4. **acknowledges** that Company purchases of treasury stock may concern a number of shares such that:

(i) on the date of each buyback, the total number of shares bought back by the Company in this way since the start of the buyback program (including the shares subject to said buyback) does not exceed 10% of the shares comprising the Company's capital on this date, with this percentage applying to the adjusted capital factoring in transactions coming into effect following this General Meeting, i.e. for information a maximum buyback of 2,246,688 shares at 31 December 2020, while noting that (a) the number of shares acquired with a view to being retained and issued again subsequently in connection with a merger, spin-off or contribution operation may not exceed 5% of its share capital, and (b) when shares are bought back with a view to ensuring liquidity under the conditions defined by the AMF's General Regulations, the number of shares taken into account for calculating the aforementioned 10% cap corresponds to the number of shares purchased, less the number of shares sold on again for the duration of the authorization,

(ii) the total number of shares held by the Company on any given date does not exceed the maximum legal limit of 10% of the shares comprising the Company's share capital on this same date,

5. grants full powers to the Board of Directors, with an option to delegate under the legal conditions in force, to decide on and implement this authorization and carry out this share buyback program, within the limits of the authorization given, to clarify its terms, if necessary, and determine its conditions, and notably to place any stock market orders, to enter into any agreements, notably with a view to the registration of share purchases and sales, to allocate or reallocate the shares acquired to the objectives set under the legal and regulatory conditions applicable, to set the conditions for safeguarding the rights of holders of securities entitling them to access the Company's capital in accordance with the legal and regulatory provisions and, if applicable, the contractual stipulations providing for other adjustment cases, to make any filings with the French Financial Markets Authority (AMF) and any other relevant authorities or bodies, to perform all other formalities, to make all the declarations provided for under the law and, more generally, to do whatever is necessary,

6. decides that this authorization, which cancels and replaces for the future and up to the amount of the portion not yet used, if applicable, any prior authorization of the same kind and particularly the authorization granted by the Company's Ordinary General Meeting on 15 May 2020 in its 11th resolution, is valid for 18 months from the date of this Meeting.

TO BE SUBMITTED TO THE EXTRAORDINARY GENERAL MEETING

Nineteenth resolution

(Authorization for the Board of Directors to reduce the Company's share capital by canceling treasury stock.)

The General Meeting, ruling under the quorum and majority conditions required for Extraordinary General Meetings, having reviewed the Board of Directors' report and the Statutory Auditors' special report, and in accordance with Article L.22-10-62 of the French commercial code:

1. authorizes the Board of Directors to reduce the Company's share capital, on one or more occasions, in the proportions and at the times that it determines, by cancelling any quantity of treasury stock that it decides upon within the limits authorized under French law, in accordance with Articles L.225-213 and L.22-10-62 et seq of the French commercial code,

2. decides that the maximum number of shares cancelled by the Company under this delegation over a 24-month period may not exceed 10% of the Company's capital on the date of each cancellation, it being understood that this limit applies to an amount of the Company's capital that will be adjusted as relevant in order to factor in any operations affecting the share capital following this General Meeting,

3. grants full powers to the Board of Directors, with an option to subdelegate under the legal conditions in force, to carry out operations to cancel and reduce the share capital as provided for under this authorization, to allocate the difference between the buyback value of the ordinary shares canceled and the par value against all available premium and reserve items, to allocate the fraction of the legal reserve made available as a result of the capital reduction, to amend the articles of association accordingly, to perform all the formalities, measures and filings required with all bodies and, more generally, to do whatever is necessary,

4. decides that this delegation is valid for 26 months from the date of this General Meeting and cancels and replaces as of this day and up to the amount of the portion not yet used, if applicable, any prior authorization with the same purpose and particularly the authorization granted by the Company's Ordinary General Meeting on 24 May 2019 in its 9th resolution.

Twentieth resolution

(Delegation of authority for the Board of Directors to increase the share capital (i) of the Company or another company by issuing ordinary shares and/or securities entitling holders to access the capital immediately or in the future, with shareholders' preferential subscription rights maintained or (ii) by incorporating premiums, reserves, profits or other elements)

The General Meeting, having reviewed the Board of Directors' report and the Statutory Auditors' special report, ruling under the quorum and majority conditions for Extraordinary General Meetings, and in accordance with Articles L.225-129 and L.22-10-49 et seq of the French commercial code and specifically Articles L.225-129 to L.225-130, L.225-132 to L.225-134, L.22-10-49 to L.22-10-50 and Articles L.228-91 et seq of the French commercial code:

1. delegates to the Board of Directors, with an option to subdelegate under the legal conditions in force, the authority to decide, in the proportions and at the times that it determines, to carry out one or more capital increases:

(i) by issuing, in France or abroad, in euros, in foreign currencies or in any monetary unit determined with reference to several currencies, with or without premiums, on a free basis or subject to payment, (a) ordinary Company shares and/or (b) transferable securities, of any kind, governed by Articles L.228-92 paragraph 1, L.228-93 paragraphs 1 and 3 or L.228-94 paragraph 2 of the French commercial code giving access, immediately and/or in the future, at any time or on a set date, through the subscription, conversion, exchange, redemption or presentation of a warrant or any other means, to the capital of the Company or other companies (including those that directly or indirectly hold more than half of the share capital of the Company and those in which the Company directly or indirectly holds more than half of their share capital), while noting that the shares covered in (a) and the transferable securities covered in (b) may be paid up in cash or through offsetting receivables under the legal conditions in force, and/or

(ii) by incorporating into the capital any premiums, reserves, profits or other items that may be capitalized under the legal and statutory conditions in force through issuing new capital securities and/or increasing the par value of existing shares.

2. decides that the maximum nominal amount of the capital increases and issues covered in section 1.(i) above is set at 50,000,000 euros or the equivalent in any other currency or monetary unit determined with reference to several currencies, in addition to, if applicable, the additional amount of shares to be issued to safeguard, in accordance with the legal and regulatory provisions in force and, if applicable, the contractual stipulations providing for other adjustment cases, the rights of holders of transferable securities giving access to the capital or other rights giving access to the Company's capital,

3. decides that the total amount of the capital increases resulting from the incorporation of reserves, premiums and profits covered in section 1.(ii) above, in addition to the additional amount of shares to be issued to safeguard, in accordance with the legal and regulatory provisions in force and, if applicable, the contractual stipulations providing for other adjustment cases, the rights of holders of transferable securities giving access to the capital or other rights giving access to the Company's capital and independently from the 50,000,000 euro cap set in section 2. above, may be no higher than the amount of the accounts for reserves, premiums or profits that exist at the time of the capital increase,

4. decides that the total maximum nominal amount of the capital increases that may be carried out under (i) this delegation (with the exception of those carried out under section 1.(ii) above), on the one hand, and (ii) those granted under the 21st to 29th resolutions from this General Meeting, on the other hand, is set at 50,000,000 euros or the equivalent in any other currency or monetary unit determined with reference to several currencies, while noting that this overall limit will be in addition to, if applicable, the nominal amount of any additional shares to be issued, in the event of new financial operations, to safeguard, in accordance with the legal and regulatory provisions in force and, if applicable, the contractual stipulations providing for other adjustment cases, the rights of holders of transferable securities giving access to the capital or other rights giving access to the Company's capital,

5. decides, if the Board of Directors uses this delegation in connection with the issues presented in section 1.(i) above, that:

(i) in proportion to the amount of their shares, the shareholders will have preferential subscription rights for the ordinary shares and/or transferable securities issued under this resolution,

(ii) the Board of Directors may, in accordance with Article L.225-133 of the French commercial code, award the capital securities that have not been subscribed for on a basis not subject to allocation to the shareholders that have subscribed for a number of securities exceeding their entitlement on a subject to allocation basis, in proportion to their subscription rights and within the limit of their requests,

(iii) if the subscriptions on a basis not subject to allocation and, if applicable, subject to allocation, have not accounted for the entire issue of shares or transferable securities as defined above, the Board of Directors may, with an option to subdelegate under the legal conditions in force, use, in the order that it determines, one of the options provided for in Article L.225-134 of the French commercial code and/or just some of them, including offering all or part of the shares or transferable securities not subscribed for to the public, while noting that, in accordance with Article L.225-134 of the French commercial code, the Board of Directors may limit the capital increase to the amount of subscriptions, provided that, in the case of issues of shares or transferable securities whose primary security is a share, this reaches, following use, if applicable, of the two options indicated in sections 2 and 3 of Article L.225-134 of the French commercial code, three quarters of the increase decided on.

6. acknowledges that under this delegation, shareholders of the Company expressly waive their preferential subscription rights, to the benefit of holders of transferable securities issued under this delegation and entitling them to access the Company's capital, for the shares that such transferable securities will entitle such holders to,

7. if the Board of Directors uses the delegation provided for in section 1.(ii) above with an issue of new capital securities, the General Meeting **decides** (i) in accordance with Article L.225-130 of the French commercial code, that the rights forming fractions will not be able to be traded and the corresponding financial securities will be sold under the conditions determined by the Board of Directors; the sums resulting from the sale will be allocated to the holders of the rights within the regulatory timeframe applicable and (ii) that the shares that will be awarded under this delegation for existing shares entitled to double voting rights will benefit from these rights from their issue,

8. decides that the Board of Directors will have full powers, with an option to subdelegate under the legal conditions in force, to implement this delegation of authority, notably with a view to:

(i) deciding to issue ordinary shares and/or transferable securities giving access, immediately or in the future, to the capital of the Company or another company,

(ii) determining the dates, conditions and arrangements for any issues, as well as the form and characteristics of the ordinary shares and/or transferable securities to be issued, with or without premiums, and in particular:

- setting the amount of the issue or issues that will be carried out under this delegation, notably determining the issue price and subscription price for the ordinary shares and/or transferable securities, the amount of the premium that may be requested for the issue, the timeframes, arrangements and conditions for the transferable securities to be subscribed for, paid up, issued and entitled to dividends, within the legal or regulatory limits in force,
- setting, if applicable, the conditions for exercising the rights associated with the shares and/or transferable securities to be issued, notably determining their conditions for conversion, exchange or redemption, including through the reissuing of the Company's assets such as transferable securities already issued by the Company,
- determining, under the legal conditions in force, the arrangements for adjusting the conditions for future access to the capital with the transferable securities and/or financial securities to be issued,

- suspending, if applicable, the exercising of the rights to be awarded shares associated with the transferable securities to be issued for a maximum of three months,

(iii) for issues of debt securities:

- determining the type and characteristics of these securities, including the par value and dividend entitlement date, the issue price, the interest rate (fixed and/or variable), the fixed or variable redemption price, and the redemption premium, if applicable, and particularly deciding whether they are subordinate or not (subordination may concern the principal capital and/or the interest on these securities), determining their subordination level, their duration (which may be fixed or not) and providing for, as relevant, mandatory or optional cases for early redemption and/or suspension or non-payment of interest, the possibility to reduce or increase the par value of the securities, and the other conditions for issues (including granting them guarantees or sureties) and amortization (including redemption through reissuing of the Company's assets),
- amending, during the life of the securities concerned, their terms and conditions, in accordance with the formalities applicable,
- carrying out said issues within the limit set above, determining the issue date, type, amounts and currency,

(iv) collecting the subscriptions and the corresponding payments, determining the amount of receivables to be offset, and acknowledging the performance of the capital increases for the amount of the shares that will be subscribed for,

(v) making all allocations against the premiums and particularly those for costs incurred by carrying out the issues and, if applicable, deducting from this amount the sums required to raise the legal reserve to one-tenth of the new capital after each capital increase,

(vi) determining and making any adjustments intended to take into account the impact of operations on the Company's capital or equity, notably in the event of a change in the share's par value, a capital increase through the incorporation of reserves, profits or premiums, free share awards, stock splits or consolidations, distribution of reserves or any other assets, amortization of the capital, or any other operation concerning shareholders' equity, and determining the conditions under which the rights of holders of transferable securities giving access to the capital will be safeguarded, if applicable,

(vii) acknowledging the performance of the capital increases resulting from any issue carried out under this delegation and amending the articles of association accordingly.

In addition, and more generally, the Board of Directors may take any useful measures, enter into any agreements to ensure the successful completion of the issues being considered, and complete any formalities required for the admission of the shares, rights and transferable securities issued in this way for trading on Euronext in Paris or, if applicable, any other market.

9. sets the validity of the delegation of authority under this resolution for 26 months from the date of this General Meeting's decision,

10. acknowledges that this delegation of authority cancels and replaces as of this day and up to the amount of the portion not yet used, if applicable, any prior delegation with the same purpose and particularly the delegation granted by the Extraordinary General Meeting on 24 May 2019 in its 10th resolution.

Twenty-first resolution

(Delegation of authority for the Board of Directors to increase the share capital of the Company or another company by issuing ordinary shares and/or securities entitling holders to access the capital immediately or in the future, with shareholders' preferential subscription rights waived, through a public offer other than those covered under section 1 of Article L.411-2 of the French monetary and financial code (Code monétaire et financier)

The General Meeting, having reviewed the Board of Directors' report and the Statutory Auditors' special report, ruling under the quorum and majority conditions for Extraordinary General Meetings, and in accordance with Articles L.225-129 and L.22-10-49 et seq of the French commercial code and specifically Articles L.225-129 to L.225-129-6, L.225-135, L.225-136, L.22-10-49, L.22-10-51, L.22-10-52, L.22-10-54 et seq of the French commercial code:

1. delegates to the Board of Directors, with an option to subdelegate under the legal conditions in force, the authority to decide on one or more capital increases by issuing, in France or abroad, through a public offer other than those covered under section 1 of Article L.411-2 of the French monetary and financial code, in the proportions and at the times that it determines, in euros, in foreign currencies or in any monetary unit determined with reference to several currencies, with or without premiums, on a free basis or subject to payment (i) ordinary Company shares and/or (ii) transferable securities, of any kind, governed by Articles L.228-92 paragraph 1, L.228-93 paragraphs 1 and 3 or L.228-94 paragraph 2 of the French commercial code giving access, immediately and/or in the future, at any time or on a set date, through the subscription, conversion, exchange, redemption or presentation of a warrant or any other means, to the capital of the Company or other companies (including those that directly or indirectly hold more than half of the share capital of the Company and those in which the Company directly or indirectly holds more than half of their share capital), while noting that the shares covered in (i) and the transferable securities covered in (ii) may be paid up in cash or through offsetting receivables under the legal conditions in force. These securities may in particular be issued as consideration for securities contributed to the Company in connection with a public exchange offer carried out in France or abroad in accordance with the rules on securities meeting the conditions set out in Article L.22-10-54 of the French Commercial Code.,

2. delegates to the Board of Directors, with an option to subdelegate under the legal conditions in force, its authority to decide to issue shares or transferable securities giving access, directly or indirectly, to the Company's capital to be issued following the issue, by the companies in which the Company directly or indirectly holds more than half of their share capital or by the companies that directly or indirectly hold more than half of its capital, of transferable securities giving access to the Company's capital; as a result of this decision, shareholders of the Company expressly waive their preferential subscription rights, to the benefit of holders of transferable securities issued by companies of the Group under this delegation and entitling them to access the Company's capital, for the shares that such transferable securities will entitle such holders to,

3. **decides** to set the following limits for the amounts of capital increases and issues authorized for the Board of Directors under this delegation:

(i) the maximum nominal amount of the capital increases and security issues that may be carried out, immediately and/or in the future, under this delegation of authority, is set at 50,000,000 euros or the equivalent in any other currency or monetary unit determined with reference to several currencies, with this amount allocated against the overall limit set in the 20th resolution from this General Meeting,

(ii) the nominal amount of any shares to be issued, in the event of new financial operations, to safeguard, in accordance with the legal and regulatory provisions and, if applicable, the contractual stipulations providing for other adjustment cases, the rights of holders of transferable securities giving access to the capital or other rights giving access to the capital of the Company will be added to these maximum limits, if applicable,

4. **decides** to cancel shareholders' preferential subscription rights for the Company's ordinary shares and/or securities to be issued under this delegation and delegates to the Board of Directors, in accordance with Article L.22-10-51 of the French commercial code, the option to set, based on a timeframe and conditions that it will determine in accordance with the legal and regulatory provisions applicable and for all or part of an issue carried out under this delegation, a priority subscription period for the shareholders that will not lead to the creation of tradable rights and that will need to be applied in proportion to the number of shares held by each shareholder and may potentially be supplemented with a subscription subject to allocation, while noting that the securities not subscribed for in this way may be subject to a public offering in France and/or abroad,

5. **acknowledges** that under this delegation, shareholders of the Company expressly waive their preferential subscription rights, to the benefit of holders of transferable securities issued under this delegation and entitling them to access the Company's capital, immediately or in the future, for the shares that such transferable securities will entitle such holders to,

6. **decides** that the subscription price for the securities issued under this delegation will be determined in accordance with legal provisions applicable on the day of the issue (i.e., to date, those of Articles L.22-10-52 and R.22-10-32 of the French commercial code),

7. **decides** that the amount of the capital increase may be limited to the amount of the subscriptions collected, provided that they reach at least three quarters of the amount of the issue initially set,

8. **decides** that the Board of Directors will have full powers, with an option to subdelegate under the legal conditions in force, to implement this delegation of authority, notably with a view to:

(i) deciding to issue ordinary shares and/or transferable securities giving access, immediately or in the future, to the capital of the Company or another company,

(ii) determining the dates, conditions and arrangements for any issues, as well as the form and characteristics of the ordinary shares and/or transferable securities to be issued, with or without premiums, and in particular:

- setting the amount of the issue or issues that will be carried out under this delegation, notably determining the issue price and subscription price for the ordinary shares and/or transferable securities, the amount of the premium that may be requested for the issue, the timeframes, arrangements and conditions for the transferable securities to be subscribed for, paid up, issued and entitled to dividends, within the legal or regulatory limits in force,
- setting, if applicable, the conditions for exercising the rights associated with the shares and/or transferable securities to be issued, notably determining their conditions for conversion, exchange or redemption, including through the reissuing of the Company's assets such as transferable securities already issued by the Company,
- determining, under the legal conditions in force, the arrangements for adjusting the conditions for future access to the capital with the transferable securities and/or financial securities to be issued,
- suspending, if applicable, the exercising of the rights to be awarded associated with the transferable securities to be issued for a maximum of three months,

(iii) for issues of transferable securities as payment for securities contributed in connection with a public offering with an exchange component (public exchange offer), determining the list of securities tendered for the exchange, setting the issue conditions, the exchange ratio and, if applicable, the amount of the cash balance to be paid, without the conditions for determining prices in this resolution applying, and determining the conditions for issuing in connection with a public exchange offer, or an alternative purchase or exchange offer, or a single offer proposing the purchase or exchange of the securities concerned in exchange for a payment in securities and cash, or a public tender or exchange offer on a principal basis, combined with a public exchange offer or a public tender offer on a subsidiary basis, or any other form of public offering in accordance with the law and regulations applicable for said public offering,

(iv) for issues of debt securities:

- determining the type and characteristics of these securities, including the par value and dividend entitlement date, the issue price, the interest rate (fixed and/or variable), the fixed or variable redemption price, and the redemption premium, if applicable, and particularly deciding whether they are subordinate or not (subordination may concern the principal capital and/or the interest on these securities), determining their subordination level, their duration (which may be fixed or not) and providing for, as relevant, mandatory or optional cases for early redemption and/or suspension or non-payment of interest, the possibility to reduce or increase the par value of the securities, and the other conditions for issues (including granting them guarantees or sureties) and amortization (including redemption through reissuing of the Company's assets),

- amending, during the life of the securities concerned, their terms and conditions, in accordance with the formalities applicable,
- carrying out said issues within the limit set above, determining the issue date, type, amounts and currency,

(v) collecting the subscriptions and the corresponding payments, determining the amount of receivables to be offset, and acknowledging the performance of the capital increases for the amount of the shares that will be subscribed for,

(vi) making all allocations against the premiums and particularly those for costs incurred by carrying out the issues and, if applicable, deducting from this amount the sums required to raise the legal reserve to one-tenth of the new capital after each capital increase,

(vii) determining and making any adjustments intended to take into account the impact of operations on the Company's capital or equity, notably in the event of a change in the share's par value, a capital increase through the incorporation of reserves, profits or premiums, free share awards, stock splits or consolidations, distribution of reserves or any other assets, amortization of the capital, or any other operation concerning shareholders' equity, and determining the conditions under which the rights of holders of transferable securities giving access to the capital will be safeguarded, if applicable,

(viii) acknowledging the performance of the capital increases resulting from any issue carried out under this delegation and amending the articles of association accordingly,

In addition, and more generally, the Board of Directors may take any useful measures, enter into any agreements to ensure the successful completion of the issues being considered, and complete any formalities required for the admission of the shares, rights and transferable securities issued in this way for trading on Euronext in Paris or, if applicable, any other market,

9. sets the validity of the delegation of authority under this resolution for 26 months from the date of this General Meeting's decision,

10. acknowledges that this delegation of authority cancels and replaces as of this day and up to the amount of the portion not yet used, if applicable, any prior delegation with the same purpose and particularly the delegation granted by the Extraordinary General Meeting on 15 May 2020 in its 13th resolution.

Twenty-second resolution

(Delegation of authority for the Board of Directors to increase the share capital of the Company or another company by issuing ordinary shares and/or securities entitling holders to access the capital immediately or in the future, with shareholders' preferential subscription rights waived, through a public offer covered under section 1 of Article L.411-2 of the French monetary and financial code (Code monétaire et financier)

The General Meeting, having reviewed the Board of Directors' report and the Statutory Auditors' special report, ruling under the quorum and majority conditions for Extraordinary General Meetings, and in accordance with Articles L.225-129 and L.22-10-49 et seq of the French commercial code and specifically Articles L.225-129 to L.225-129-6, L.225-135, L.225-136, L.22-10-49, L.22-10-52, L.22-10-54 and Articles L.228-91 et seq of the French commercial code:

1. delegates to the Board of Directors, with an option to subdelegate under the legal conditions in force, the authority to decide on one or more capital increases by issuing, in France or abroad, through a public offer in accordance with Article L.411-2 1 of the French monetary and financial code, in the proportions and at the times that it determines, in euros, in foreign currencies or in any monetary unit determined with reference to several currencies, with or without premiums, on a free basis or subject to payment (i) ordinary Company shares and/or (ii) transferable securities, of any kind, governed by Articles L.228-92 paragraph 1, L.228-93 paragraphs 1 and 3 or L.228-94 paragraph 2 of the French commercial code giving access, immediately and/or in the future, at any time or on a set date, through the subscription, conversion, exchange, redemption or presentation of a warrant or any other means, to the capital of the Company or other companies (including those that directly or indirectly hold more than half of the share capital of the Company and those in which the Company directly or indirectly holds more than half of their share capital), while noting that the shares covered in (i) and the transferable securities covered in (ii) may be paid up in cash or through offsetting receivables under the legal conditions in force,

2. delegates to the Board of Directors, with an option to subdelegate under the legal conditions in force, its authority to decide to issue shares or transferable securities giving access to the Company's capital to be issued following the issue, by the companies in which the Company directly or indirectly holds more than half of their share capital or by the companies that directly or indirectly hold more than half of its capital, of transferable securities giving access to the Company's capital; as a result of this decision, shareholders of the Company expressly waive their preferential subscription rights, to the benefit of holders of transferable securities issued by companies of the Group under this delegation and entitling them to access the Company's capital, for the shares that such transferable securities will entitle such holders to

3. decides to set the following limits for the amounts of capital increases and issues authorized for the Board of Directors under this delegation:

(i) the maximum nominal amount of the capital increase or increases that may be carried out, immediately and/or in the future, under this delegation of authority, and under the conditions set out in Articles L.411-2 1 of the French monetary and financial code and L.225-136 of the French commercial code, is set at 50,000,000 euros or the equivalent in any other currency or monetary unit determined with reference to several currencies and may not exceed the limits set by the regulations applicable on the day of the issue (to date, 20% of the share capital per year), with this amount allocated against the overall limit set in the 20th resolution from this General Meeting,

(ii) the nominal amount of any shares to be issued, in the event of new financial operations, to safeguard, in accordance with the legal and regulatory provisions and, if applicable, the contractual stipulations providing for other adjustment cases, the rights of holders of transferable securities giving access to the capital or other rights giving access to the capital of the Company will be added to these maximum limits, if applicable,

4. decides to cancel shareholders' preferential subscription rights for the Company's ordinary shares and/or securities to be issued under this delegation,

5. acknowledges that under this delegation, shareholders of the Company expressly waive their preferential subscription rights, to the benefit of holders of transferable securities issued under this delegation and entitling them to access the Company's capital, for the shares that such transferable securities will entitle such holders to, immediately or in the future,

6. decides that the subscription price for the securities issued under this delegation will be determined in accordance with Articles with legal provisions applicable on the day of the issue (i.e., to date, those of Articles L.22-10-52 and R.22-10-32 of the French commercial code),

7. decides that the amount of the capital increase may be limited to the amount of the subscriptions collected, provided that they reach at least three quarters of the amount of the issue initially set,

8. decides that the Board of Directors will have full powers, with an option to subdelegate under the legal conditions in force, to implement this delegation of authority, notably with a view to:

(i) deciding to issue ordinary shares and/or transferable securities giving access, immediately or in the future, to the capital of the Company or another company,

(ii) determining the dates, conditions and arrangements for any issues, as well as the form and characteristics of the ordinary shares and/or transferable securities to be issued, with or without premiums, and in particular:

- setting the amount of the issue or issues that will be carried out under this delegation, notably determining the issue price and subscription price for the ordinary shares and/or transferable securities, the amount of the premium that may be requested for the issue, the timeframes, arrangements and conditions for the transferable securities to be subscribed for, paid up, issued and entitled to dividends, within the legal or regulatory limits in force,
- setting, if applicable, the conditions for exercising the rights associated with the shares and/or transferable securities to be issued, notably determining their conditions for conversion, exchange or redemption, including through the reissuing of the Company's assets such as transferable securities already issued by the Company,
- determining, under the legal conditions in force, the arrangements for adjusting the conditions for future access to the capital with the transferable securities and/or financial securities to be issued,
- suspending, if applicable, the exercising of the rights to be awarded associated with the transferable securities to be issued for a maximum of three months,

(iii) for issues of debt securities:

- determining the type and characteristics of these securities, including the par value and dividend entitlement date, the issue price, the interest rate (fixed and/or variable), the fixed or variable redemption price, and the redemption premium, if applicable, and particularly deciding whether they are subordinate or not (subordination may concern the principal capital and/or the interest on these securities), determining their subordination level, their duration (which may be fixed or not) and providing for, as relevant, mandatory or optional cases for early redemption and/or suspension or non-payment of interest, the possibility to reduce or increase the par value of the securities, and the other conditions for issues (including granting them guarantees or sureties) and amortization (including redemption through reissuing of the Company's assets),
- amending, during the life of the securities concerned, their terms and conditions, in accordance with the formalities applicable,
- carrying out said issues within the limit set above, determining the issue date, type, amounts and currency,

(iv) collecting the subscriptions and the corresponding payments, determining the amount of receivables to be offset, and acknowledging the performance of the capital increases for the amount of the shares that will be subscribed for,

(v) making all allocations against the premiums and particularly those for costs incurred by carrying out the issues and, if applicable, deducting from this amount the sums required to raise the legal reserve to one-tenth of the new capital after each capital increase,

(vi) determining and making any adjustments intended to take into account the impact of operations on the Company's capital or equity, notably in the event of a change in the share's par value, a capital increase through the incorporation of reserves, profits or premiums, free share awards, stock splits or consolidations, distribution of reserves or any other assets, amortization of the capital, or any other operation concerning shareholders' equity, and determining the conditions under which the rights of holders of transferable securities giving access to the capital will be safeguarded, in accordance with the legal and regulatory provisions and, where applicable, the contractual stipulations providing for other cases of adjustment,

(vii) acknowledging the performance of the capital increases resulting from any issue carried out under this delegation and amending the articles of association accordingly,

In addition, and more generally, the Board of Directors may take any useful measures, enter into any agreements to ensure the successful completion of the issues being considered, and complete any formalities required for the admission of the shares, rights and transferable securities issued in this way for trading on Euronext in Paris or, if applicable, any other market,

9. sets the validity of the delegation of authority under this resolution for 26 months from the date of this General Meeting's decision,

10. acknowledges that this delegation of authority cancels and replaces as of this day and up to the amount of the portion not yet used, if applicable, any prior delegation with the same purpose and particularly the delegation granted by the Extraordinary General Meeting on 15 May 2020 in its 15th resolution.

Twenty-third resolution

(Authorization for the Board of Directors to increase the number of securities to be issued in the event of excess demand for capital increases with preferential subscription rights maintained or waived)

The General Meeting, having reviewed the Board of Directors' report and the Statutory Auditors' special report, ruling under the quorum and majority conditions for Extraordinary General Meetings and subject to their approval:

1. **decides** that, for each issue decided on in accordance with the 20th, 21st and 22nd resolutions presented above, the Board of Directors may increase the number of securities to be issued under the conditions set by Article L.225-135-1 of the French commercial code and within the overall maximum limit set in the 20th resolution, if it records excess demand,

2. **delegates** to the Board of Directors, with an option to subdelegate, in accordance with Article R.225-118 of the French commercial code, the authority to use this option at the same price as that retained for the initial issue and within the timeframes and limits set under the regulations applicable on the day of the issue (to date, within 30 days of the subscription closing and for up to 15% of the initial issue),

3. **sets** the validity of the delegation of authority under this resolution for 26 months from the date of this General Meeting's decision,

4. **acknowledges** that this delegation of authority cancels and replaces as of this day and up to the amount of the portion not yet used, if applicable, any prior delegation with the same purpose and particularly the delegation granted by the Extraordinary General Meeting on 24 May 2019 in its 13th resolution.

Twenty-fourth resolution

(Authorization for the Board of Directors to determine the issue price, within the limit of 10% of the share capital per year, in connection with a capital increase by issuing capital securities with shareholders' preferential subscription rights waived)

Having reviewed the Board of Directors' report and the Statutory Auditors' special report, ruling under the quorum and majority conditions for Extraordinary General Meetings, and in accordance with Articles L.225-136 1 and L.22-10-52 of the French commercial code, the General Meeting:

1. **authorizes** the Board of Directors, with an option to subdelegate under the legal conditions in force, for the issues decided on in accordance with the 21st and 22nd resolutions and within the limit of 10% of the share capital per year, to set the issue price at an amount that is equal to or higher than the following, as chosen by the Board of Directors:

(i) the Company's last closing share price before the issue price is set less a potential maximum discount of 20%,

(ii) the Company's weighted average share price on Euronext Paris for the last three trading days prior to the setting of the issue price less a potential maximum discount of 20%,

(iii) the Company's average share price on the Euronext Paris market over a maximum period of six months preceding the setting of the issue price, less a potential maximum discount of 20%.

2. **decides** that this authorization, which cancels and replaces for the future and up to the amount of the portion not yet used, if applicable, any prior authorization of the same kind and particularly the authorization granted by the Extraordinary General Meeting on 24 May 2019 in its 14th resolution, is valid for 26 months from the date of this General Meeting's decision.

Twenty-fifth resolution

(Authorization for the Board of Directors to increase the share capital of the Company or another company by issuing ordinary shares and/or securities entitling holders to access the capital immediately or in the future, with preferential subscription rights waived, as payment for contributions in kind)

The General Meeting, having reviewed the Board of Directors' report and the Statutory Auditors' special report, ruling under the quorum and majority conditions for Extraordinary General Meetings, and in accordance with Articles L.225-129, L.225-129-2, L.225-147, L.22-10-53 and L.228-91 et seq of the French commercial code:

1. **authorizes** the Board of Directors and delegates to it, with an option to subdelegate under the legal conditions in force, the powers required to issue, on one or more occasions, (i) ordinary Company shares and/or (ii) transferable securities governed by Articles L.228-92 paragraph 1, L.228-93 paragraphs 1 and 3 or L.228-94 paragraph 2 of the French commercial code giving access, immediately or in the future, at any time or on a set date, through the subscription, conversion, exchange, redemption or presentation of a warrant or any other means, to the capital of the Company or other companies (including those that directly or indirectly hold more than half of the share capital of the Company and those in which the Company directly or indirectly holds more than half of their share capital), intended as payment for contributions in kind granted to the Company and comprising capital securities or transferable securities giving access to the capital, when the terms of Article L.22-10-54 of the French commercial code do not apply,

2. **decides** that the Board of Directors will have full powers to implement this delegation and notably to rule on the Statutory Auditors' report, acknowledge the performance of the contributions in kind, increase the share capital and amend the articles of association accordingly,

3. **decides** to set the following limits for capital increases authorized for the Board of Directors under this authorization:

(i) the maximum nominal amount of capital increases and issues that may be carried out, immediately and/or in the future, under this delegation is set at 50,000,000 euros or the equivalent in any other currency or monetary unit determined with reference to several currencies, with this amount allocated against the overall limit set in the 20th resolution from this General Meeting,

(ii) the issues of shares and transferable securities giving access to the capital under this authorization will not exceed the limits set by the regulations applicable on the day of the issue (to date, 10% of the capital); and

(iii) the nominal amount of any shares to be issued, in the event of new financial operations, to safeguard, in accordance with the legal and regulatory provisions and, if applicable, the contractual stipulations providing for other adjustment cases, the rights of holders of transferable securities giving access to the capital or other rights giving access to the capital of the Company will be added to these maximum limits, if applicable,

4. decides that the Board of Directors will have full powers, with an option to subdelegate under the legal conditions in force, to implement this authorization, notably with a view to:

(i) deciding to issue ordinary shares and/or transferable securities giving access, immediately or in the future, to the Company's capital, as payment for contributions,

(ii) setting the list of capital securities and transferable securities contributed and giving access to the capital, approving the valuation of contributions, setting the conditions for the issuing of shares and/or transferable securities in return for contributions, in addition to, as relevant, the amount of the balance to be paid, approving the granting of any specific benefits, and reducing, subject to the contributors' approval, the valuation of contributions or the remuneration relating to any specific benefits,

(iii) determining the conditions and characteristics of the shares and/or transferable securities given as payment for contributions and amending, during the life of these securities, said conditions and characteristics in accordance with the formalities applicable,

(iv) on its initiative alone, allocating the costs for capital increases against the amount of the corresponding premiums,

(v) determining, under the legal conditions in force, the arrangements for adjusting the conditions for future access to the capital with the transferable securities and/or financial securities to be issued,

(vi) acknowledging the performance of each capital increase and amending the articles of association accordingly,

Furthermore, in general, the Board of Directors may enter into any agreement required, notably with a view to ensuring the successful completion of any issues planned, taking any measures and performing all formalities required for the issuing, listing and financial servicing of securities issued under this authorization, as well as the exercising of the corresponding rights.

4. sets the validity of the authorization under this resolution for 26 months from the date of this General Meeting's decision.

5. acknowledges that this authorization cancels and replaces for the future and up to the amount of the portion not yet used, if applicable, any authorization of the same kind and particularly the authorization granted by the Extraordinary General Meeting on 24 May 2019 in its 15th resolution.

Twenty-sixth resolution

(Authorization for the Board of Directors to increase the share capital of the Company or another company by issuing ordinary shares and/or securities entitling holders to access the capital immediately or in the future, with shareholders' preferential subscription rights waived, for categories of people in accordance with Article L.225-138 of the French commercial code)

The General Meeting, having reviewed the Board of Directors' report and the Statutory Auditors' special report, ruling under the quorum and majority conditions for Extraordinary General Meetings, and in accordance with Articles L.225-129, L.225-129-2, L.225-138 and L.22-10-49 et seq of the French commercial code and L.228-91 et seq of the commercial code:

1. delegates to the Board of Directors, with an option to subdelegate under the legal conditions in force, its authority to issue, on one or more occasions, in France or abroad, in the proportions and at the times that it determines, in euros, in foreign currencies or in any monetary unit determined with reference to several currencies, with or without premiums, on a free basis or subject to payment (i) ordinary Company shares and/or (ii) transferable securities, of any kind, governed by Articles L.228-92 paragraph 1, L.228-93 paragraphs 1 and 3 or L.228-94 paragraph 2 of the French commercial code giving access, immediately and/or in the future, at any time or on a set date, through the subscription, conversion, exchange, redemption or presentation of a warrant or any other means, to the capital of the Company or other companies (including those that directly or indirectly hold more than half of the share capital of the Company and those in which the Company directly or indirectly holds more than half of their share capital), while noting that the shares covered in (i) and the transferable securities covered in (ii) may be paid up in cash or through offsetting receivables under the legal conditions in force,

2. delegates to the Board of Directors, with an option to subdelegate under the legal conditions in force, the authority to set the list of beneficiaries within these categories and the number of securities to be awarded to each one of them,

3. decides that the maximum nominal amount of capital increases and issues that may be carried out under this delegation is set at 50,000,000 euros, with this amount allocated against the overall maximum limit set in the 20th resolution from this General Meeting,

4. decides to cancel shareholders' preferential subscription rights for the Company's ordinary shares and/or securities to be issued under this resolution to the following categories of parties:

(i) French or foreign-law investment companies, collective savings fund managers or investment funds (including any undertakings for investment, UCITS, AIFs or holding companies) investing in companies from high-technology sectors with scientific, military, industrial and/or medical applications, and/or

(ii) French or foreign-law industrial groups with operational activities in high-tech sectors with scientific, military, industrial and/or medical applications; and/or,

(iii) any entity, under French or foreign law, with or without legal personality, including any subsidiary of credit institutions or investment services providers, whose exclusive purpose is to subscribe, hold and/or sell shares or other financial instruments of the Company, on behalf of employees and/or corporate officers of the Company and/or companies related to it under the conditions of Article L.225-180 of the Commercial Code.]

5. decides that the subscription price for the securities issued under this delegation may be no less than the lower of the following values:

(i) the Company's last closing share price before the issue price is set less a potential maximum discount of 20%,

(ii) the Company's weighted average share price on Euronext Paris for the last three trading days prior to the setting of the issue price less a potential maximum discount of 20%.

6. acknowledges that under this delegation, shareholders of the Company expressly waive their preferential subscription rights, to the benefit of holders of transferable securities issued under this delegation, for the shares that such transferable securities will entitle such holders to,

7. decides that if the subscriptions have not accounted for the full amount of an issue of shares or securities as defined above, the Board of Directors may limit the amount of the capital increase or issue to the amount of the subscriptions collected, provided that they reach at least three quarters of the amount of the issue initially set,

8. decides that the Board of Directors will have full powers, with an option to subdelegate, to implement this delegation, under the conditions set by the law and the articles of association, notably with a view to:

(i) deciding to issue ordinary shares and/or transferable securities giving access, immediately or in the future, to the capital of the Company or another company,

(ii) determining the dates, conditions and arrangements for any issues, as well as the form and characteristics of the ordinary shares and/or transferable securities to be issued, with or without premiums, and in particular:

- setting the amount of the issue or issues that will be carried out under this delegation, notably determining the issue price and subscription price for the ordinary shares and/or transferable securities, the amount of the premium that may be requested for the issue, the timeframes, arrangements and conditions for the transferable securities to be subscribed for, paid up, issued and entitled to dividends, within the legal or regulatory limits in force,
- setting, if applicable, the conditions for exercising the rights associated with the shares and/or transferable securities to be issued, notably determining their conditions for conversion, exchange or redemption, including through the reissuing of the Company's assets such as transferable securities already issued by the Company,
- determining, under the legal conditions in force, the arrangements for adjusting the conditions for future access to the capital with the transferable securities and/or financial securities to be issued,
- suspending, if applicable, the exercising of the rights to be awarded shares associated with the transferable securities to be issued for a maximum of three months,

(iii) for issues of debt securities:

- determining the type and characteristics of these securities, including the par value and dividend entitlement date, the issue price, the interest rate (fixed and/or variable), the fixed or variable redemption price, and the redemption premium, if applicable, and particularly deciding whether they are subordinate or not (subordination may concern the principal capital and/or the interest on these securities), determining their subordination level, their duration (which may be fixed or not) and providing for, as relevant, mandatory or optional cases for early redemption and/or suspension or non-payment of interest, the possibility to reduce or increase the par value of the securities, and the other conditions for issues (including granting them guarantees or sureties) and amortization (including redemption through reissuing of the Company's assets),
- amending, during the life of the securities concerned, their terms and conditions, in accordance with the formalities applicable,
- carrying out said issues within the limit set above, determining the issue date, type, amounts and currency,

(iv) collecting the subscriptions and the corresponding payments, determining the amount of receivables to be offset, and acknowledging the performance of the capital increases for the amount of the shares that will be subscribed for,

(v) making all allocations against the premiums and particularly those for costs incurred by carrying out the issues and, if applicable, deducting from this amount the sums required to raise the legal reserve to one-tenth of the new capital after each capital increase,

(vi) determining and making any adjustments intended to take into account the impact of operations on the Company's capital or equity, notably in the event of a change in the share's par value, a capital increase through the incorporation of reserves, profits or premiums, free share awards, stock splits or consolidations, distribution of reserves or any other assets, amortization of the capital, or any other operation concerning shareholders' equity, and determining the conditions under which the rights of holders of transferable securities giving access to the capital will be safeguarded, if applicable,

(vii) acknowledging the performance of the capital increases resulting from any issue carried out under this delegation and amending the articles of association accordingly.

In addition, and more generally, the Board of Directors may take any useful measures, enter into any agreements to ensure the successful completion of the issues being considered, and complete any formalities required for the admission of the shares, rights and transferable securities issued in this way for trading on Euronext in Paris or, if applicable, any other market.

9. sets the validity of the delegation of authority under this resolution for 18 months from the date of this General Meeting's decision,

10. acknowledges that this delegation of authority cancels and replaces as of this day and up to the amount of the portion not yet used, if applicable, any prior delegation with the same purpose and particularly the delegation granted by the Company's Extraordinary General Meeting on 15 May 2020 in its 15th resolution.

Twenty-seventh resolution

(Authorization for the Board of Directors to award new or existing free shares to some or all of the employees or corporate officers of the Company or related companies)

The General Meeting, having reviewed the Board of Directors' report and the Statutory Auditors' special report, ruling under the quorum and majority conditions for Extraordinary General Meetings, and in accordance with Articles L.225-129-2, L.225-197-1 and L.22-10-59 et seq of the French commercial code:

1. authorizes the Board of Directors, with an option to subdelegate under the legal conditions in force, to award, based on its decisions alone, on one or more occasions, existing free shares or free shares to be issued to employees of the Company or related companies or groups under the conditions set out in Article L.225-197-2 of the French commercial code and to corporate officers of the Company or related companies or groups that meet the conditions set by Article L.225-197-1, II of said code,

2. **decides** that the total number of free shares awarded under this authorization may not exceed 10% of the share capital on the day of the Board of Directors' decision. This maximum limit will be increased to 30% of the capital if the award benefits all of the Company's employees, while noting that above 10%, the difference between the number of shares distributed to each employee may not exceed a ratio of one to five,

3. **decides** that:

(i) free awards of shares to their beneficiaries will become definitive at the end of a vesting period, which may be no less than the period required by the legal provisions applicable on the day of the allocation decision (to date, one year),

(ii) the shares definitively acquired will be subject, at the end of the aforementioned vesting period, to a holding requirement, which may be no less than the period required by the legal provisions applicable on the day of the allocation decision (to date, one year); however, this holding requirement may be cancelled by the Board of Directors for free shares awarded with a vesting period of at least two years,

4. **decides** that awards will become definitive before the end of the vesting period or, if applicable, the holding requirement, in the event of the beneficiary's disability according to the second or third categories from Article L.341-4 of the French social security code (Code de la sécurité sociale),

5. **acknowledges** that under this authorization, shareholders of the Company expressly waive their preferential subscription rights, to the benefit of the beneficiaries of free share award, for the shares that may be issued under this authorization,

6. **acknowledges** that the Board of Directors has the authority to modify the number of shares awarded, within the aforementioned maximum limit, to take into account the impact of operations on the Company's capital or equity, notably in the event of a change in the share's par value, a capital increase through the incorporation of reserves, profits or premiums, free share awards, stock splits or consolidations, distribution of reserves or any other assets, amortization of the capital, or any other operation concerning shareholders' equity. Shares awarded in connection with such adjustments will be considered to have been awarded on the same day as the shares initially awarded,

7. **acknowledges** that for free awards of new shares to be issued under this authorization, as the shares are definitively vested, the capital will be increased through the incorporation of reserves, profits or issue premiums for the beneficiaries of said shares and shareholders will expressly waive their rights to the fraction of reserves, premiums and profits to be incorporated into the capital to make it possible to pay up the shares awarded,

8. **grants** full powers to the Board of Directors, with an option to sub-delegate as authorized by the law, to implement this authorization, notably with a view to:

(i) determining whether the shares awarded freely are shares to be issued and/or existing shares,

(ii) determining the identity of beneficiaries or one or more categories of beneficiaries for share awards from among the employees and corporate officers of the Company or the aforementioned companies or groups, in addition to the number of shares awarded to each one of them,

(iii) setting the conditions and, if applicable, the criteria for awarding shares, including the minimum vesting period and the holding period required for each beneficiary, under the conditions set out above,

(iv) if new shares are issued, allocating, as relevant, any sums needed to free up such shares against reserves, profits or issue premiums, acknowledging the performance of capital increases carried out under this authorization, amending the articles of association accordingly and, more generally, performing all formalities.

9. **sets** the validity of the delegation of authority under this resolution for 38 months from the date of this General Meeting's decision,

10. **acknowledges** that this authorization cancels and replaces as of this day and up to the amount of the portion not yet used, if applicable, any authorization with the same purpose and particularly the authorization granted by the Extraordinary General Meeting on 24 May 2019 in its 17th resolution.

Twenty-eighth resolution

(Authorization for the Board of Directors to award stock options to some or all of the Group's employees and corporate officers)

The General Meeting, having reviewed the Board of Directors' report and the Statutory Auditors' special report, ruling under the quorum and majority conditions for Extraordinary General Meetings, and in accordance with Articles L.225129-2, L.225-177 to L.225-186-1 and L.22-10-56 of the French commercial code:

1. **authorizes** the Board of Directors, with an option to subdelegate under the legal conditions in force, to grant, on one or more occasions, for the members of staff that it determines from among the employees and corporate officers of the Company and related companies or groups under the conditions set by Article L.225-180 of the commercial code, options entitling them to subscribe for new Company shares to be issued in connection with an increase in its capital, as well as options entitling them to purchase Company shares from the Company's buybacks under the legal conditions in force,

2. **decides** that the stock options awarded under this authorization will not entitle holders to subscribe for or purchase a total number of shares representing more than 10% of the share capital, with this maximum limit determined each time the Board of Directors uses this delegation in relation to the share capital on that date. The shares to be issued for adjustments to be made in order to safeguard, in accordance with legal and regulatory provisions, the rights of the beneficiaries of options will be added to this maximum limit, if applicable, while noting that this amount is allocated against the overall limit set in the 20th resolution from this General Meeting.

3. **decides** that the price to be paid when stock options are exercised will be set, in accordance with legal requirements, by the Board of Directors on the day when the options are awarded,

4. **decides** that, if the Company carries out one of the operations provided for under Article L.225-181 or Article R.22-10-37 of the French commercial code, the Company will take, under the regulatory conditions in force, the measures required to protect the beneficiaries' interests, notably, if applicable, by adjusting the number of shares that may be obtained by exercising the options granted to the beneficiaries to take into account the impact of this operation,

5. **acknowledges** that under this authorization, shareholders of the Company expressly waive their preferential subscription rights, to the benefit of the beneficiaries of the stock options issued under this authorization, for the shares that will be issued upon exercise of such stock options. The increase in the share capital resulting from the exercising of the stock options will be carried out definitively based on the simple declaration of the exercising of the option accompanied by the subscription forms and payments to pay up the securities, which may be made in cash or through offsetting with receivables against the Company,

6. **grants** full powers to the Board of Directors to implement the present authorization and more specifically to:

(i) determine whether the options awarded will give a right to subscribe newly issued shares or existing treasury shares of the Company

(ii) determine the category(ies) of beneficiaries or the list of beneficiaries of options and the number of options awarded to each of them,

(iii) set the terms and conditions for the options, notably (i) the validity period for the options, while noting that the options will need to be exercised within a maximum of 10 years, (ii) the date(s) or period(s) for exercising options, while noting that the Board of Directors, if applicable, may (a) bring forward the dates or periods for exercising options, (b) maintain the exercisable nature of the options, or (c) modify the dates or periods during which the shares obtained by exercising options will not be able to be transferred or converted to bearer format, (iii) the potential clauses prohibiting the immediate resale of all or part of the shares, while noting that the period set for holding the securities may not exceed three (3) years from the exercising of the options,

(iv) if applicable, limit, suspend, restrict or prohibit the exercising of options or the transfer or conversion to bearer format of shares obtained by exercising options, during certain periods or from certain events, while its decision may concern all or part of the options or shares or all or part of the beneficiaries,

(v) set the dividend entitlement date, even on a retroactive basis, for new shares resulting from the exercising of stock options.

7. **decides** that the Board of Directors will also have full powers, with an option to subdelegate under the legal conditions in force, to acknowledge the completion of the capital increases for the amount of the shares that will be effectively subscribed for by exercising stock options, to amend the articles of association accordingly and, at its sole discretion and if it considers this relevant, to allocate the costs for capital increases against the amount of the premiums relating to these operations and to deduct from this amount the sums required to raise the legal reserve to one-tenth of the new capital after each increase, and to perform all necessary formalities for the listing of the securities issued in this way, to perform all filings with all bodies and to do anything else that may be necessary,

8. **sets** the validity of the delegation of authority under this resolution for 38 months from the date of this General Meeting's decision,

9. **acknowledges** that this authorization cancels and replaces as of this day and up to the amount of the portion not yet used, if applicable, any authorization with the same purpose and particularly the authorization granted by the Extraordinary General Meeting on 24 May 2019 in its 18th resolution.

Twenty-ninth resolution

(Authorization for the Board of Directors to increase the share capital by creating ordinary shares, with shareholders' preferential subscription rights waived for employees who are members of a company savings plan)

The General Meeting, having reviewed the Board of Directors' report and the Statutory Auditors' special report, ruling under the quorum and majority conditions for Extraordinary General Meetings and in accordance with Articles L.225-129-2, L.225-129-6, L.225-138-1 of the French commercial code, Articles L.3332-18 to L.3332-24 of the French employment code (Code du travail) and the obligation set by Article L.225-129-6 of the French commercial code:

1. **delegates** to the Board of Directors, with an option to subdelegate under the legal conditions in force, its authority to decide to increase the share capital, on one or more occasions and based on its decisions alone, by issuing ordinary shares to be subscribed for in cash reserved for employees who are members of a company savings plan (plan d'épargne entreprise) set up on the Company's initiative,

2. **decides** that the maximum nominal amount of the capital increases that may be carried out under this authorization is set at 1,000,000 euros or its equivalent value in any other authorized currency(s), with this amount allocated against the overall maximum limit set in the 20th resolution from this General Meeting,

3. **decides** that under this resolution, shareholders expressly waive their preferential subscription rights for the new shares to be issued for employees who are members of the Company's company savings plan,

4. **decides** that the subscription price for the securities to be issued under this delegation will be determined by the Board of Directors in accordance with legal provisions applicable on the day of the issue (i.e., to date, those of Articles L.3332-18 to L.3332-24 of the French employment code),

5. **decides** that, within the limits set above, the Board of Directors will have full powers, with an option to subdelegate under the legal conditions in force, to implement this authorization, notably with a view to:

(i) determining, within the limits set above, the characteristics, amount and conditions for any issue,

(ii) determining that the issues or awards may be carried out directly for beneficiaries or through collective undertakings,

(iii) carrying out the capital increases resulting from this authorization, within the maximum limit set above,

(iv) setting the cash subscription price for the shares in accordance with the legal provisions applicable,

(v) as required, planning to set up a company savings plan or modifying existing plans,

(vi) determining the list of companies whose employees will be beneficiaries of the issues carried out under this delegation, setting the timeframe for the shares to be paid up and, if applicable, the seniority required for employees to take part in the operation, all within the legal limits applicable,

(vii) making any adjustments in order to take into account the impact of operations on the Company's capital or equity, notably in the event of a change in the share's par value, a capital increase through the incorporation of reserves, free share awards, stock splits or consolidations, distribution of reserves or any other assets, amortization of the capital, or any other operation concerning shareholders' equity,

(viii) performing, either itself or through representatives, all actions and formalities required to make the capital increases that may be carried out as authorized under this resolution definitive; and

(ix) amending the articles of association accordingly and, more generally, doing whatever is necessary.

6. **decides** that this delegation, which cancels and replaces for the future and up to the amount of the portion not yet used, if applicable, any prior delegation of the same kind, and in particular the delegation granted by the Company's Extraordinary General Meeting held on 15 May 2020 under the terms of its 16th resolution, is valid for 26 months from the date of this General Meeting.

Thirtieth resolution
(Powers)

The General Meeting, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, **grants** full powers to the bearer of an original, a copy or an extract of the minutes of the meeting to carry out any and all legal formalities.

BOARD OF DIRECTOR'S REPORT PRESENTING THE DRAFT RESOLUTIONS

Ladies and Gentlemen, Dear shareholders,

We have convened this combined general meeting in accordance with the legal, regulatory and statutory requirements to submit for your approval the following draft resolutions:

Submitted to the ordinary general meeting:

- Approval of the annual and consolidated financial statements for the year ended 31 December 2020 and allocation of earnings (1st to 3rd resolutions),
- Appointment of a new Statutory Auditor and non-renewal of the term of office of a joint Statutory Auditor (4th and 5th resolutions),
- Ratification of the cooptation of Ms Gwenaëlle Le Flohic and the reappointment of Ms Marie Begoña Lebrun and Mr Emmanuel Cueff as members of the Board of Directors, and the reappointment of EMZ Partners as censor of the Board of Directors (6th to 9th resolutions),
- Setting of the global compensation package awarded to Directors (10th resolution),
- Approval of the statutory auditors' report as provided for in Article L. 225-40 of the French commercial code (11th resolution),
- Approval of the information relating to the compensation of corporate officers for the year ended 31 December 2020 presented in the Board of Directors' report on corporate governance, in accordance with Article L. 22-10-20 of the French commercial code (12th resolution),
- Approval of the fixed, variable and exceptional items making up the total compensation and benefits of any kind paid or allocated to Mr. Marc Le Flohic, CEO, and to MR Jean-Marc Gendre, COO, for the year ended 31 December 2020 (13th and 14th resolution),
- Approval of the compensation policy applicable to the members of the Board of Directors, to the CEO and to the COO for the financial year 2020 (15th to 17th resolutions),
- Authorization for the Board of Directors to trade in the Company's shares as part of the program for the Company to buy its own shares (18th resolution),

Submitted to the extraordinary general meeting:

- Authorization for the Board of Directors to reduce the Company's share capital by canceling treasury stock (19th resolution),
- Delegation of authority for the Board of Directors to increase the share capital (i) of the Company or another company by issuing ordinary shares and/or securities entitling holders to access the capital immediately or in the future, with shareholders' preferential subscription rights maintained or (ii) by incorporating premiums, reserves, profits or other elements (20th resolution),
- Delegation of authority for the Board of Directors to increase the share capital of the Company or another company by issuing ordinary shares and/or securities entitling holders to access the capital immediately or in the future, with shareholders' preferential subscription rights waived, through a public offer other than those covered under section 1 of Article L.411-2 of the French monetary and financial code (Code monétaire et financier) (21st resolution),
- Delegation of authority for the Board of Directors to increase the share capital of the Company or another company by issuing ordinary shares and/or securities entitling holders to access the capital immediately or in the future, with shareholders' preferential subscription rights waived, through a public offer covered under section 1 of Article L.411-2 of the French monetary and financial code (Code monétaire et financier) (22nd resolution),
- Authorization for the Board of Directors to increase the number of securities to be issued in the event of excess demand for capital increases with preferential subscription rights maintained or waived (23rd resolution),
- Authorization for the Board of Directors to determine the issue price, within the limit of 10% of the share capital per year, in connection with a capital increase by issuing capital securities with shareholders' preferential subscription rights waived (24th resolution),
- Authorization for the Board of Directors to increase the share capital of the Company or another company by issuing ordinary shares and/or securities entitling holders to access the capital immediately or in the future, with preferential subscription rights waived, as payment for contributions in kind (25th resolution),
- Authorization for the Board of Directors to increase the share capital of the Company or another company by issuing ordinary shares and/or securities entitling holders to access the capital immediately or in the future, with shareholders' preferential subscription rights waived, for categories of people (26th resolution),
- Authorization for the Board of Directors to award new or existing free shares to some or all of the employees or corporate officers of the Company or related companies (27th resolution),
- Authorization for the Board of Directors to award stock options to some or all of the Group's employees and corporate officers (28th resolution),
- Authorization for the Board of Directors to increase the share capital by creating ordinary shares, with shareholders' preferential subscription rights waived for employees who are members of a company savings plan (29th resolution),
- Granting of powers to carry out formalities (30th resolution).

The purpose of this report is to present the main features of the draft resolutions submitted by the Board of Directors to your general meeting. It does not therefore claim to be exhaustive; it is therefore essential that you read carefully the text of the draft resolutions before exercising your right to vote.

The presentation of the financial situation, business and results of the Company and the Group (the "Group") during the past financial year, as well as the various information required by the legal and regulatory provisions in force also appear in the Board of Directors' report on the management and operations of the Company and the Group during the year ended 31 December 2020, to which you are invited to refer.

We also remind you that, in the current context of the coronavirus epidemic, the General Meeting will be held without the physical presence of the shareholders, in accordance with the provisions adopted following the publication of Order No. 2020-321 of 25 March 2020, as extended and amended by Order No. 2020-1497 of 2 December 2020.

The documents required by the law and the articles of association of the Company have been sent to you and / or made available to you within the prescribed deadlines.

I. Approval of the FY financial statements

Approval of the annual and consolidated financial statements for the year ended 31 December 2020 and allocation of earnings (1st to 3rd resolutions) (Ordinary General Meeting)

Your meeting is convened firstly to adopt the annual and consolidated financial statements for the year ended 31 December 2020 of your Company and to allocate earnings.

You are invited to allocate the profit for the financial year of 75,903,814.10 euros as such: (i) 403,701.50 euros to legal reserve, the positive balance of which is thus increased to 2,246,688.20 euros and (ii) 75,500,112.6 euros to retained earnings, the positive balance of which is thus brought from 3,388,195.90 euros to 78,888,308.50 euros.

II. Appointment of a new Statutory Auditor and non-renewal of the term of office of a joint Statutory Auditor

Appointment of a new Statutory Auditor (4th resolution) (Ordinary General Meeting)

In the 4th resolution, we ask you to note the expiry of the mandate of Deloitte & Associés as Statutory Auditor at the end of the General Meeting and to appoint, in replacement:

Mazars
61 rue Henri Regnault – 92400 Courbevoie
Represented by Ludovic Sevestre

For a period of six financial years, i.e. until the ordinary General Meeting called to approve the financial statements for the financial year ending 31 December 2026.

Mazars was selected and retained after a tender procedure, the main stages of which were as follows:

- firstly, the Company's Finance Department drew up and sent to leading audit firms a set of specifications enabling them to understand the Company's business and specifying the scope of the assignment. The Finance Department then selected the applications and interviewed the participating firms with a view to their submission to the Audit Committee;
- the applications selected were examined by the Audit Committee, which met on 16 March 2021, on the basis of a report from the Finance Department. At the end of this stage, the Audit Committee selected two firms for presentation to the Board of Directors:

  Mazars
  61 rue Henri Regnault – 92400 Courbevoie
  Represented by Ludovic Sevestre,

  Geirec
  11 Parc de Brocéliande – 35762 Saint Grégoire Cedex
  Represented by Régis Lancelot,

  and indicated to the Board of Directors its preference for Mazars,
- At its meeting of 16 March 2021, the Board of Directors examined the two applications presented by the Audit Committee and, while noting the undeniable qualities of the offer made by Geirec, particularly in terms of regional presence, decided to select and present to the General Meeting the candidature of Mazars. The reasons that motivated the choices of the Audit Committee and the Board of Directors are, in particular, (i) the global presence of Mazars, in line with the Group's international development strategy, (ii) the recognised expertise of Mazars, in particular in terms of consolidation and IFRS standards applicable to listed companies, and (iii) the presence of a doctrinal department within Mazars, which is able to give a rapid opinion on complex issues in an international environment.
- Mazars has declared, in advance, that it will accept its mandate and that there are no incompatibilities or prohibitions to the exercise of these functions.

Non-renewal of the term of office of a joint Statutory Auditor (5th resolution)

By the 5th resolution, you are invited to note the expiry of the term of office of the deputy statutory auditor of BEAS SAS at the end of the General Meeting and that you do not renew its term of office or provide for its replacement. This decision is the result of the amendments made to Article L.823-1 of the Commercial Code by Law n°2016-1691 of 9 December 2016, which now requires the appointment of a deputy statutory auditor only if the statutory auditor is a natural person or a one-person company. As KPMG and Mazars are multi-person companies, the Company is therefore no longer subject to the obligation to appoint a deputy auditor.

III. Ratification of the cooptation of Ms Gwenaëlle Le Flohic and reappointment of Ms Marie Begoña Lebrun and Mr Emmanuel Cueff as members of the Board of Directors, and reappointment of EMZ Partners as censor of the Board of Directors

Ratification of the cooptation of Ms Gwenaëlle Le Flohic as a member of the Board of Directors (6th resolution)

Following the resignation of Eurodyne from its position as director of the Company and its absorption by ESIRA, the Board of Directors of the Company proceeded on 22 September 2020 to co-opt, as director of the Company, Ms. Gwenaëlle Le Flohic, of French nationality, born on 16 September 1967 in Bruz (35), residing at 7 Bis Route du Golf, 22560, Pleumeur-Bodou. Ms Gwenaëlle Le Flohic was the permanent representative of Eurodyne on the Company's Board of Directors prior to its resignation.

Your meeting is invited to vote on the ratification of this cooptation for the remainder of Eurodyne's term of office, i.e. until the Ordinary General Meeting called to approve the financial statements for the year ending 31 December 2021. All of the information referred to in Article R.225-83 of the French Commercial Code, concerning the persons whose candidacy as director is submitted to the Ordinary General Meeting of shareholders, is appended to this report (**Appendix 1**).

Reappointment of Ms Marie Begoña Lebrun and Mr Emmanuel Cueff as members of the Board of Directors, and reappointment of EMZ Partners as censor of the Board of Directors (7th to 9th resolutions) (Ordinary General Meeting)

You are asked, under the 7th and 8th resolutions, to vote in favour of renewing the directorships of Mrs Marie Begoña Lebrun and Mr Emmanuel Cueff, which expire at the end of your meeting, for a term of six (6) years, i.e. until the General Meeting called to approve the financial statements for the year ending 31 December 2026.

In addition, you are also asked, under the 9th resolution, to renew the appointment of EMZ Partners as a non-voting member of the Board of Directors for a term of two (2) years, i.e. until the General Meeting called to approve the financial statements for the year ending 31 December 2022.

IV. Regulated agreements

Approval of the Statutory Auditor's report referred to in Article L.225-40-1 of the French Commercial Code (11th resolution) (Ordinary General Meeting)

You are invited to approve the Statutory Auditors' special report on agreements and commitments subject to the provisions of Articles L.225-38 and L.225-40-1 of the French Commercial Code.

V. Compensation

Setting of the global compensation package awarded to Directors (10th resolution) (Ordinary General Meeting)

You are asked to set at a total of 34,000 euros the global compensation package to award to Directors for the current year, for the year 2019 and the following years, unless a new General Meeting in the future changes the annual amount.

The breakdown between the Directors will be decided on by the Board of Directors, according to the criteria mentioned in the Board of Directors' report on corporate governance provided for in Article L.225-37 of the French Commercial Code.

Approval of the information relating to the compensation of corporate officers for the year ended 31 December 2020 presented in the Board of Directors' report on corporate governance, in accordance with Article L. 22-10-9 of the French commercial code (12th resolution) (Ordinary General Meeting)

Under the 12th resolution, you are asked to approve all information relating to the compensation paid or granted to the corporate officers during the financial year ended 31 December 2020 presented in the Board of Directors' report on corporate governance in accordance with Article L.22-10-9 of the Commercial Code.

These elements that you are asked to approve are presented in the Board of Directors' corporate governance report provided for in article L.225-37 of the French Commercial Code, in Chapter 2 of the Company's 2020 Universal Registration Document. You are invited to consult it for more information on these elements of compensation.

Approval of the fixed, variable and exceptional items making up the total compensation and benefits of any kind paid or allocated to Mr. Marc Le Flohic, CEO, and to Mr jean-Marc Gendre, COO, for the year ended 31 December 2020 (13th and 14th resolutions) (Ordinary General Meeting)

In accordance with the provisions of Article L.22-10-34 II of the French commercial code, you are asked to approve the fixed, variable and exceptional components of the global compensation and benefits of any kind paid or awarded to Marc Le Flohic, CEO, and Mr Jean-Marc gendre, COO, for the year ended 31 December 2020.

These principles and criteria that you are asked to approve are presented in the Board of Directors' corporate governance report provided for in article L.225-37 of the French Commercial Code, in Chapter 2 of the Company's 2020 Universal Registration Document. You are invited to consult it for more information on these elements of compensation.

Approval of the compensation policy applicable to the members of the Board of Directors for the financial year 2021 (15th resolution) (Ordinary General Meeting)

In accordance with the provisions of Article L.22-10-8 of the French commercial code, you are asked to approve the compensation policy applicable to the members of the Board of Directors for the 2021 fiscal year.

The compensation policy applicable to the members of the Board of Directors for the 2021 fiscal year you are asked to approve is presented in the Board of Directors' corporate governance report provided for in article L.225-37 of the French Commercial Code, in Chapter 2 of the Company's 2020 Universal Registration Document. You are invited to consult it for more information on these elements of compensation.

Approval of the compensation policy applicable to the CEO and to the COO for the financial year 2021 (16th and 17th resolutions) (Ordinary General Meeting)

In accordance with the provisions of Article L.22-10-8 of the French commercial code, you are asked to approve the compensation policy applicable to the CEO and to the COO for the 2021 fiscal year.

The compensation policy applicable to the CEO and to the COO for the 2021 fiscal year you are asked to approve is presented in the Board of Directors' corporate governance report provided for in article L.225-37 of the French Commercial Code, in Chapter 2 of the Company's 2020 Universal Registration Document. You are invited to consult it for more information on these elements of compensation.

VI. Draft renewal of the autorisation to be given to the Board of Directors for the purchase by the Company of its own shares, notably with a view of cancelling those shares

Authorization for the Board of Directors to trade in the Company's shares as part of the program for the Company to buy its own shares (18th resolution) (Ordinary General Meeting)

The Ordinary General Meeting of 15 May 2020, by the terms of its 11th resolution, and in accordance with Articles L.225-209 et seq. of the French Commercial Code (former wording), authorized the Board of Directors to buy and/or appoint other parties to purchase the Company's own shares, as part of a share buyback program.

This authorization, for a period of 18 months following the decision of this General Meeting, was implemented by the Board of Directors under a liquidity agreement with the Louis Capital Markets to ensure liquidity and manage market-making for LUMIBIRD shares.

The review of the operations carried out within the framework of authorized share buyback programs appears in paragraph 13.4 of the Board of Directors' report on the management and the business of the Company and the Group during the financial year ended 31 December 31, 2020.

In accordance with the legal and regulatory provisions in force, and in particular pursuant to Articles L.225-210 and L.22-10-62 et seq. Of the French Commercial Code, we propose to renew the authorization and authorize the Board of Directors, with an option to subdelegate in accordance with the legal and regulatory provisions, to purchase and/or appoint other parties to purchase the Company's own shares under a new share buyback program, notably with a view to:

(i) ensuring liquidity and managing market-making for the Company's securities through an investment services provider acting independently on behalf of the Company, under a liquidity agreement that is compliant with the AMF guidelines in force; or

(ii) retaining and awarding shares subsequently (exchanges, payments, etc.) in connection with the Company's financial, external growth, merger, spin-off or contribution operations; or

(iii) awarding shares in connection with the exercising of rights associated with securities entitling holders to access the capital through their redemption, conversion, exchange, the presentation of a warrant or by any other means; or

(iv) cancelling all or part of the shares bought back in this way, through a share capital reduction, in accordance with the authorization to reduce the capital given by this Ordinary General Meeting in its 19th resolution, or, if applicable, under a resolution of the same kind that may follow it during the period for which this delegation is valid; or

(v) awarding or transferring shares to employees or corporate officers of the Company or related companies, notably through the company's profit-sharing arrangements, under a company or group savings plan (or related plan) or for the awarding of free shares under Article L.225-197-1 et seq of the French commercial code, or, more generally, honoring obligations relating to programs for stock options or other awards of shares for the employees or corporate officers of the Company or a Group entity; or

(vi) implementing any Company stock option plan in accordance with Articles L.225-177 et seq of the French commercial code or any similar plan;

This program is also intended to make it possible to implement any market practices that may be approved by the French Financial Markets Authority (AMF), and more generally to carry out any other operation in line with the regulations in force. In such cases, the Company will notify its shareholders in a press release.

It is specified that on the date of each buyback, the total number of shares bought back by the Company in this way since the start of the buyback program (including the shares subject to said buyback) does not exceed 10% of the shares comprising the Company's capital on this date, with this percentage applying to the adjusted capital factoring in transactions coming into effect following this General Meeting, i.e. for information a maximum buyback of 72,246,688 shares at 31 December 2020. Also, the total number of shares held by the Company on any given date shall not exceed the maximum legal limit of 10% of the shares comprising the Company's share capital on this same date.

The share purchases under this authorization could be carried out within the limit of a maximum unit purchase price of 50 euros subject to adjustments linked to potential operations concerning the Company's capital.

We propose to set the maximum amount of funds allocated for carrying out this share buyback program at 50 million euros.

The authorization thus granted to the Board of Directors, valid for 18 months from the date of the General Meeting deciding it, would cancel for the future and up to the amount of the portion not yet used, if applicable, any prior authorization of the same kind and particularly the authorization granted by the Company's Ordinary General Meeting on 15 May 2020 in its 11th resolution.

Authorization for the Board of Directors to reduce the Company's share capital by canceling treasury shares (19th resolution) (Extraordinary General Meeting)

In addition to the authorization within the program for the Company to buy its own shares presented above, the Board of Directors is requesting your authorization for the purpose of reducing the share capital of the Company on one or more occasions, in the proportions and at the times it shall decide, by cancelling any quantity of treasury shares that it shall decide within the limits authorised by law, in accordance with the provisions of Articles L.225-213 and L.22-10-62 of the Commercial Code, up to a limit of 10% of the Company's share capital, on the date of each cancellation, over a period of twenty-four months, subject to adjustments related to any transactions involving the Company's share capital.

This authorization would be granted for 26 months from the date of the General Meeting deciding it and would cancel for the future and up to the amount of the portion not yet used, if applicable, any prior authorization of the same kind and particularly the authorization granted by the Company's Ordinary General Meeting on 24 May 2019 in its 9th resolution.

VII. Draft renewal of financial authorisations granted to the Board of Directors to increase the share capital

In order to allow the Board of Directors to have the greatest flexibility, in particular to use the financial market to raise funds by way of private placement within a short period of time, or to involve its employees or senior managers in the capital, and thus to allow the Company to acquire, when it deems appropriate, the financial resources necessary for the development of its activities, we submit to you various draft resolutions to authorise the Board of Directors to decide on or to carry out the delegations of authority and/or financial authorisations under the conditions described below.

Delegation of authority for the Board of Directors to increase the share capital (i) of the Company or another company by issuing ordinary shares and/or securities entitling holders to access the capital immediately or in the future, with shareholders' preferential subscription rights maintained or (ii) by incorporating premiums, reserves, profits or other elements (20th resolution) (Extraordinary General Meeting)

The Extraordinary General Meeting of 24 May 2019 has, pursuant to its 10th resolution, delegated to the Board of Directors, for a period of 26 months, the power to decide one or more capital increases with preferential subscription rights and/or by incorporation into the capital of premiums, reserves, profits or others.

This resolution, which expires on 24 July 2021, was used by the Board of Directors on 20 May 2020 to decide on a capital increase with shareholders' preferential subscription right, resulting in a capital increase of a total gross amount, including issue premium, of €36,333,135 (i.e. a par value of €4,037,015 and an issue premium of €32,296,120), through the issue and admission to trading on the Euronext Paris market of 4,037,015 new shares with a par value of 1 euro each at a unit subscription price of 9 euros. A supplementary report on the terms and conditions of this capital increase is available at your Company's registered office and will be brought to your attention by the Board of Directors at the General Meeting. We invite you to consult it for more information on this capital increase.

You are invited to renew this delegation under the conditions and within the amount limits set out below, to enable the Board of Directors to decide, with an option to subdelegate under the legal conditions in force, in the proportions and at the times that it determines, to carry out one or more capital increases:

(i) by issuing, in France or abroad, in euros, in foreign currencies or in any monetary unit determined with reference to several currencies, with or without premiums, on a free basis or subject to payment, (a) ordinary Company shares and/or (b) transferable securities, of any kind, governed by Articles L.228-92 paragraph 1, L.228-93 paragraphs 1 and 3 or L.228-94 paragraph 2 of the French commercial code giving access, immediately and/or in the future, at any time or on a set date, through the subscription, conversion, exchange, redemption or presentation of a warrant or any other means, to the capital of the Company or other companies (including those that directly or indirectly hold more than half of the share capital of the Company and those in which the Company directly or indirectly holds more than half of their share capital), while noting that the shares covered in (a) and the transferable securities covered in (b) may be paid up in cash or through offsetting receivables under the legal conditions in force, and/or

(ii) by incorporating into the capital any premiums, reserves, profits or other items that may be capitalized under the legal and statutory conditions in force through issuing new capital securities and/or increasing the par value of existing shares.

You are invited to set at €50 million or the equivalent in any other currency or monetary unit established by reference to several currencies, the maximum nominal amount of the capital increases and issues likely to be carried out under the delegation referred to in (i) above, to which would be added, as the case may be, the additional amount of the shares to be issued in order to preserve, in accordance with the legal and regulatory provisions and, as the case may be, with the contractual stipulations providing for other cases of adjustment, the rights of the bearers of securities granting access to the share capital, or of any other rights granting access to the share capital of the Company.

You are also invited to limit the total amount of the capital increases that may be carried out under the delegation referred to in (ii) above to the amount of the reserves, premiums or profits existing at the time of the capital increase, increased by the additional amount of the shares to be issued in order to preserve, in accordance with the legal and regulatory provisions and, where applicable, with the contractual stipulations providing for other cases of adjustment, the rights of the bearers of securities granting access to the share capital or of other rights granting access to the share capital of the Company, and irrespective of the maximum amount of €50 million set out in the paragraph above.

In addition, you are invited to limit the maximum aggregate nominal amount of the capital increases that may be carried out by virtue of (a) the delegation provided for in the 20th resolution of your General Meeting (with the exception of those that may be carried out under the delegation referred to in (ii) above), on the one hand, and (b) those granted under the 21st to 29th resolutions, on the other hand, to 50 million euros or the equivalent in any other currency or monetary unit established with reference to several currencies. It is specified that to this overall cap shall be added, where applicable, the nominal amount of any additional shares to be issued in the event of new financial transactions, in order to preserve, in accordance with the legal and regulatory provisions and, where applicable, with the contractual stipulations providing for other cases of adjustment, the rights of the holders of securities giving access to the share capital or other rights giving access to the Company's share capital.

In the event that the Board of Directors uses the delegation provided for in (i) above, if the subscriptions on a basis not subject to allocation and, if applicable, on a basis subject to allocation, do not absorb the entirety of an issue, the Board of Directors may use, in the order that it determines, one of the options provided for in Article L.225-134 of the French Commercial Code, or only some of them.

Consequently, the Board of Directors would have the possibility not only to freely allocate, in whole or in part, the unsubscribed securities, but also to offer them, in whole or in part, to the public, it being specified, however, that the capital increase would not be carried out if the amount of subscriptions collected did not reach at least three quarters of the decided increase.

In the event that the Board of Directors makes use of the delegation provided for in (ii) above in the form of the issue of new equity securities, fractional rights would not be negotiable and the corresponding financial securities would be sold in accordance with the procedures determined by the Board of Directors. The sums resulting from the sale would be allocated to the holders of the rights within the period provided for by the regulations and the shares which would be allocated under this delegation in respect of old shares benefiting from double voting rights would benefit from this right as soon as they were issued.

More generally, the Board of Directors may take all useful measures, conclude all agreements to successfully complete the planned issues, and carry out all formalities required for the admission of the shares, rights and securities thus issued to trading on Euronext in Paris or, if applicable, on any other market.

The authorization thus granted to the Board of Directors would be valid for 26 months from the date of the General Meeting deciding it and would cancel for the future and up to the amount of the portion not yet used, if applicable, any prior authorization of the same kind and particularly the authorization granted by the Company's Ordinary General Meeting on 24 May 2019 in its 10th resolution.

Delegation of authority for the Board of Directors to increase the share capital of the Company or another company by issuing ordinary shares and/or securities entitling holders to access the capital immediately or in the future, with shareholders' preferential subscription rights waived, through a public offer other than those covered under section 1 of Article L.411-2 of the French monetary and financial code (21st resolution) (Extraordinary General Meeting)

The Extraordinary General Meeting of 15 May 2020 has, pursuant to its 13th resolution, delegated to the Board of Directors, for a period of 26 months, the power to decide one or more capital increases with preferential subscription rights waived.

This delegation of power was not, to this day, used by the Board of Directors.

You are invited to renew this delegation under the following conditions and limits, to allow the Company to acquire, in a reduced timing, the financial means necessary for its development by using the financial market.

In this context, the Board of Directors would have the power to decide, within the limit of a maximum nominal amount set at 50 million euros or the equivalent in any other currency or monetary unit determined with reference to several currencies (imputable to the overall cap set in the 20th resolution) with an option to subdelegate under the legal conditions in force, one or more capital increases by issuing, in France or abroad, through a public offer other than those covered under section 1 of Article L.411-2 of the French monetary and financial code, in the proportions and at the times that it determines, in euros, in foreign currencies or in any monetary unit determined with reference to several currencies, with or without premiums, on a free basis or subject to payment (i) ordinary Company shares and/or (ii) transferable securities, of any kind, governed by Articles L.228-92 paragraph 1, L.228-93 paragraphs 1 and 3 or L.228-94 paragraph 2 of the French commercial code giving access, immediately and/or in the future, at any time or on a set date, through the subscription, conversion, exchange, redemption or presentation of a warrant or any other means, to the capital of the Company or other companies (including those that directly or indirectly hold more than half of the share capital of the Company and those in which the Company directly or indirectly holds more than half of their share capital), while noting that the shares covered in (i) and the transferable securities covered in (ii) may be paid up in cash or through offsetting receivables under the legal conditions in force. These transferable securities may notably be issued as payment for securities that may be contributed to the Company, in connection with a public exchange offer carried out in France or abroad in accordance with the rules governing securities based on the conditions set in Article L.22-10-54 of the French commercial code.

The nominal amount of any shares to be issued, in the event of new financial operations, to safeguard, in accordance with the legal and regulatory provisions and, if applicable, the contractual stipulations providing for other adjustment cases, the rights of holders of transferable securities giving access to the capital or other rights giving access to the capital of the Company would be added to these maximum limits, if applicable.

You are invited to delegate to the Board of Directors, in accordance with Article L.22-10-51 of the French commercial code, the option to set, based on a timeframe and conditions that it would determine in accordance with the legal and regulatory provisions applicable and for all or part of an issue carried out under this delegation, a priority subscription period for the shareholders that would not lead to the creation of tradable rights and that would need to be applied in proportion to the number of shares held by each shareholder and may potentially be supplemented with a subscription subject to allocation, while noting that:

- the Board of Directors would have the possibility not only to distribute freely, totally or partially, securities not subscribed for, but also to offer them to the public, in whole or in part.
- if the subscriptions, including, if applicable, those of the shareholders, do not absorb the entire issue, the Board of Directors may limit the amount of the transaction under the conditions provided for by law.

The subscription price for the securities to be issued under this delegation would be determined in accordance with the legal provisions in force at the date of the issue (i.e., as of today, Articles L.22-10-52 and R.2210-32 of the French commercial code).

More generally, the Board of Directors would have full powers, with an option to subdelegate under the legal conditions in force, to implement this delegation of authority.

The delegation thus granted to the Board of Directors, valid for 26 months from the date of the General Meeting deciding it, would cancel, up to the amount of the portion not yet used, if applicable, any prior authorization with the same purpose and particularly the authorization granted by the Company's Extraordinary General Meeting on 15 May 2020 in its 13th resolution.

Delegation of authority for the Board of Directors to increase the share capital of the Company or another company by issuing ordinary shares and/or securities entitling holders to access the capital immediately or in the future, with shareholders' preferential subscription rights waived, through a public offer covered under section 1 of Article L.411-2 of the French monetary and financial code (22nd resolution) (Extraordinary General Meeting)

The Extraordinary General Meeting of 15 May 2020 has, pursuant to its 14th resolution, delegated to the Board of Directors, for a period of 26 months, the power to decide one or more capital increases with preferential subscription rights waived, through a public offer covered under section 1 of Article L.411-2 of the French monetary and financial code.

This delegation of power was not, to this day, used by the Board of Directors.

You are invited to renew this delegation to enable the Board of Directors to have all the delegations of authority and financial authorizations provided for by the regulations in force to increase the capital of the Company, and authorize the Board of Directors to decide, with an option to subdelegate under the legal conditions in force, one or more capital increases by issuing, in France or abroad, through a public offer other than those covered under section 1 of Article L.411-2 of the French monetary and financial code, in the proportions and at the times that it determines, in euros, in foreign currencies or in any monetary unit determined with reference to several currencies, with or without premiums, on a free basis or subject to payment (i) ordinary Company shares and/or (ii) transferable securities, of any kind, governed by Articles L.228-92 paragraph 1, L.228-93 paragraphs 1 and 3 or L.228-94 paragraph 2 of the French commercial code giving access, immediately and/or in the future, at any time or on a set date, through the subscription, conversion, exchange, redemption or presentation of a warrant or any other means, to the capital of the Company or other companies (including those that directly or indirectly hold more than half of the share capital of the Company and those in which the Company directly or indirectly holds more than half of their share capital), while noting that the shares covered in (i) and the transferable securities covered in (ii) may be paid up in cash or through offsetting receivables under the legal conditions in force.

We propose to set at 50 million euros or the equivalent in any other currency or monetary unit determined with reference to several currencies, the maximum nominal amount of the capital increases and issues that may be carried out under this delegation of authority. In addition, the maximum nominal amount of the capital increase(s) that may be carried out, immediately and / or in the future, under this delegation of authority may not exceed the limits provided for by the regulations applicable on the day of the issue (to date, 20% of the share capital per year), it being specified that this amount would be deducted from the overall cap set in the 20th resolution of this General Meeting.

The nominal amount of any shares to be issued, in the event of new financial operations, to safeguard, in accordance with the legal and regulatory provisions and, if applicable, the contractual stipulations providing for other adjustment cases, the rights of holders of transferable securities giving access to the capital or other rights giving access to the capital of the Company would be added to these maximum limits, if applicable.

The subscription price for the securities to be issued under this delegation would be determined in accordance with the legal provisions in force on the date of the issue (i.e., as of today, Articles L.22-10-52 and R.22-10-32 of the French commercial code.

More generally, the Board of Directors would have full powers, with an option to subdelegate under the legal conditions in force, to implement this delegation of authority.

The delegation thus granted to the Board of Directors, valid for 26 months from the date of the General Meeting deciding it, would cancel, up to the amount of the portion not yet used, if applicable, any prior authorization with the same purpose and particularly the authorization granted by the Company's Extraordinary General Meeting on 15 May 2020 in its 14th resolution.

Authorization for the Board of Directors to increase the number of securities to be issued in the event of excess demand for capital increases with preferential subscription rights maintained or waived code (23rd resolution) (Extraordinary General Meeting)

Shareholders will be invited to delegate to the for Board of Directors, for each issue decided on in accordance with the 20th, 21st and 22nd resolutions presented above, the power to increase the number of securities to be issued under the conditions set by Article L.225-135-1 of the French commercial code and within the overall maximum limit set in the 20th resolution, if it records excess demand,

The delegation thus granted to the Board of Directors, valid for 26 months from the date of the General Meeting deciding it, would cancel and replace up to the amount of the portion not yet used, if applicable, any prior delegation with the same purpose and particularly the delegation granted by the Extraordinary General Meeting on 24 May 2019 in its 13th resolution.

Authorization for the Board of Directors to determine the issue price, within the limit of 10% of the share capital per year, in connection with a capital increase by issuing capital securities with shareholders' preferential subscription rights waived (24th resolution) (Extraordinary General Meeting)

The Extraordinary General Meeting of 15 May 2020 has, pursuant to its 14th resolution, and in accordance with Article L.225-136. of the French Commercial Code (former wording), authorized the Board of Directors, within the limit of 10% of the share capital per year and for a period of 26 months, to freely determine the issue price of the securities to be issued at an amount that is equal to or higher than the following, as chosen by the Board of Directors:

(i) the Company's last closing share price before the issue price is set less a potential maximum discount of 20%,

(ii) the Company's weighted average share price on Euronext Paris for the last three trading days prior to the setting of the issue price less a potential maximum discount of 20%,

This delegation of power, expiring on 24 July 2021, was never used by the Board of Directors.

You are invited to renew this delegation to enable the Board of Directors, with an option to subdelegate under the legal conditions in force, for the issues decided on in accordance with the 21st and 22nd resolutions and within the limit of 10% of the share capital per year, to set the issue price at an amount that is equal to or higher than the following, as chosen by the Board of Directors:

(i) the Company's last closing share price before the issue price is set less a potential maximum discount of 20%,

(ii) the Company's weighted average share price on Euronext Paris for the last three trading days prior to the setting of the issue price less a potential maximum discount of 20%,

(iii) the Company's average share price on the Euronext Paris market over a maximum period of six months preceding the setting of the issue price, less a potential maximum discount of 20%.

The changes to the rules for the free determination of the issue price are explained by the Board of Directors wish to assess the value of LUMIBIRD shares over a long period of time (e.g. up to 6 months) that is more representative of the value of LUMIBIRD.

The delegation thus granted to the Board of Directors, valid for 26 months from the date of the General Meeting deciding it, would cancel and replace up to the amount of the portion not yet used, if applicable, any prior delegation with the same purpose and particularly the delegation granted by the Extraordinary General Meeting on 24 May 2019 in its 14th resolution.

Authorization for the Board of Directors to increase the share capital of the Company or another company by issuing ordinary shares and/or securities entitling holders to access the capital immediately or in the future, with preferential subscription rights waived, as payment for contributions in kind (25th resolution) (Extraordinary General Meeting)

You are invited, under the 25th resolution, to authorise the Board of Directors, with an option to subdelegate under the legal conditions in force, to issue, on one or more occasions, (i) ordinary Company shares and/or (ii) transferable securities governed by Articles L.228-92 paragraph 1, L.228-93 paragraphs 1 and 3 or L.228-94 paragraph 2 of the French commercial code giving access, immediately or in the future, at any time or on a set date, through the subscription, conversion, exchange, redemption or presentation of a warrant or any other means, to the capital of the Company or other companies (including those that directly or indirectly hold more than half of the share capital of the Company and those in which the Company directly or indirectly holds more than half of their share capital), intended as payment for contributions in kind granted to the Company and comprising capital securities or transferable securities giving access to the capital, when the terms of Article L.22-10-54 of the French commercial code do not apply.

You are invited to set the following limits for capital increases authorized for the Board of Directors under this authorization:

(i) the maximum nominal amount of capital increases and issues that might be carried out, immediately and/or in the future, under this delegation is set at 50,000,000 euros or the equivalent in any other currency or monetary unit determined with reference to several currencies, with this amount allocated against the overall limit set in the 20th resolution from this General Meeting,

(ii) the issues of shares and transferable securities giving access to the capital under this authorization would not exceed the limits set by the regulations applicable on the day of the issue (to date, 10% of the capital); and

(iii) the nominal amount of any shares to be issued, in the event of new financial operations, to safeguard, in accordance with the legal and regulatory provisions and, if applicable, the contractual stipulations providing for other adjustment cases, the rights of holders of transferable securities giving access to the capital or other rights giving access to the capital of the Company would be added to these maximum limits, if applicable,

More generally, the Board of Directors would have full powers, with an option to subdelegate under the legal conditions in force, to implement this delegation of authority.

The delegation thus granted to the Board of Directors, valid for 26 months from the date of the General Meeting deciding it, would cancel and replace up to the amount of the portion not yet used, if applicable, any prior delegation with the same purpose and particularly the delegation granted by the Extraordinary General Meeting on 24 May 2019 in its 15th resolution.

Authorization for the Board of Directors to increase the share capital of the Company or another company by issuing ordinary shares and/or securities entitling holders to access the capital immediately or in the future, with shareholders' preferential subscription rights waived, for categories of people in accordance with Article L.225-138 of the French commercial code (26th resolution) (Extraordinary General Meeting)

The Extraordinary General Meeting of 15 May 2020 has, pursuant to its 15th resolution authorized the Board of Directors for a period of 18 months to increase the share capital of the Company or another company by issuing ordinary shares and/or securities entitling holders to access the capital immediately or in the future, with shareholders' preferential subscription rights waived, for categories of people in accordance with Article L.225-138 of the French commercial code.

As this delegation of authority expires on 15 November 2021, you are invited, under the 26th resolution, to renew it by authorizing the Board of Directors, with an option to subdelegate under the legal conditions in force, to issue, on one or more occasions, in France or abroad, in the proportions and at the times that it determines, in euros, in foreign currencies or in any monetary unit determined with reference to several currencies, with or without premiums, on a free basis or subject to payment (i) ordinary Company shares and/or (ii) transferable securities, of any kind, governed by Articles L.228-92 paragraph 1, L.228-93 paragraphs 1 and 3 or L.228-94 paragraph 2 of the French commercial code giving access, immediately and/or in the future, at any time or on a set date, through the subscription, conversion, exchange, redemption or presentation of a warrant or any other means, to the capital of the Company or other companies (including those that directly or indirectly hold more than half of the share capital of the Company and those in which the Company directly or indirectly holds more than half of their share capital), while noting that the shares covered in (i) and the transferable securities covered in (ii) may be paid up in cash or through offsetting receivables under the legal conditions in force.

Under this delegation, the shareholders' preferential subscription rights for the Company's ordinary shares and/or securities to be issued under this resolution would be cancelled to the benefit of the following categories of parties:

- French or foreign-law investment companies, collective savings fund managers or investment funds (including any undertakings for investment, UCITS, AIFs or holding companies) investing in companies from high-technology sectors with scientific, military, industrial and/or medical applications, and/or
- French or foreign-law industrial groups with operational activities in high-tech sectors with scientific, military, industrial and/or medical applications; and/or,
- any entity, under French or foreign law, with or without legal personality, including any subsidiary of credit institutions or investment services providers, whose exclusive purpose is to subscribe, hold and/or sell shares or other financial instruments of the Company, on behalf of employees and/or corporate officers of the Company and/or companies related to it under the conditions of Article L.225-180 of the Commercial Code.

The Board of Directors would have the authority, with an option to subdelegate under the legal conditions in force, to set the list of beneficiaries within these categories and the number of securities to be awarded to each one of them.

The subscription price for the securities issued under this delegation may be no less than the lower of the following values:

- the Company's last closing share price before the issue price is set less a potential maximum discount of 20%,
- the Company's weighted average share price on Euronext Paris for the last three trading days prior to the setting of the issue price less a potential maximum discount of 20%.

In addition, you are invited to set the maximum nominal amount of capital increases and issues that may be carried out under this delegation at 50 million euros, with this amount allocated against the overall maximum limit set in the 20th resolution from this General Meeting. This amount seems appropriate to the Group's financing needs.

The Board of Directors would have full powers, with an option to subdelegate under the legal conditions in force, to implement this delegation of authority.

The delegation thus granted to the Board of Directors, valid for 18 months from the date of the General Meeting deciding it, would cancel, up to the amount of the portion not yet used, if applicable, any prior authorization with the same purpose and particularly the authorization granted by the Company's Extraordinary General Meeting on 15 May 2020 in its 15th resolution.

Authorization for the Board of Directors to award new or existing free shares to some or all of the employees or corporate officers of the Company or related companies (27th resolution) (Extraordinary General Meeting)

The Extraordinary General Meeting of 24 May 2019 has, pursuant to its 17th resolution and in accordance with Article L.225-197-1 et seq. of the French commercial code, authorized the Board of Directors to award new or existing free shares of the Company, within the limit of 10% of the share capital, to employees or corporate officers of the Company or related companies that meet the conditions set by Article L.225-197-2 of the French commercial code.

This authorisation was used once by the Board of Directors, which decided, during its meeting of 31 March 2020, to allow two employees of the Company to benefit from the free share plan that was decided on 1 April 2019, by granting them each 3,000 free shares.

The final vesting date of the free shares was set at 1 April 2022, i.e. a vesting period of two years, provided that:

- the beneficiary has been continuously and uninterruptedly, during the vesting period, and is, at the end of the vesting period, the holder of a valid employment contract within the Company or an affiliated company within the meaning of Article L.225-197-2 of the Commercial Code; and
- the performance conditions set by the Board of Directors are met.

The free share allocation plan of 31 March 2020 will be the subject of a special report by the Board of Directors, prepared in accordance with Article L.225-197-4 of the French Commercial Code, and will be presented to the General Meeting of Shareholders of the Company called to approve the financial statements for the year ending 31 December 2020.

You are invited to renew this authorization under the following conditions to enable the Board of Directors, with an option to subdelegate under the legal conditions in force, to award, based on its decisions alone, on one or more occasions, existing free shares or free shares to be issued to employees of the Company or related companies or groups under the conditions set out in Article L.225-197-2 of the French commercial code and to corporate officers of the Company or related companies or groups that meet the conditions set by Article L.225-197-1, II of said code,

It is specified that:

- the total number of free shares awarded under this authorization might not exceed 10% of the share capital on the day of the Board of Directors' decision. This maximum limit would be increased to 30% of the capital if the award benefits all of the Company's employees, while noting that above 10%, the difference between the number of shares distributed to each employee may not exceed a ratio of one to five,
- free awards of shares to their beneficiaries would become definitive at the end of a vesting period, which may be no less than the period required by the legal provisions applicable on the day of the allocation decision (to date, one year), and the shares definitively acquired would be subject, at the end of the aforementioned vesting period, to a holding requirement, which may be no less than the period required by the legal provisions applicable on the day of the allocation decision (to date, one year); however, this holding requirement could be cancelled by the Board of Directors for free shares awarded with a vesting period of at least two years,
- awards would become definitive before the end of the vesting period or, if applicable, the holding requirement, in the event of the beneficiary's disability according to the second or third categories from Article L.341-4 of the French social security code (Code de la sécurité sociale),

Under this authorization, shareholders of the Company would expressly waive their preferential subscription rights, to the benefit of the beneficiaries of free share award, for the shares that may be issued under this authorization

The Board of Directors would be granted the broadest powers to implement this authorisation, within the limits of the caps and deadlines set by the General Meeting.

The Board of Directors would notably have all powers for determining the identity of beneficiaries or one or more categories of beneficiaries for share awards from among the employees and corporate officers of the Company or the aforementioned companies or groups, in addition to the number of shares awarded to each one of them,

This delegation, valid for 38 months from the date of the General Meeting deciding it, would cancel, up to the amount of the portion not yet used, if applicable, any prior authorization with the same purpose and particularly the authorization granted by the Company's Extraordinary General Meeting on 24 May 2019 in its 17th resolution.

Authorization for the Board of Directors to award stock options to some or all of the Group's employees and corporate officers (28th resolution) (Extraordinary General Meeting)

You are invited to authorize, under the 28th resolution, the Board of Directors, with an option to subdelegate under the legal conditions in force, to grant, on one or more occasions, for the members of staff that it determines from among the employees and corporate officers of the Company and related companies or groups under the conditions set by Article L.225-180 of the commercial code, options entitling them to subscribe for new Company shares to be issued in connection with an increase in its capital, as well as options entitling them to purchase Company shares from the Company's buybacks under the legal conditions in force,

The stock options awarded under this authorization would not entitle holders to subscribe for or purchase a total number of shares representing more than 10% of the share capital, with this maximum limit determined each time the Board of Directors uses this delegation in relation to the share capital on that date, while noting that this amount would be allocated against the overall limit set in the 20th resolution from this General Meeting.

The shares to be issued for adjustments to be made in order to safeguard, in accordance with legal and regulatory provisions, the rights of the beneficiaries of options would be added to this maximum limit.

The price to be paid when stock options are exercised would be set, in accordance with legal requirements, by the Board of Directors on the day when the options are awarded

This delegation, valid for 38 months from the date of the General Meeting deciding it, would cancel, up to the amount of the portion not yet used, if applicable, any prior authorization with the same purpose and particularly the authorization granted by the Company's Extraordinary General Meeting on 24 May 2019 in its 18th resolution.

Authorization for the Board of Directors to increase the share capital by creating ordinary shares, with shareholders' preferential subscription rights waived for employees who are members of a company savings plan (29th resolution) (Extraordinary General Meeting)

As a consequence of the renewal of the various delegations of authority and financial authorizations presented above and which will be submitted to the approval of the General Meeting of Shareholders, you are invited to approve, in accordance with the provisions of Article L.225-129-6 of the French Commercial Code, a draft resolution to authorize the Board of Directors, with an option to subdelegate under the legal conditions in force, to decide to increase the share capital, on one or more occasions and based on its decisions alone, by issuing ordinary shares to be subscribed for in cash reserved for employees who are members of a company savings plan (plan d'épargne entreprise) set up on the Company's initiative and in accordance with Articles L.225-129-2, L.225-129-6, L.225-138-1 of the French commercial code and Articles L.3332-18 to L.3332-24 of the French employment code (Code du travail).

This authorization, for which shareholders would expressly waive their preferential subscription rights for the new shares to be issued, would be granted under the following conditions:

- The Board of Directors would be authorized to increase the share capital, on one or more occasions, up to a maximum nominal amount of 1 million euros or its equivalent value in any other authorized currency(s), with this amount allocated against the overall maximum limit set in the 20th resolution from this General Meeting;
- The subscription price for the securities to be issued by the Board of Directors under this delegation would be determined in accordance with legal provisions in force on the day of the issue (i.e. to date, Articles L.3332-18 to L.3332-24 of the French employment code;
- The Board of Directors would have full powers, based on its decisions alone, to set all other modalities for any issue to be carried out under this authorization, under the legal conditions in force.

This delegation, valid for 26 months from the date of the General Meeting deciding it, would cancel, up to the amount of the portion not yet used, if applicable, any prior authorization with the same purpose and particularly the authorization granted by the Company's Extraordinary General Meeting on 15 May 2020 in its 16th resolution.

* * *

We believe the information just given to you and those contained in the Statutory Auditors' reports will enable you to take decisions which appear to us to be in line with your interests.

We therefore ask you to vote the resolutions that are presented to you.

The Board of Directors

<u>Appendix 1</u>

Information referred to in Article R.225-83 of the French Commercial Code, relating to persons whose candidacy as director or censor is submitted to the Ordinary General Meeting of shareholders

Members of the Board of Directors	Number of Company's shares held	Main position in the Company	Main position outside of the Company	Other offices and positions held in any company or entity
Ms Gwenaëlle Le Flohic Professional address: 2 rue Paul Sabatier, 22300 Lannion	100	Director	Managing Director of Armor RH-Eurl	**During FY 2020:** Advisor to the Labour Court in Guingamp and President of Section **Other previous offices held in the last five years:** N/A
Ms Marie Begoña Lebrun Professional address: Phasics – Parc Technologique, Route de l'Orme des Merisiers, 91190 Saint-Aubin	100	Director (independent)	CEO of PHASICS SA	**During FY 2020:** N/A **Other previous offices held in the last five years:** Member of the Board of Directors of Optics Valley
M. Emmanuel Cueff Professional address: Terre de Naudeux – Le Vran 56780 Ile aux Moines	100	Administrateur (independent)	N/A	**During FY 2020:** Director of C.C.V. BEAUMANOIR (private French limited company) Member of the supervisory board of Coeur et Artères (public utility foundation) **Other previous offices held in the last five years:** Director of SHAN SA
EMZ Partners represented par M. Ajit Jayaratnam Professional address: 11 Rue Scribe, 75009 Paris		Non-voting member of the Board of Directors	The reader is referred to Appendix 2 of this report	

Appendix 2

Positions and offices held by EMZ Partners and its permanent representative outside the LUMIBIRD Group

Ajit Jayaratnam is managing partner of EMZ Partners. EMZ Partners is a French investor specialising in assisting business owners. Since 1999, EMZ Partners has thus invested more than €3.4 billion along with founding managers, family shareholders, or teams of managers wishing to consolidate their independence. EMZ Partners is an independent company, controlled by its partners, and financed by leading French and European institutional investors.

Offices held by EMZ Partners		Offices held by M. Ajit Jayaratnam	
During the 2020 financial year	**Over the past five years**	**During the 2020 financial year**	**Over the past five years**
Member of the Supervisory Board of CARSO SAS, AZAE SAS, ONET SAS, MY MEDIA GROUP SAS and FRANCE AIR MANAGEMENT **Member of the Supervisory Committee** of CASTELLET HOSPITALITY SAS and FORLAM SAS **Member of the Strategic Committee** of SPIE BATIGNOLLES **Member of the Steering Committee** of SPIE BATIGNOLLES **Non-voting Member of the Supervisory Board** of STOKOMANI SAS, UBIQUS SA, COVENTYA HOLDING SAS, BIOGROUP HOLDING SASU and LABORATOIRE EIMER SELAS **Non-voting member of the Supervisory Committee** of CROUZET TOPHOLDING SAS and RAIL INDUSTRIES SAS **Non-voting member of the Board of Directors** of PAPREC SA and EURODATACAR SA **Non-voting member of the Strategic Committee** of CYRILLUS VERBAUDET GROUP **Director** of EURODATACAR **Chairman** of GINGER SAS, SPIE BATIGNOLLES and LABELYS GROUP SAS **Managers** of several EMZ Partners subsidiaries	**Member of the Supervisory Boards** of ALTEAD SAS, ATALIAN SAS and SAFIC-ALCAN **Member of the Supervisory Board** of UN JOUR AILLEURS SAS **Non-voting member on the Supervisory Boards** of BURGER KING SAS, LA CROISSANTERIE SA, OROLIA SA, CARSO SAS, MATERNE SAS, PROMOVACANCES SAS, TRIGO SAS, CHRYSO SAS EMINENCE (company under Luxembourgish law), FDI SAS, GFA, PARCOURS, ROCAMAT SAS, AFE SAS, MAISONS DU MONDE, MARTEK, SAFIC ALCAN SAS, FPEE, and ALVEST **Non-voting member on the Board of Directors** of EURODATACAR SA	**Non-voting member of the Supervisory Committee** of Equis Holding **Member of the Strategic Committee** of Financière Lily 2 **Member of the Supervisory Board** of Financière Platine and Myrtil (SAFIC ALCAN)	**Member of the Supervisory Boards** of Safinca

Chapter 6

ADDITIONAL INFORMATION ON THE LUMIBIRD GROUP

GENERAL INFORMATION CONCERNING LUMIBIRD SA

1. CORPORATE NAME (ARTICLE 3 OF THE ARTICLES OF ASSOCIATION)

The Company's corporate name is LUMIBIRD.

2. REGISTERED OFFICE (ARTICLE 4 OF THE ARTICLES OF ASSOCIATION)

2 rue Paul Sabatier, 22300 Lannion
(Tel. +33 (0)2 96 05 08 00).

Company website: www.lumibird.com.

The information on the website does not form part of this Universal Registration Document unless such information is incorporated herein by reference.

3. REGISTRATION IN THE COMPANIES REGISTER AND LEI CODE

The Company is registered in the commercial and companies register (Registre du commerce et des sociétés) of Saint-Brieuc under number 970 202 719.

Its Legal Entity Identifier is 969500MLJC3ZSZP4L019.

4. LEGAL FORM AND GOVERNING LEGISLATION (ARTICLE 1 OF THE ARTICLES OF ASSOCIATION)

The Company has been a limited liability company (société anonyme) with a Board of Directors (Conseil d'administration) since 15 April 2016, governed by the legal and regulatory provisions from the French commercial code and its articles of association.

5. INCORPORATION - TERM (ARTICLE 5 OF THE ARTICLES OF ASSOCIATION)

The Company was incorporated for 99 years from its registration in the commercial and companies register on 3 July 1970, expiring on 2 July 2069, unless dissolved early or extended.

6. APE CODE AND BUSINESS SECTOR

APE code: 2670 Z

Sector: Manufacturing of optical instruments and photographic equipment.

7. CORPORATE PURPOSE (ARTICLE 2 OF THE ARTICLES OF ASSOCIATION)

The purpose of the Company is, directly or indirectly, in France and abroad:

- to research, study, create, develop, and manufacture quantic optics devices and nonlinear optics devices, along with separate components of said devices, or any other instruments.
- purchase, sell, import and export in any form whatsoever the aforementioned devices and instruments.
- purchase, sell, and trade all patents, licenses, or technical procedures.
- lease, lease with option to purchase, and install all equipment manufactured or purchased.
- Consulting relating to the aforementioned devices as engineer-consultant.
- create, purchase, sell, lease, rent, and directly or indirectly operate all industrial and commercial establishments.
- the Company's participation in all sales or industrial operations that could relate to one of the aforementioned purposes, through the formation of new companies, the purchase of corporate rights or securities, mergers, alliances, joint ventures, or other.
- and generally, all commercial, industrial, real property, personal property, and financial transactions directly or indirectly relating, in whole or in part, to one of the purposes of the Company, or to all similar or related purposes.

8. FINANCIAL YEAR (ARTICLE 26 OF THE ARTICLES OF ASSOCIATION)

The financial year runs from January 1 to December 31 of each year.

9. ALLOCATION AND DISTRIBUTION OF PROFITS (ARTICLES 28 AND 29 OF THE ARTICLES OF ASSOCIATION)

If the financial statements for the year approved by the General Meeting show a distributable profit, as defined by French law, the General Meeting decides to allocate this profit to one or more reserve accounts, for which it determines their allocation or use, to retain this profit or to distribute it.

Following the approval of the financial statements by the General Meeting, any losses are carried forward to be allocated against the profits for subsequent years until they have been used up.

The General Meeting may grant each shareholder, for all or part of the dividend paid out, an option for the dividend to be paid in cash or in shares in accordance with the legal provisions.

10. GENERAL MEETINGS (ARTICLES 17 TO 25 OF THE ARTICLES OF ASSOCIATION)

General Meetings are convened under the conditions set by French law.

The General Meeting is made up of all the shareholders, regardless of the number of shares that they hold. The shareholders may be represented at General Meetings under the forms and conditions applicable under the legislation and regulations in force.

The General Meetings are chaired by the Chairman of the Board of Directors. Failing that, its Chairman is appointed by the General Meeting itself. For Meetings convened by the Statutory Auditors or a representative of the courts, the Meeting is chaired by the party or one of the parties that convened it.

The scrutineer role is performed by the two members of the Meeting that have the largest number of votes and are willing to take on this role. The office appoints a secretary, who may be chosen from outside of the shareholders.

The General Meeting's deliberations are recorded in written minutes in accordance with legislation.

The Ordinary and Extraordinary General Meetings, ruling under the quorum and majority conditions set by the provisions governing them respectively, exercise the powers awarded to them by legislation.

With an equal par value, each capital or dividend share entitles holders to the same number of votes (subject to the double voting rights described in paragraph 3 of this Section) and each share gives the right to at least one vote.

11. DOUBLE VOTING RIGHTS (ARTICLE 11 OF THE ARTICLES OF ASSOCIATION)

A double voting right is awarded for:

- All fully paid-up shares that have been registered in the name of the same shareholder for at least three years.
- Registered shares freely awarded to shareholders in the event of a capital increase through the incorporation of reserves, profits or issue premiums based on the shares for which they are entitled to this right.

This double voting right will automatically cease to apply if shares are converted to bearer form or transferred to other owners.

However, the timeframe set above or the rights acquired are not interrupted by any transfer following a case of inheritance, liquidation of joint ownership between spouses or inter-vivos donations to spouses or relatives entitled to inherit. The same applies, unless otherwise stipulated in the articles of association, in the case of a transfer as a result of a merger or division of a corporate shareholder.

12. IDENTIFICATION OF SHAREHOLDERS (ARTICLE 9 OF THE ARTICLES OF ASSOCIATION)

The Company or its representative is entitled to ask, in accordance with Article L.228-2 of the French commercial code, at any time and at its own expense, the organization responsible for clearing the securities, or directly one or more intermediaries mentioned in Article L. 211-3 of the French Monetary and Financial Code, to provide the information referred to in Article R. 228-3 of the French Commercial Code 1 concerning the owners of its shares and securities conferring immediate or future voting rights at shareholders' meetings;

Where the person who was the subject of a request for information has not provided the information within the time limits provided for by the legal and regulatory provisions in force, or has provided incomplete or erroneous information, the shares or securities giving immediate or future access to the capital and for which that person was registered in an account shall be stripped of voting rights for any shareholders' meeting held until the date on which the identification is regularised, and payment of the corresponding dividend shall be deferred until that date.

13. LEGAL AND STATUTORY SHAREHOLDING DISCLOSURE THRESHOLDS (ARTICLE 10 OF THE ARTICLES OF ASSOCIATION)

13.1. Legal thresholds

Any shareholders whose interests climb above or drop below the disclosure thresholds set by Articles L.233-7 et seq of the French commercial code must declare this to the French Financial Markets Authority (AMF), in accordance with the legal provisions in force.

13.2. Statutory thresholds

In addition to the thresholds set by the legislation and regulations in force, any shareholders, whether they are individuals or legal entities, that climb above or drop below a threshold representing a fraction of the voting rights equal to 1% must inform the Company of the total number of shares and voting rights that they hold within 15 days of this increase or decrease in their interest in a letter with acknowledgement of receipt.

In the event of failure to notify the Company within 15 days, the applicable sanctions are those provided for in Article L.233-14 of the French Commercial Code, namely: deprivation of voting rights for shares in excess of the fraction that should have been declared, for a period of 2 years following the date of regularisation.

14. MODIFICATION OF THE CAPITAL OR SHAREHOLDERS' RIGHTS

Changes to the capital and shareholders' rights are subject to the legal and regulatory requirements applicable.

15. CONSULTATION OF CORPORATE DOCUMENTS

The articles of association, minutes and other corporate, legal or accounting documents can be consulted at the registered office under the conditions and timeframes set by the legislation in force concerning shareholders' right to information.

Section 2

PERSONS RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT AND AUDIT OF THE FINANCIAL STATEMENTS

1. PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

Mr Marc Le Flohic, CEO.

2. STATEMENT BY THE PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

I certify that, having taken all reasonable measures to this effect, the information contained in this Registration Document is, to the best of my knowledge, fair and accurate in all material respects and free from any omissions that could alter its substance.

I certify that, to the best of my knowledge, the financial statements have been prepared in accordance with the accounting standards applicable and accurately reflect the assets, liabilities, financial position and earnings of the company and all the consolidated companies, and that the management report in chapter 4 – section 1 of this Universal Registration Document accurately reflects the changes in the business, earnings and financial position of the company and all the consolidated companies, while presenting the main risks and uncertainties faced by them.

In Lannion,

2 Avril 2021

Mr Marc Le Flohic
CEO of LUMIBIRD

3. PARTIES RESPONSIBLE FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Incumbent statutory auditors:

DELOITTE & ASSOCIES,

represented by Mr Alexis Levasseur
6 Place de la Pyramide
92908 Paris-La-Défense cedex, France

Member of the regional company of Versailles

Date first appointed:
Ordinary General Meeting on 16 June 1997

Date when current appointment renewed:
Ordinary General Meeting on 9 June 2015

End of current appointment:
Ordinary General Meeting convened to approve the annual financial statements for 2020.[1]

KPMG SA,

represented by Mr Vincent Broyé
2 avenue Gambetta – Tour Eqho
92066 Paris-La-Défense cedex, France

Member of the regional company of Rennes

Date first appointed and date of current appointment:
Ordinary General Meeting on 17 May 2018 [2].

End of current appointment:
Ordinary General Meeting convened to approve the annual financial statements for 2023.

Deputy statutory auditors:

BEAS SARL

6 Place de la Pyramide
92908 Paris-La-Défense cedex, France

Date first appointed:
Ordinary General Meeting on 9 June 2015

End of current office:
Ordinary General Meeting convened to approve the annual financial statements for 2020.[3]

4. PEOPLE RESPONSIBLE FOR THE FINANCIAL INFORMATION

Mr Marc Le Flohic
CEO
info@lumibird.com

Ms Aude Nomblot-Gourhand
Secretary General - CFO
info@lumibird.com

LUMIBIRD
2, rue Paul Sabatier
22 300 Lannion
Tél. : +33 1 69 29 17 00
Fax : +33 1 69 29 17 29

[1] It is specified that the mandate of Deloitte & Associés will expire at the end of the General Meeting of Lumibird's shareholders scheduled to be held on 4 May 2021. In this context, it will be proposed to Lumibird's shareholders to appoint Mazars, 61 rue Henri Regnault - 92400 Courbevoie, represented by Mr Ludovic Sevestre, as a replacement for the auditors for a term of six financial years, i.e. until the Ordinary General Meeting convened to approve the financial statements for the year ending 31 December 2026.

[2] KPMG SA was appointed as the Company's statutory auditor to replace ACEFI CL, whose term of office expired at the Company's Ordinary General Meeting on 17 May 2018 and who was not reappointed.

[3] It is specified that the mandate of BEAS will expire at the end of the General Meeting of Lumibird's shareholders scheduled to be held on 4 May 2021. In this context, it will be proposed to Lumibird's shareholders not to appoint a deputy auditor in replacement.

Section 3

PUBLIC DOCUMENTS AVAILABLE

For the period for which this Registration Document is valid, the following documents (or copies of these documents) can be consulted at LUMIBIRD's registered office at 2 rue Paul Sabatier, 22300 Lannion, France:

- the Company's certificate of incorporation and articles of association;
- the Company's Statutory Auditors' reports and the financial statements for the last three years;
- all reports, correspondence and other documents, assessments and declarations prepared by an expert at the Company's request, when these documents are provided for under the law, and more generally all other documents provided for under the law.

The abovementioned documents can be consulted, in physical format, at LUMIBIRD's registered office or, for the documents concerning LUMIBIRD, and specifically the regulatory disclosures covered by the AMF's general regulations, in electronic format on the website www.lumibird.com.

Section 4

CROSS REFERENCE TABLE

1. CROSS REFERENCE TABLE WITH THE HEADINGS IN ANNEXES I AND II OF DELEGATED REGULATION N°2019/980

Item		Paragraph(s) and page(s) of the Universal Registrattion Document
1.	**PERSONS RESPONSIBLE, THIRD PARTY INFORMATION, EXPERTS' REPORTS AND COMPETENT AUTHORITY APPROVAL**	
1.1.	Persons responsible for the information	Chapter 6, Section 2, § 1 (p. 191)
1.2.	Declaration by those responsible	Chapter 6, Section 2, § 2 (p. 191)
1.3.	Name, business address, qualifications, material interest of people involved as experts	N/A
1.4.	information sourced from a third party	N/A
1.5.	Statement from the competent authority	Cover page (p. 1)
2.	**STATUTORY AUDITORS**	
2.1.	Names and addresses of the statutory auditors	Chapter 6, Section 2, § 3 (p. 192)
2.2.	Changes of statutory auditors	Chapter 6, Section 2, § 3 (p. 192)
3.	**RISK FACTORS**	Chapter 3, Section 1 (p. 56 to 63)
4.	**INFORMATION ABOUT THE ISSUER**	
4.1.	Legal and commercial name of the issuer	Chapter 6, Section 1, § 1 (p. 188)
4.2.	Place of registration, registration number and legal entity identifier ('LEI') of the issuer	Chapter 6, Section 1, § 3 (p. 188)
4.3.	Date of incorporation and the length of life of the issuer	Chapter 6, Section 1, § 5 (p. 188)
4.4.	Domicile and legal form of the issuer, legislation under which it operates, country of incorporation, address, telephone number of its registered office and website, with a disclaimer	Chapter 6, Section 1, § 2 and 4 (p. 188)
5.	**BUSINESS OVERVIEW**	
5.1.	Principal activities	Chapter 1, Section 3, § 1 to 5 (p. 14 to 22)
5.2.	Principal markets	Chapter 1, Section 3, § 2 and 3 (p. 15 to 18)
5.3.	Important events in the development of the issuer's business	Chapter 1, Section 3, § 1 to 5 (p. 14 to 22)
5.4.	Strategy and objectives	Chapter 4, Section 1, § 7.3 and 7.4 (p. 92 to 93)
5.5.	Dependence on patents or licences, industrial, commercial or financial contracts or new manufacturing processes	Chapter 1, Section 3, § 6 (p. 22 to 23)
5.6.	Basis for any statements made by the issuer regarding its competitive position	Chapter 1, Section 3, § 5 (p. 22)
5.7.	Investments	Chapter 4, Section 1, § 1.4.2 (p. 74)
6.	**ORGANISATIONAL STRUCTURE**	
6.1.	Brief description of the group	Chapter 4, Section 1, § 2.2 (p. 75 to 77)
6.2.	List of the significant subsidiaries	Chapter 4, Section 1, § 2.2 (p. 75 to 77)

Item		Paragraph(s) and page(s) of the Universal Registrattion Document
7.	**OPERATING AND FINANCIAL REVIEW**	
7.1.	Financial condition	Chapter 4, Section 1, § 1 and 2(p. 68 to 77) Chapter 4, Section 3 (p. 103 to 118) Chapter 4, Section 5 (p. 123 to 147)
7.2.	Operating results	Chapter 4, Section 1, § 1 and 2 (p. 68 to 77) Chapter 4, Section 3 (p. 103 to 118) Chapter 4, Section 5 (p. 123 to 147)
8.	**CAPITAL RESOURCES**	
8.1.	Information concerning the issuer's capital resources	Chapter 4, Section 1, § 1.3.3 (p. 72) Chapter 4, Section 3, § 5.3.6 (p. 113) Chapter 4, Section 5, § 4 (p. 125)
8.2.	Sources and amounts of the issuer's cash flows	Chapter 4, Section 1, § 1.4 (p. 74) Chapter 4, Section 3, § 3 (p. 106) Chapter 4, Section 5, § 5 (p. 126)
8.3.	Information on the borrowing requirements and funding structure of the issuer	Chapter 4, Section 1, § 1.3.3 (p. 72) Chapter 4, Section 3, § 5.3.9.2 (p. 115) Chapter 4, Section 5, § 6.3.3.4 (p. 137 to 138)
8.4.	Information regarding any restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, the issuer's operations	N/A
8.5.	Information regarding the anticipated sources of funds needed to fulfil commitments related to investments in progress	Chapter 4, Section 1, § 1.4.2 (p. 74)
9.	**REGULATORY ENVIRONMENT**	Chapter 4, Section 1, § 8 (p. 93 to 94)
10.	**TREND INFORMATION**	Chapter 4, Section 1, § 7.3 and 7.4 (p. 93)
11.	**PROFIT FORECASTS OR ESTIMATES**	N/A
2.	**ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT**	
12.1.	Administrative bodies	Chapter 2, Section 1, § 1 (p. 27 to 34)
12.2.	Administrative, management and supervisory bodies and senior management conflicts of interests	Chapter 2, Section 1, § 1.2.3 (p. 28)
13.	**COMPENSATION AND BENEFITS**	
13.1.	Amount of compensation paid and benefits in kind granted by the issuer and its subsidiaries	Chapter 2, Section 1, § 2 (p. 35 to 47)
13.2.	Total amounts set aside or accrued by the issuer or its subsidiaries to provide for p ension, retirement or similar benefits	Chapter 2, Section 1, § 2.1.3.4 (p. 41)
14.	**BOARD PRACTICES**	
14.1.	Date of expiration of the current term of office	Chapter 2, Section 1, § 1.2.1 (p. 27 and 28)
14.2.	Members of the administrative, management or supervisory bodies' service contracts with the issuer or any of its subsidiaries	Chapter 2, Section 1, § 1.2.3 (p. 28 to 29)
14.3.	Information about the issuer's audit committee and remuneration committee	Chapter 2, Section 1, § 1.4 (p. 33 and 34)
14.4.	Statement as to whether or not the issuer complies with the corporate governance regime(s) applicable	Chapter 2, Section 1 (p. 26)
14.5.	Potential material impacts on the corporate governance	N/A

Item		Paragraph(s) and page(s) of the Universal Registrattion Document
15.	**EMPLOYEES**	
15.1.	Number of employees	Chapter 4, Section 1, § 6.3.1.1 (p. 87 to 88)
15.2.	Shareholdings and stock options for directors and managers	Chapter 2, Section 1, § 2.1.3.5 and 2.1.3.6 (p. 41)
15.3.	Description of any arrangements for involving the employees in the capital of the issuer	Chapter 4, Section 1, § 12 (p. 95 and 96)
16.	**MAJOR SHAREHOLDERS**	
16.1.	Shareholders with an interest in the issuer's capital or voting rights above 5%	Chapter 4, Section 1, § 13.8 (p. 97 to 99)
16.2.	Different voting rights for major shareholders	Chapter 4, Section 1, § 13.8.1 (p. 97)
16.3.	Control of the issuer	Chapter 4, Section 1, § 13.8.1 (p. 97)
16.4.	Description of any arrangements, known to the issuer, which may at a subsequent date result in a change in control of the issuer	N/A
17.	**RELATED PARTY TRANSACTIONS**	Chapter 2, Section 1, § 3.1 (p. 48) Chapter 2, Section 2 (p. 54) Chapter 4, Section 1, § 3 (p. 77 and 79) Chapter 4, Section 5, § 6.7 (p. 147)
18.	**FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES**	
18.1.	Historical financial information	Chapter 4, Section 9 (p. 156)
18.2.	Interim financial information	N/A
18.3.	Auditing of historical annual financial information	Chapter 4, Section 9 (p. 156)
18.4.	Pro forma financial information	Chapter 4, Section 7 (p. 152 to 154)
18.5.	Dividend policy	Chapter 4, Section 1, § 9.2 (p. 94)
18.6.	Legal and arbitration proceedings	Chapter 3, Section 1, § 5 (p. 62 to 63)
18.7.	Significant change in the issuer's financial position	Chapter 4, Section 1, § 7.1 (p. 92)
19.	**ADDITIONAL INFORMATION**	
19.1.	Share capital	Chapter 4, Section 1, § 13 (p. 96 to 100)
19.2.	Memorandum and Articles of Association	Chapter 6, Section 1 (p. 188 to 190)
20.	**MATERIAL CONTRACTS**	Chapter 1, Section 3, § 7 (p. 23 to 24)
21.	**DOCUMENTS AVAILABLE**	Chapter 6, Section 3 (p. 193)

2. CROSS REFERENCE TABLE WITH THE ANNUAL FINANCIAL REPORT (ARTICLES L451-1 AND SEQ. OF THE MONETARY AND FINANCIAL CODE)

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2, rue Paul Sabatier – 22300 Lannion
Tel.: + 33 (0) 1 69 29 17 00
www.lumibird.com