LUMIBIRD
MORE THAN LASERS

UNIVERSAL REGISTRATION DOCUMENT

2022

2022
Universal Registration Document

This Universal Registration Document has been filed on 14 April 2023 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 2020: 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 Lumibird Group's financial position and earnings for 2020, as presented in the Universal Registration Document filed with the AMF on 2 April 2021 under number D.21-0252 (the "2020 Universal Registration Document").
- For the year ended 31 December 2021: the Board of Directors' management report, the Group's consolidated financial statements, the Statutory Auditors' report on the consolidated financial statements at 31 December 2021, 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 2021, as presented in the Universal Registration Document filed with the AMF on 1 April 2022 under number D.22-0231 (the "2021 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 2020 Registration Document, the 2021 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,

Each new year brings its own set of challenges and 2022 was no exception from this perspective. However, the continued components crisis, the escalation of geopolitical tensions and the return of inflation did not prevent us from developing this year across all our markets and ramping up our investments in order to prepare for growth over the coming years.

Lumibird moved close to 200 million euros of revenues in 2022, up 18% to 191 million euros. Excluding foreign currency effects, which we benefited from thanks to our global footprint, and excluding the impact of the acquisition of the Defense rangefinder activities in Sweden, we continued to build on our robust growth, with revenues climbing 12%. This dynamic development was confirmed across our two divisions, Medical and Photonics, and all our business segments.

The tensions on the electronic components markets, which increased considerably this year, were overcome, but sometimes at the expense of exceptional measures which temporarily affected our profitability. In certain cases, we had to make use of brokers to acquire components, with prices that were far higher than usual. We also deployed part of our R&D teams to focus on sourcing and the qualification of new suppliers, which also impacted our results.

This temporary contraction in profitability did not prevent us from ramping up our investments in research and development and our industrial capabilities. In particular, our industrial investments more than doubled in 2022. Four sites benefited from capacity extensions with a view to preparing for our future growth. This concerns the Lannion site, the Group's headquarters, which will notably produce its own fiber optics, as well as the Quantel Technologies site, which moved from Les Ulis to Villejust, with premises that are better suited to an industrial production approach, the Optotek Medical site in Ljubljana, and the site of our latest acquisition: Lumibird Photonics Sweden.

As announced last year, growth and investment are now inseparable from our corporate social responsibility strategy. The CSR criteria are integrated at every level throughout the business, starting off with our Executive Leadership Team. Two CSR committees were created in 2022: one is an integral part of the Board of Directors and has a mission to ensure that social, societal and environmental aspects are effectively incorporated into the Group's strategy. The second was set up as part of the Management Committee and oversees the CSR policy's effective implementation. The progress made in 2022 also involved further updates to the risks, stakes and challenges linked to our business model, supported by a large-scale survey with all of our stakeholders, as well as the adoption of a plan to reduce our water and energy consumption for the next two years.

In a Group that has just passed the milestone of 1,000 employees – there were 1,001 of us at December 31, 2022 – the construction, deployment and implementation at all levels of our CSR strategy are key drivers that will support sustainable, profitable and harmonious growth.

Positioned on niche markets that are still extremely buoyant, backed by advanced industrial capabilities that are being further strengthened through an ambitious investment plan, Lumibird has the necessary assets in place to successfully continue moving forward with its roadmap for profitable growth over the coming years.

Thank you for your loyalty to Lumibird.

Marc Le Flohic

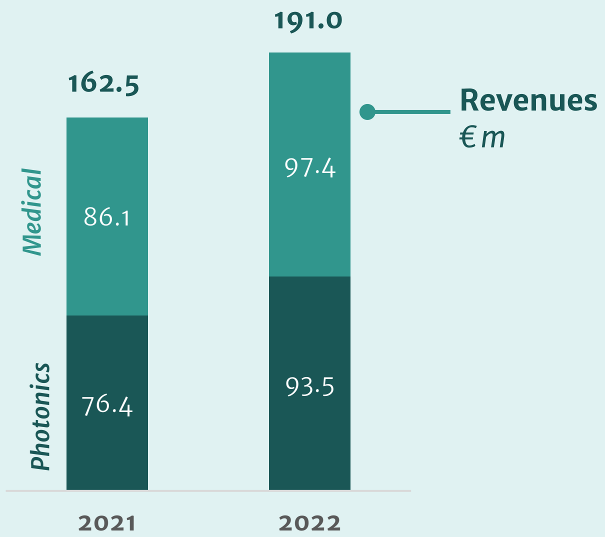
Chairman and CEO

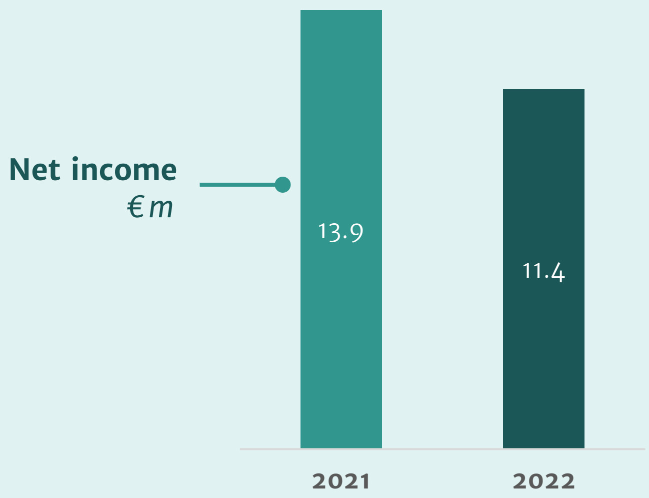
Chapter 1

INTRODUCTION TO THE LUMIBIRD GROUP

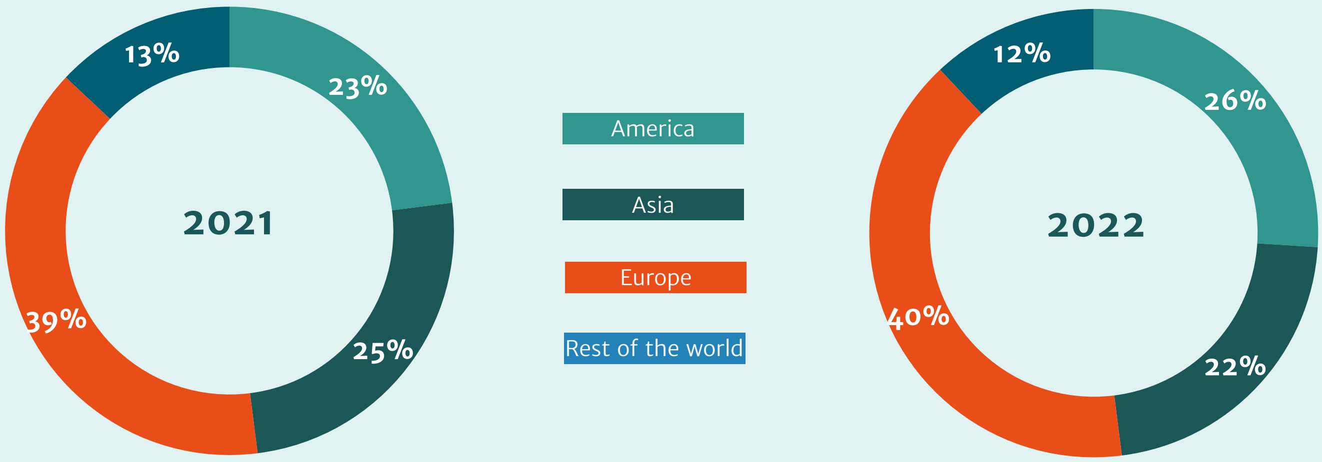
Section 1

LUMIBIRD GROUP KEY FIGURES

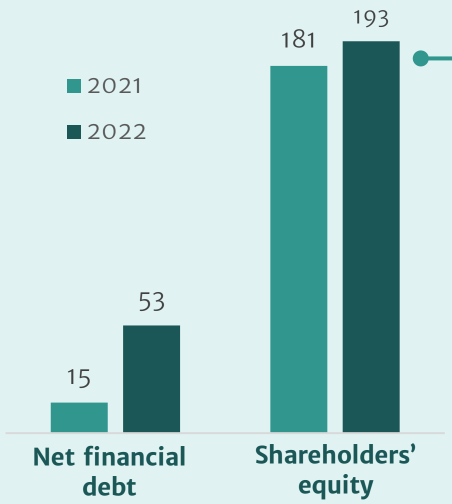




Breakdown of revenues per geographic region

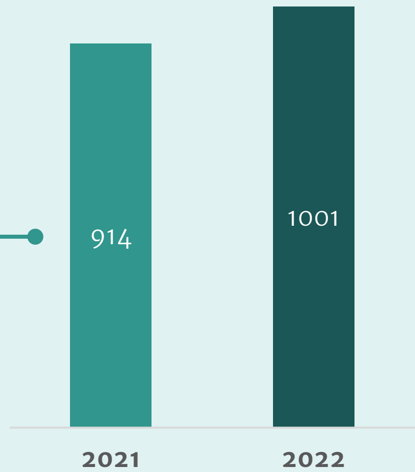


Equity and debt
€m



Cash flow and industrial investments
€m

Current workforce



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 specialised in laser and ultrasound scanners: BVI, which will later become QUANTEL MEDICAL.

1997
QUANTEL Group

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

KEOPSYS Group
OPTOCOMM Innovation is created by Mr 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 62.11% 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 from Alain de Salaberry a reference indirect shareholding in QUANTEL.

Change in QUANTEL's governance: Marc Le Flohic becomes QUANTEL's CEO, replacing Alain de Salaberry.

2017

Lumibird Group

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.

2018

Lumibird Group

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

2019

Lumibird Group

August 2019: Acquisition of Slovenian company Optotek Medical, which specialises in the development of optical and laser solutions for medical applications.

September 2019: Acquisition of the British company Halo Photonics, a manufacturer of Lidar systems.

December 2019: Agreement with the Australian company Ellex Medical to acquire Ellex's laser and ultrasound business.

2020

Lumibird Group

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.

2022

Lumibird Group

Completion by the Lumibird Group of the acquisition of the Defence Laser Rangefinder business of the Saab Group.

Acquisition by the Lumibird Group of Innoptics, a company specialising in the encapsulation of optoelectronic components.

Section 3

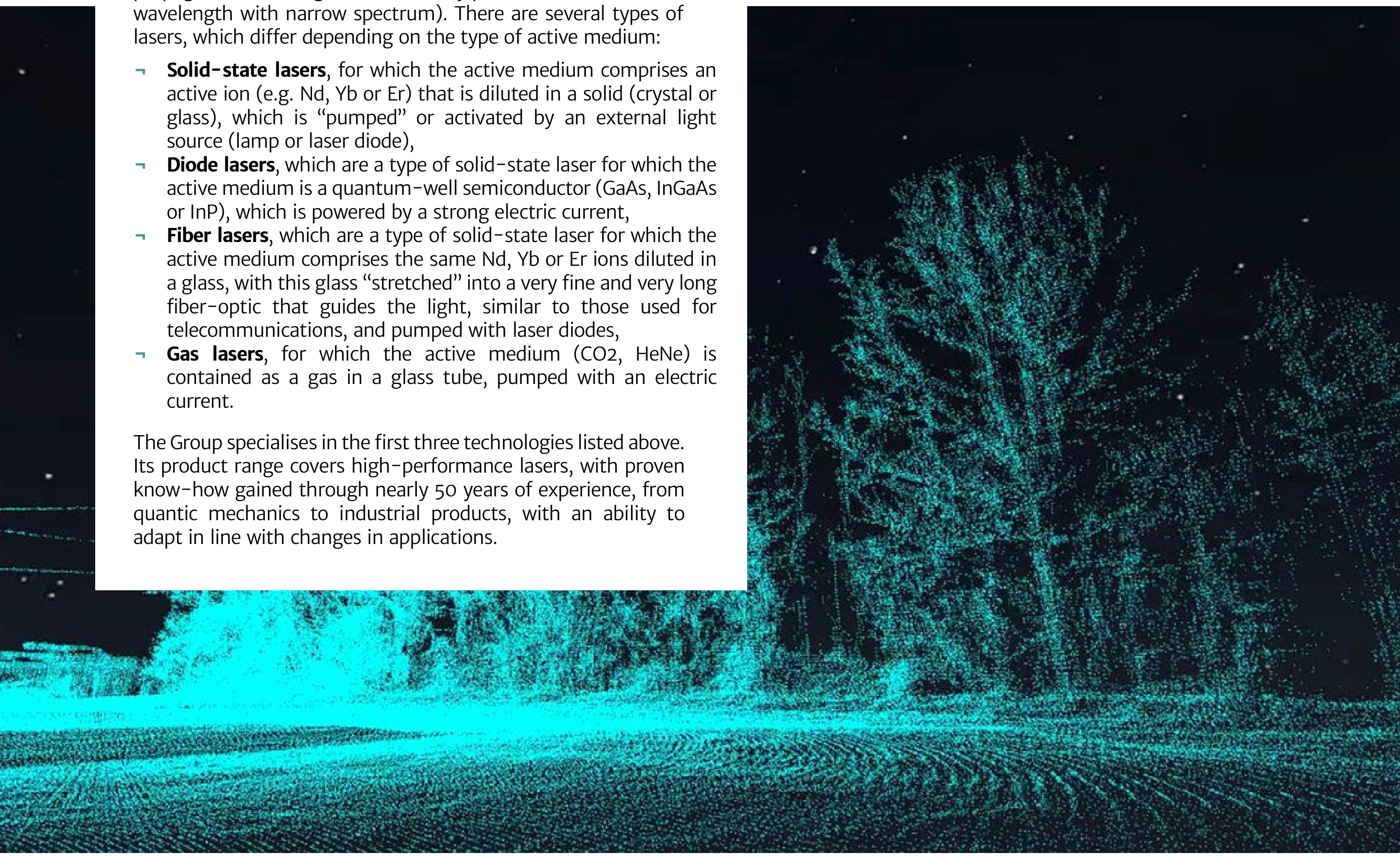
MAIN ACTIVITIES OF THE LUMIBIRD GROUP

1. LASER TECHNOLOGY

Demonstrated for the first time in 1960 by Theodore 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.

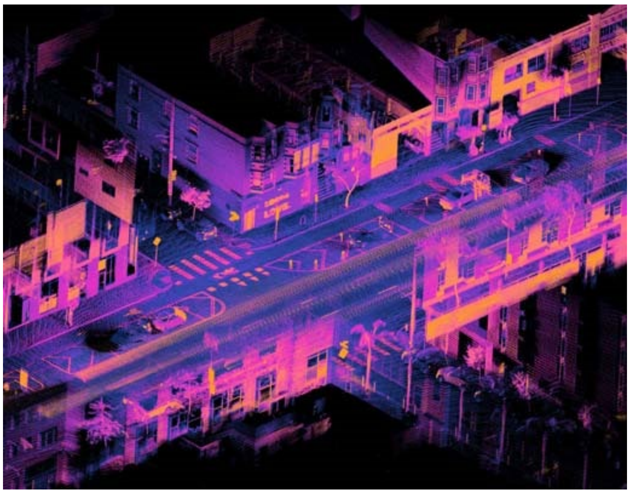
The Group specialises in the first three technologies listed above. Its product range covers high-performance lasers, with proven know-how gained through nearly 50 years of experience, from quantic mechanics to industrial products, with an ability to adapt in line with changes in applications.



As at the date of this Universal Registration Document, the Group's companies own, directly or by exclusive licence, more than 45 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, opto-pyrotechnics, night vision,
- 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

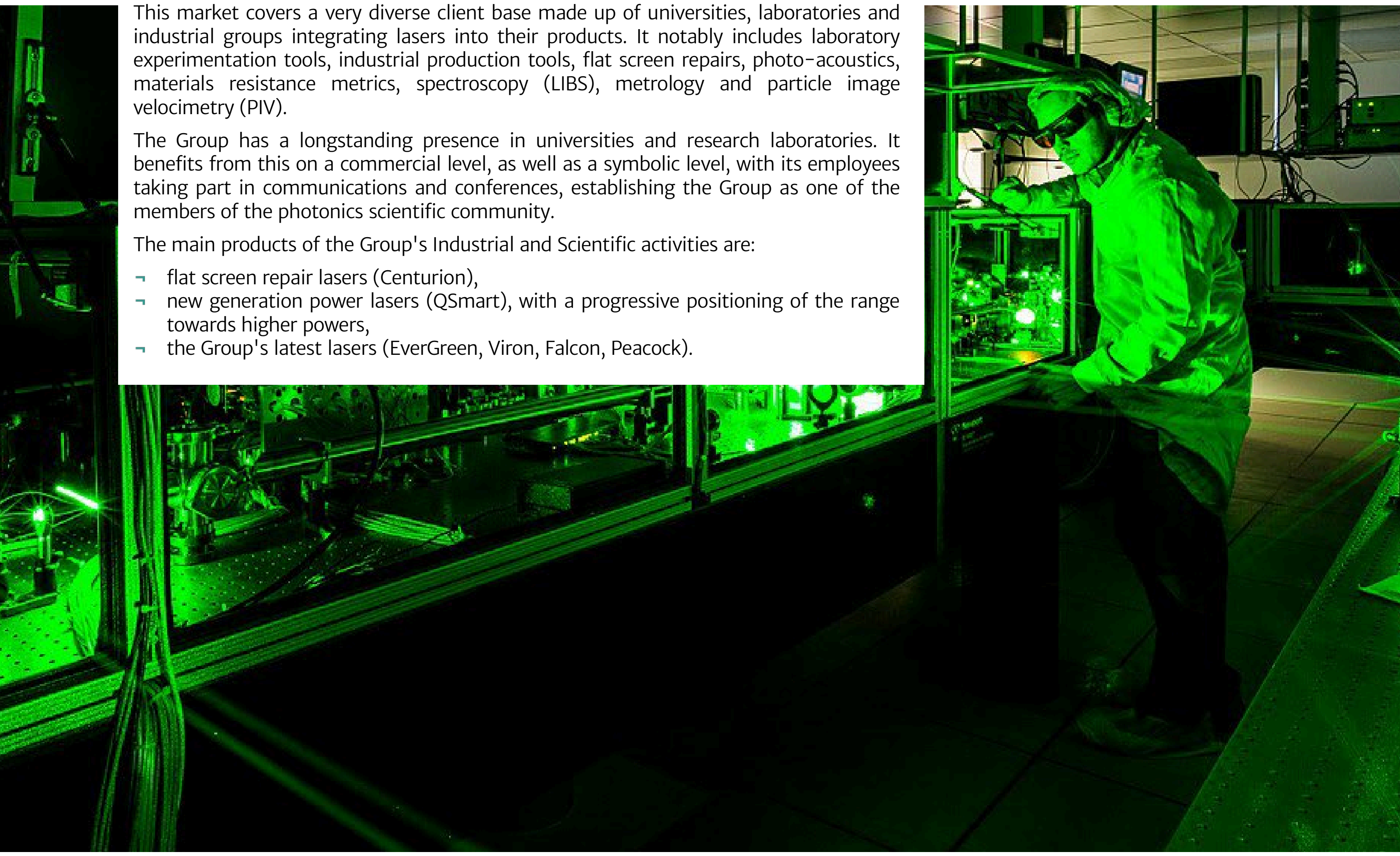
2.1.1. Industrial & Scientific

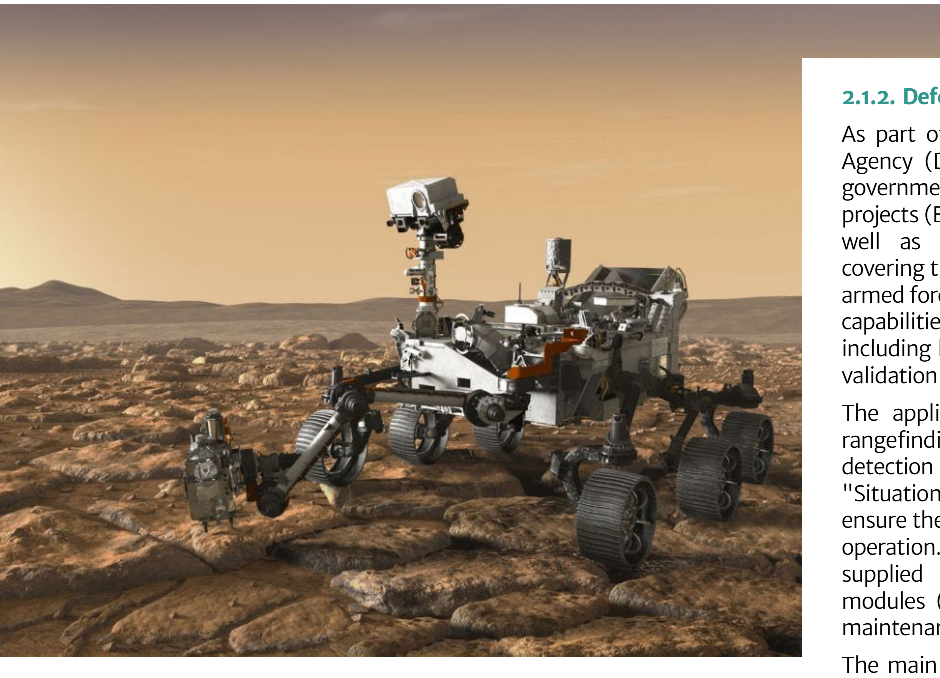
This market covers a very diverse client base made up of universities, laboratories and industrial groups integrating lasers into their products. It notably includes laboratory experimentation tools, industrial production tools, flat screen repairs, photo-acoustics, materials resistance metrics, spectroscopy (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), with a progressive positioning of the range towards higher powers,
- the Group's latest lasers (EverGreen, Viron, Falcon, Peacock).





2.1.2. Defence and major contracts

As part of national projects (French Defence Procurement Agency (DGA), Atomic Energy Commission (CEA), French government space agency (CNES), etc.) or international projects (ESA, FP7 or H2020, Eureka, Brite, Eurocare, etc.), as well as design, development and production projects covering the needs of major industrial defence groups for the armed forces of various countries for naval, land and airborne capabilities, the Group is committed to long-term contracts, including laser and LIDAR design, development, prototyping, validation then production phases.

The application areas cover a variety of needs such as rangefinding, designation, targeting, obstacle detection, UAV detection and tracking and more generally the issue of "Situational Awareness" necessary for the various armies to ensure their operational superiority in the various theatres of operation. As regards the Megajoule contract, the Group supplied fiber amplifiers and solid-state preamplifier modules (MPAs) until end-2022 and will now ensure its maintenance in operational condition.

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 or associated technological building blocks (fibre laser cavities) used on fighter aircraft, armoured vehicles (Odipro), military ships (Vidar), submarines and various ground defence systems (ground/air defence). With the advent of satellite networks, the Group's ambitions in the Space field are significant and include the use of laser technologies in satellite constellations.

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. This is the case for atmospheric Lidar technologies for wind measurement, useful for the meteorology sector, the evaluation of the energy produced by on-shore or off-shore wind fields and the performance of wind turbines in operation, as well as for the safety of take-offs and landings at airports.

There are also opportunities for the Time-of-Flight Lidar technology manufactured by the Group on the basis of fibre lasers, in terms of monitoring automated shiploaders of mining companies, rail, sea, river or lock traffic, drones, for civil, industrial or military applications.

These same sensors can also be used for 3D scanning used in aerial topography, notably by drone, and for the detection of pollutants.

In all these fields, the Group is well positioned to meet and anticipate customer demands and to support them in their growth. 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 fibre-based technical solutions offered by the Group are competing with other technologies.

The main products of the Group's LIDAR sensor activities are the Sensup range (such as the telemetry range finders or the Winfield system), the OPAL range and the Halo Photonics range (such as the Halo Streamline XR and XR+, the Halo Profiler VS, the Halo 6xBeam), which continue to benefit from R&D and certification efforts.

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,
- Vitra 810 for the treatment of glaucoma in the first line, this range generating the use of consumables,
- 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 division 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 2022, which is included in chapter 4 section 1 of this Universal Registration Document and chapter 1 section 3 paragraph 4.2.1 of this Universal Registration Document.

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

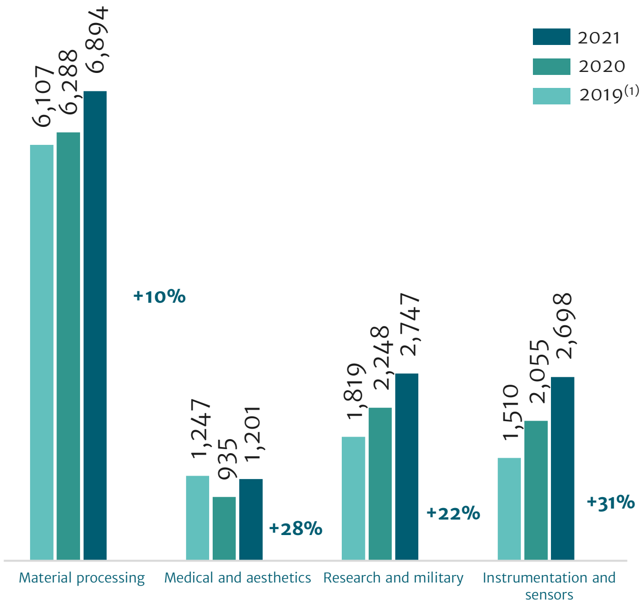
The global market was estimated at 18.5 billion dollars for 2021, with the following breakdown:

- Diode lasers: $7.9bn, representing 43% of the market,
- Non-diode lasers: $10.5bn, representing 5% of the market.

According to this source, the global market grew by 15% in 2021 compared to 2020 thanks to the economic rebound at the end of the Covid-19 crisis. This increase is significant in all sectors but is particularly marked in the medical and instrumentation sectors.

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 2018 and 2019 were revised in the research published in January 2021.

The Group considers that it is very well positioned in the most promising markets, namely sensors, defence and medical, which, prior to the COVID crisis, grew by more than 10% per year on average between 2016 and 2018. The 2021 activity shows a very important rebound while the COVID crisis is not completely over. In 2022, growth continued in our core markets of sensors, defence and medical applications. In addition, fibre laser technology continues to penetrate many applications thanks to its specific features that include:

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

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

4. GROUP'S INDUSTRIAL AND COMMERCIAL ORGANISATION

4.1. Industrial organisation

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:

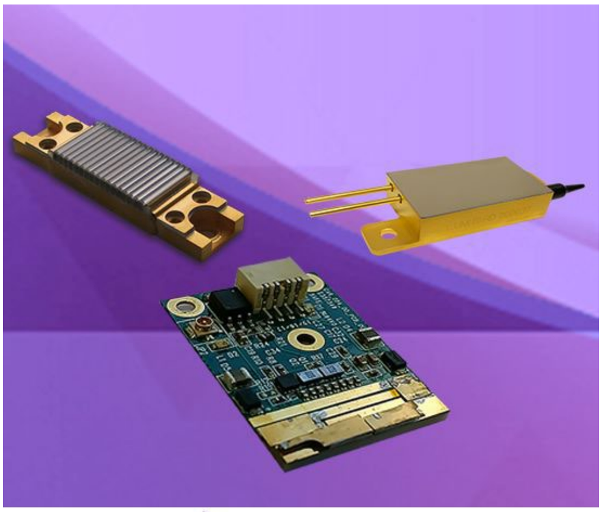
- **Laser crystals**: the solid-state lasers use crystals produced exclusively for this application: Nd:YAG, Er:YAG, Nd:glass, Ho:YAG, Rubis, etc.
- **Passive and active fiber-optics**: the fiber lasers notably use single or dual-clad fiber-optics, boosted with Yb, Nd, Er or Tm ions, as well as fiber 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 defence).
- **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, but also produced in the Group's Adelaide-based Machine Shop for certain Medical Division requirements.

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

In 2022, no single supplier represented more than 3% of the Group's purchases, and the five largest suppliers represented less than 10.5% of the Group's purchases.



Laser diodes
& components
BY LUMIBIRD

4.1.2. Means of production

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

Lumibird site in Villejust, with total space of around 3,800 sq.m.

Keopsys Industries site in Lannion, which is also the headquarters of Lumibird, with total space of around 8,600 sq.m. All the fiber laser R&D and Manufacturing resources are grouped together in this building, as well as the new fibre manufacturing unit currently being installed and a new Lidar production line.

Lumibird 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.

Lumibird Canada site in Ottawa and Sensup site in Cesson-Sévigné for the production of Lidar.

Lumibird Photonics Sweden site in Göteborg, Sweden, with a total surface area of 2,000 sq.m. dedicated to defence activities since the integration of activities from Saab.

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, new building with total space of around 4,000 sq.m, where all of Optotek's activities are carried out.

ELLEX MEDICAL site, with total space of around 7,000 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 mechanisation / 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 organisation

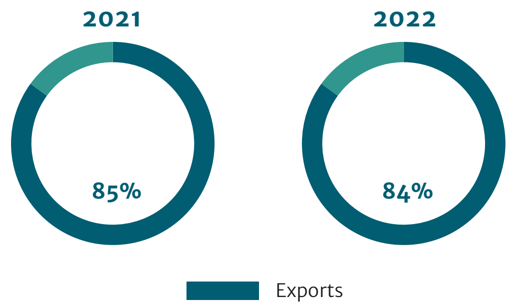
Since the business combination between the KEOPSYS Group and the QUANTEL Group, the sales force is split into two main divisions: Photonics division on the one hand, and Medical division on the other.

- 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,
  - In the defence markets, the sales team remains attached to each site (Villejust, Bozeman, Göteborg) but is led across the board to support the entire product portfolio.
- For the Medical division:
  - Quantel Medical's export network covers more than 115 countries with specialised distributors,
  - Lumibird Medical subsidiaries (USA, France, Japan, Australia, Poland and Lumibird Nordics) sell products directly to practices, hospitals and clinics.

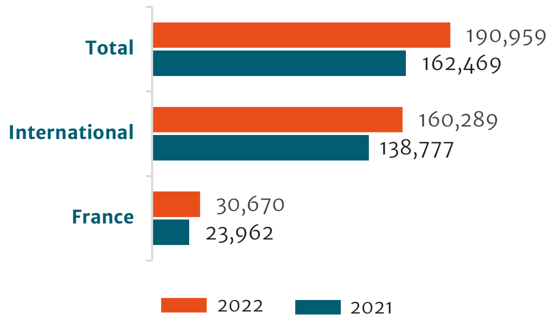
4.2.1. Exports

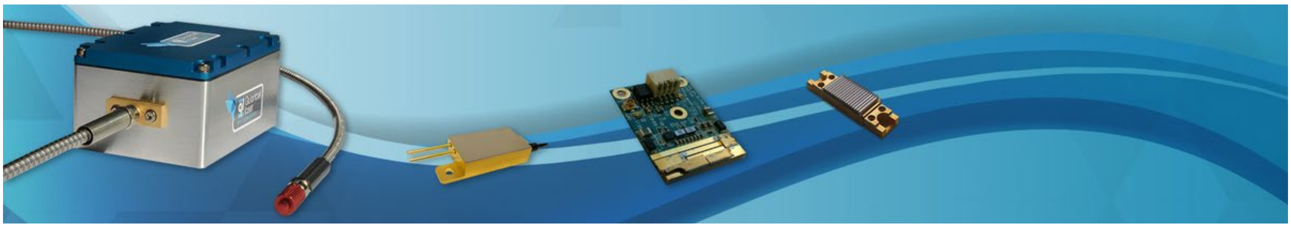
The good quality of its direct and indirect export networks and its external growth operations enabled the Group to generate more than 84% of its sales outside of France in 2022.

Percentage of export in revenues

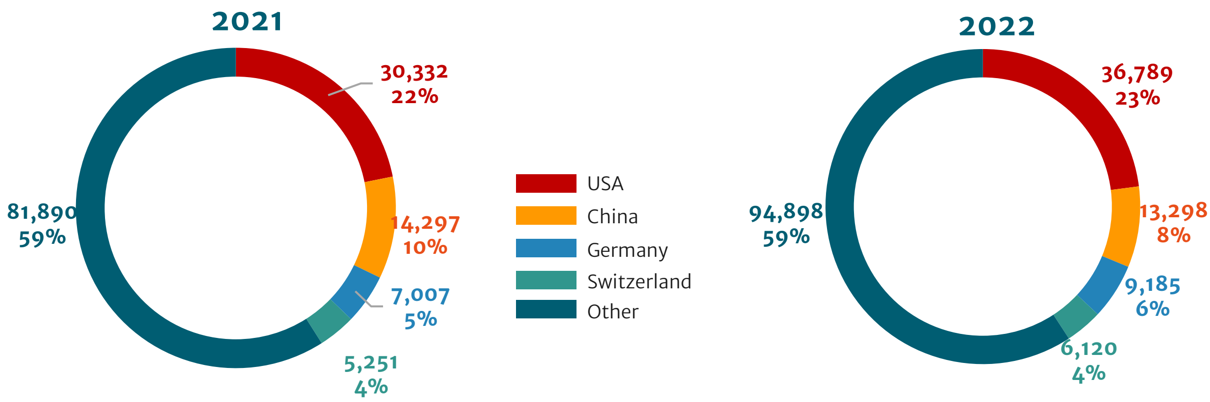


Breakdown of revenues (in €'000)





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



The breakdown of consolidated revenues for each division is presented in paragraph 1.2 of the Board of Directors' management report on the position and business of the Company and Group for the year ended 31 December 2022, 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, but also integrators of military solutions. For the Photonics division, the direct commercial approach to customers is favoured..

This client base is well distributed: in 2022, no single direct client or distributor represented more than 3% of revenues. The five largest clients represent less than 10% 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 2022, 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 customised 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, the competitors are mainly Asian firms, including Onet, Ammonics, as well as European, with BKTEL, and North American, with Nuphoton, MPB and Advalue Photonics.

For pulsed nanosecond lasers and scientific or industrial applications, the competition is worlwide, with companies like MKS-Spectra Physics, Amplitude-Continuum, Litron, Ekspla, Innolas ou Cutting Edge Optronics.

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 3D scanning for LIDAR surveying applications fiber laser sector and a significant global market shares 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 30% 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 Peacock, the MERION and High Power 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 2300 - in response to increased demand from the scientific and LIDAR market. These lasers are becoming increasingly popular.
- In the diodes sector: various versions of an illuminator for 3D flash LIDARs or scanning LIDARs, but also new multi-wavelength modules for non-invasive medical diagnostic applications as well as specialised systems for space applications close to pyrotechnics.
- 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: 2022 was a successful year for new product launches with the new Ellex Tango NEO and Ultra Q REFLEX NEO ranges, and on the Quantel Medical side, CAPSULO for secondary cataract and C-STIM for dry eye treatment.

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 2022, 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 45 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. Multi-year contracts to supply diodes to defence integrators

The growing demand for precision targeting capabilities in military operations and the increasing need for advanced weapon systems are some of the key factors driving the growth of the target designators market. A key component in targeting systems is the QCW (quasi continuous wave) diode supplied by Lumibird. Multi-year contracts have been signed in 2022 with international defence integrators.

The significant order book will allow the development in 2023 of the industrial organisation for the production of diodes to meet the growing demand for this activity.

7.2. Contracts for the supply of optical amplifiers for satellite constellations

The market for constellation-based optical links is growing rapidly. Communication satellite constellations are networks of satellites in low Earth orbit that provide global connectivity for communications, Internet of Things, remote sensing, Earth monitoring and other applications. Optical constellation links use lasers to transmit data between satellites in the constellation, enabling higher data rates and lower latency than traditional radio-based communication systems. Lumibird's vertical integration strategy of manufacturing key components in the field of space optical transmission lasers has enabled it to be selected by optical telecommunications system integrators. Growth in this activity is also expected in 2023.

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. SAAB

The Group is driven by a geopolitical context that requires us to increase our production in view of the growing demand for equipment for armoured vehicles and then for naval vessels, which will also contribute to the development of our Swedish activities.

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 organisation 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 2022,
- 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 Executive Committee and the Finance Department of Lumibird Group ("Lumibird Group" or the "Group") prior to its review by the Board of Directors at its meeting on 14 March 2023, 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 revised edition of the MiddleNext Code and during its meeting on 17 March 2022, following the publication, in September 2021, 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 22 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. At 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 SPECIALISED COMMITTEES

1.1. Changes to Lumibird's governance during FY 2022 and since the beginning of FY 2023

As part of a reorganisation of the Group's governance in 2022, Mr Jean-Marc Gendre resigned from his position as Deputy Chief Executive Officer, with effect from 6 December 2022. He was subsequently appointed Chief Executive Officer of Lumibird Medical by a decision dated 9 December 2022. The purpose of this reorganisation is to refocus Mr Jean-Marc Gendre's activity on the further development of the Group's medical branch.

In addition, the Board of Directors, at its meeting of 14 March 2023, decided to propose to the General Meeting of Shareholders scheduled to be held on 28 April 2023 the appointment of Ms Marie-Hélène Sergent as director for a period of six (6) years, i.e. until the General Meeting called to approve the financial statements for the year ending 31 December 2028. This proposal is part of a strategy to enlarge the Board of Directors in order to increase the presence of independent directors and to encourage a diversity of skills within the Board.

Finally, the Board of Directors, in its meeting of 14 March 2023, decided to propose to the General Meeting of Shareholders scheduled to be held on 28 April 2023 the renewal of the term of office as director of Mr. Marc Le Flohic and ESIRA 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 2028, as well as the renewal of the term of office as censor of EMZ Partners 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 2024.

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 non-voting member (together the "Board members"):

1.2.1. Composition of the Board of Directors

Members of the Board of Directors	Main function within the Company	Committees	Date first appointed or renewed	Date appointmt expires	Main function outside of the Company	Other offices and positions held in any company or entity
Mr Marc Le Flohic Professional address: 2 rue Paul Sabatier, 22300 Lannion	Chairman of the Board of Directors and Chief Executive Officer of the Company	[2]	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 financial statements for the year ending 31 Dec 2022	Chairman of ESIRA	**During FY 2022:** 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
Ms Gwenaëlle Le Flohic[3] Professional address: 15 rue F. Bienvenue, 22300 Lannion	Director	CSR Committee	General Meeting on 3 May 2022	Ordinary AGM to approve the financial statements for the year ending 31 Dec 2027	CEO of Armor RH-Eurl	**During FY 2022:** 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	Director (independent)	CSR Committee Chairman	General Meeting on 4 May 2021	Ordinary AGM to approve the financial statements for the year ending 31 Dec 2026	Chairman - Chief Executive Officer of PHASICS SA	**During FY 2022:** N/A **Other previous offices held in the last five years:** Member of the Board of Directors of Optics Valley
ESIRA[4] represented by Mr 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 financial statements 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 Mr Jean-François Coutris:** **During FY 2022:** **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:	Director (independent)	Compensation Committee	General Meeting on 4 May 2021	Ordinary AGM to approve the	N/A	**During FY 2021:** Director of C.C.V. BEAUMANOIR (private

[2] In order to comply with Recommendation No. 7 of the Reference Code, which stipulates that the Compensation Committee should not include any executive corporate officers, Mr Marc Le Flohic resigned from his duties as a member of the Compensation Committee and this resignation was noted by the Board of Directors at its meeting on 17 March 2022.

[3] It is specified that the renewal of the term of office as director of Mr. Marc Le Flohic will be proposed to the Ordinary General Meeting of Lumibird's shareholders, scheduled to be held on 28 April 2023, for a term of six (6) years, i.e. until the General Meeting called to approve the financial statements for the financial year ending 31 December 2028. Mr. Marc Le Flohic has indicated in advance that she would accept the renewal of his mandate. Furthermore, it is planned that the Board of Directors will meet on 28 April 2023 at the end of the General Meeting of Shareholders to renew Mr. Marc Le Flohic's term of office as Chairman and Chief Executive Officer of the Company, for a period not exceeding his term of office as director.

[4] ESIRA is a French-law simplified joint-stock company (société par actions simplifiée), controlled by Mr Marc Le Flohic, Chairman of the Company.

Members of the Board of Directors	Main function within the Company	Committees	Date first appointed or renewed	Date appointmt expires	Main function outside of the Company	Other offices and positions held in any company or entity
Terre de Naudeux – Le Vran – 56780 Ile aux Moines		Chairman Audit Committee Chairman		financial statements for the year ending 31 Dec 2026		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 Porfessional address: 9 rue Saint-Florentin, 75008 Paris	Non-voting member	N/A	General Meeting on 4 May 2021	Ordinary AGM to approve the financial statements for the year ending 31 Dec 2022	The reader is referred to **Appendix 1** of this report.	

In addition, the General Meeting of Shareholders scheduled to be held on 28 April 2023 will be proposed to appoint Ms. Marie-Hélène Sergent as a director 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 2028. Should this resolution be adopted by the General Meeting of Shareholders, the Board of Directors would be composed of one additional member:

Members of the Board of Directors	Main function within the Company	Committees	Date first appointed or renewed	Date appointmt expires	Main function outside of the Company	Other offices and positions held in any company or entity
Ms. Marie-Hélène Sergent Professional address: 30 rue des Mathurins, 75008 Paris	Director	[5]	General Meeting on 28 April 2023	Ordinary AGM to approve the financial statements for the year ending 31 Dec 2028	Founder and Chairman of SHAN	**During FY 2022:** Chairman of the board of Shan Holding and Erebor **Other previous offices held in the last five years:** N/A

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 14 March 2023 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[6].

It is also indicated that Ms Gwenaëlle Le Flohic, director and spouse of Mr Marc Le Flohic, provided in 2022 and might provide in 2023 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 has 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

[5] It is expected that the Board of Directors will meet on 28 April 2023 after the General Meeting of Shareholders to consider the possible participation of Ms. Marie-Hélène Sergent in Board committees.

[6] 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 62.11% 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).

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.

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 14 March 2023 of each director's situation in relation to the five criteria retained by the Reference Code to determine the independence of members of the Board, that are:

- Criterion n°1: not to have been, during the last five years, an employee or executive officer of the Company or of a Group company,
- Criterion n°2: not to have been, during the last two years, and not to be in a significant business relationship with the Company or the Group (customer, supplier, competitor, service provider, creditor, banker, etc.),
- Criterion n°3: not being a reference shareholder of the Company or holding a significant percentage of voting rights,
- Criterion n°4: not to have a close relationship or close family ties with a corporate officer or a reference shareholder,
- Criterion n°5: not to have been, during the last six years, the company's statutory auditor.

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.

The table below shows the situation of each director with regard to the independence criteria as set out above:

Director	Criterion n°1	Criterion n°2	Criterion n°3	Criterion n°4	Criterion n°5
Monsieur Marc Le Flohic	x	✓	x	✓	✓
Madame Gwenaëlle Le Flohic	✓	✓	✓	x	✓
Madame Marie Begoña Lebrun	✓	✓	✓	✓	✓
ESIRA	✓	✓	x	✓	✓
Monsieur Emmanuel Cueff	✓	✓	✓	✓	✓

In addition, the Board of Directors is scheduled to meet on 28 April 2023 after the General Meeting of Shareholders to review the independence of Ms. Marie-Hélène Sergent, whose candidacy for the position of director is submitted to the General Meeting of Shareholders scheduled to take place on 28 April 2023.

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%.

At the end of the General Meeting of Shareholders scheduled to be held on 28 April 2023, and subject to the adoption of the resolution to appoint Ms. Marie-Hélène Sergent as a director of the Company, three out of six members of the Board of Directors (i.e. 50%) will be women in order to achieve a perfectly balanced representation of each gender on the Board of Directors.

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 recognised 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 defence 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.

Ms Marie-Hélène Sergent, whose candidacy for the position of director is submitted to the General Meeting of Shareholders scheduled for 28 April 2023, has significant experience in corporate and crisis communication. She has a very strong network in the French media and a good knowledge of investors. Ms Marie Hélène Sergent has been a member of the SFAF since 2021.

The average age of the directors, on the date of this report, is 61.5, and this is not one of the criteria considered for selecting members of the Board of Directors.

In 2021, the Group Executive Committee has defined the framework of its inclusion and professional equality policy. Lumibird is committed to ensuring an inclusive working environment, and to achieving a balance in the diversity of genders, backgrounds and cultures. In 2022, the Group launched an awareness-raising campaign on women's rights and gender equality, which culminated in the distribution, for the first time on 8 March 2023, to all Group employees, of a report on the situation of women within the Lumibird Group (including the calculation of the equity index, which for 2022 stands at 86/100)

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 4 May 2021, the Company's general meeting of shareholders renewed the appointment of 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 2022. 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 28 April 2023, 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 2024.

1.3. Conditions for the preparation and organisation 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, lastly, on 14 March 2023, in order to take into account the amendments made to the Reference Code in September 2021.

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 authorisation,
- the composition of the Board of Directors and the criteria concerning the independence of its members,
- the definition of the role of any specialised 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.9 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, 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 revised Board of Directors' rules of procedure after it was approved by the Board of Directors on 17 March 2002.

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 analyses 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 authorisation to the CEO on 14 March 2023 to grant deposits, sureties and guarantees in the Company's name to guarantee commitments made by the Company or any of its subsidiaries, under conditions that it 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 authorisation was granted for twelve months, i.e. until 14 March 2024.

During its meeting on 17 March 2022, 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 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 2022 are presented in section 12.8.4 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 2022.

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 organises 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 director.

When they cannot be held in person, the Board of Directors' meetings can be organised 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 organised with videoconferencing systems.

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: 17 March 2022, 1 April 2022, 20 May 2022, 1 June 2022, 22 September 2022 and 9 December 2022. The average participation rate was 100%. 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 2021 and the interim financial statements for the first half of the financial year 2022.

During its meeting on 17 March 2022, the Board of Directors notably deliberated on the following main points:

Financial statements and activities:

- Presentation of the activity of the Company and its subsidiaries during the year 2021,
- Review and approval of the corporate and consolidated financial statements for the year ended 31 December 2021, the forward-looking annual documents prepared in accordance with Articles L.232-2 and 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 2022, 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.

Corporate governance:

- Review of amendments to the Reference Code, amendments to the rules of procedures and organisation of the Board,
- Review and approval of the Board of Directors' report on corporate governance, including the remuneration policy

for corporate officers referred to in Article L. 22-10-8 of the Commercial Code,
- Composition of the Board of Directors (renewal of the director's mandate of Ms Gwenaëlle Le Flohic),
- Setting proposal of the directors' compensation,
- Review and setting of the compensation of the Chairman and Chief Executive Officer for 2022, as advised by the Compensation Committee,
- Review and setting of the compensation of the Deputy CEO for 2022, 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 2021 financial year, as advised by the Compensation Committee,
- Review of the performance conditions relating to the variable compensation of the Deputy CEO for the 2021 financial year, as advised by the Compensation Committee,
- Review and setting of the special reports on stock options and free share allocations made during the 2020 financial year,
- 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,
- 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.

Regulated agreements :

- Review of previously approved regulated agreements that continued to be executed during the 2021 financial year,
- Review of agreements entered into during the 2021 financial year in the light of the procedure for assessing current agreements entered into under normal conditions.

Various authorisations:

- Authorisation and delegations concerning bond issues,
- Authorisation to set up deposits, sureties and guarantees (cautions, avals et guarantees) in accordance with Article L.225-35 of the French commercial code.

General Meeting :

- Convening of the General Shareholders' Meeting,
- Review of the proposed resolutions and reports prepared with a view to convening the General Shareholders' Meeting.

During its meeting on 1 April 2022, the Board of Directors notably deliberated on the following main points:

- Free share plan of 1 April 2019: recognition of (i) the expiry of the vesting period, (ii) the fulfilment of the vesting conditions and (iii) the definitive vesting of 163,000 free shares in favour of 34 beneficiaries,
- Free share plan of 31 March 2020: acknowledgement of (i) the expiry of the vesting period, (ii) the fulfilment of the vesting conditions and (iii) the definitive vesting of 6,000 free shares in favour of 2 beneficiaries,

During its meeting on 20 May 2022 and 1 June 2022, the Board of Directors notably deliberated on the following main points:

- Authorisation to submit several binding offer letters for external growth transactions.

During its meeting on 22 September 2022 and 9 December 2022, the Board of Directors notably deliberated on the following main points:

- Review and approval of the consolidated interim financial statements at 30 June 2022, 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,
- Establishment of a three-year training plan for Board members,
- Creation of a CSR Committee in place of the CSR Committee of the Board of Directors,
- Acknowledgement of the resignation of Mr. Jean-Marc Gendre from his position as Deputy CEO of Lumibird,
- Implementation of a new Governance for the Group
- Implementation of a free share plan for the benefit of a Group employee.

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 14 March 2023, 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. The Board of Directors did not consider it useful to be accompanied by a third party in this evaluation.

1.3.9 Three-year training plan for Board members

At its meeting of 22 September 2022, the Board of Directors set up a three-year training plan for the members of the Board.

Within the framework of this plan, the directors will follow, over the period March 2022 to March 2025 a minimum of three training courses chosen from a list proposed to them (on legal, financial, commercial or technical subjects), with a minimum of one training course per 12-month period (starting in March 2022),.

The Finance Department has collected all the directors' needs, shared the three-year plan with them and is responsible for implementing it. For the period 2022-2023, the directors have received training on the general principles of CSR.

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.6 from the Reference Code, under which it is not relevant to set beforehand a minimum number of meetings for the specialised 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 financial statements and half-year financial statements 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 organisation 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 17 March 2022 and 22 September 2022.

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 organisation 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 two members, who both are independent directors within the Board of directors:

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

In order to comply with Recommendation No. 7 of the Reference Code, which stipulates that the Compensation Committee should not include any executive corporate officers, Mr Marc Le Flohic resigned from his duties as a member of the Compensation Committee and this resignation was duly noted by the Board of Directors at its meeting on 17 March 2022.

During the past year, the Compensation Committee met once, on 17 March 2022. It notably deliberated on the following points:

- Change in the composition of the Remuneration Committee,
- Review of the rules for the allocation and distribution of the compensation package allocated to the directors,
- review of the compensation awarded to the CEO for the previous and current financial year,
- review of the compensation awarded to the Deputy CEO for the previous and current financial year,
- review of the variable compensation policy for employees and key persons in the company.

1.4.3 CSR committee

To comply with Recommendation no.8 from the Reference Code, the Board of Directors, during its meeting on 22 September 2022, decided to set up a CSR Committee responsible for assisting it with supervising the social, societal and environmental aspects of the Company's activities and to regularly provide it with information. The CSR Committee's mission involves reviewing social, societal and environmental matters and looking into the areas for improvement to be proposed to the Board of Directors, particularly to enable it to look into the sharing of value and the balance between the level of remuneration for all employees, the remuneration for the risk taken on by shareholders, and the investments required to ensure the Company's sustainability. The CSR Committee, also ensures that a policy targeting a gender balance and equity is effectively implemented at each hierarchical level within the Company.

The rules for the organisation and functioning of the CSR Committee are set out in Appendix 3 of the Board of Directors' rules of procedure.

At the date of this report, the CSR Committee is composed of the following three members (two of whom are independent directors on the Board of Directors)

- Ms Marie-Begona Lebrun, who chairs the committee
- Ms Gwenaëlle Grignon-Le Flohic,
- Mr Emmanuel Cueff.

The CSR Committee is intended to meet as many times as required by the Company's interests, and once a year as a minimum, when the Board of Directors approves the Company's sustainability performance report.

During the past financial year, the CSR Committee met once, on 6 December 2022. It attended a training session on the general principles of CSR in order to provide it with the necessary context for the definition of strategic orientations in terms of CSR.

2. EXECUTIVE MANAGEMENT AND GENERAL MANAGEMENT

2.1 CEO

The general management of the Company and the Group is ensured by Mr Marc Le Flohic. Mr Jean-Marc Gendre, resigned from his position as Deputy Chief Executive Officer, with effect from 6 December 2022.

As part of his duties, Mr Marc Le Flohic supervises the operational management of the Lumibird Group. The functions and offices held by Mr Marc Le Flohic outside the Lumibird Group are described in paragraph 1.2.1 of this report.

At the date of this report, Mr Marc Le Flohic held the following positions within the Lumibird Group:

- Chairman of Quantel USA, Lumibird Medical Inc, Lumibird Inc., Lumibird Japan, Lumibird China, Lumibird LTD and Lumibird Transports,
- Manager of Veldys,
- General manager of Keopsys Industries,
- Permanent representative of Lumibird, which is Chairman of the Quantel Medical, Keopsys Industries, Sensup, Quantel Technologies, Eliase, Lumibird Transport, Lumibird Médical Australia subsidiaries,
- Director of Adèle Ellex,
- Director of Ellex Japan,
- Director of Ellex USA,
- Chairman of Lumibird Photonics Sweden AB.

2.2 Management Committee and Executive Committee

The composition of the Lumibird Group's Management Committee, which oversees the various activities, was amended in December 2022 following the reorganisation of the Group's governance. It is now composed of 6 members, namely:

- Mr Marc Le Flohic, Chairman and CEO,
- Mr Jean Marc Gendre, Managing director of the Medical division and Manager of QUANTEL MEDICAL,
- Mr Pierre-François Chenevrier, Managing director of the Lidar branch of the Photonics division,
- Mr Hervé Scoarnec, Managing director of the laser branch of the Photonics division,
- Ms Sonia Rutnam, Secretary general, Chief Financial Officer (Finance, IT and HR) and Transformation Officer, and
- Mr Alexandre Billard, Purchasing director.

In order to strengthen the presence of women in the Management Committee, Ms. Sonia Rutnam, who joined the Lumibird Group in the second half of 2021, was confirmed as a member of the Management Committee during the Group's governance review in December 2022.

The Management Committee assists Mr Marc Le Flohic, CEO, with the Lumibird Group's leadership and management.

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

- On three governance structures (one for the lidar branch, one for the laser branch of the photonics division, and one for the medical division), each composed of:
  - a branch/division executive committee, comprising the Managing director and the heads of the R&D, production, sales and finance departments,
  - a sales committee, comprising the division's Managing director, the sales manager and the division's finance managers,

- an R&D and Production Committee, comprising the division's Managing director, the R&D director, the site managers and the division's quality manager.
- On 3 governance committees, meeting quarterly, and managing CSR, Quality, R&D and innovation issues across the Group, without the presence of the divisions' managing directors,
- On a Group Secretary General, who organises the holding of cross-functional committees: Finance, Legal, Human Resources, Information Systems and Purchasing.

As of the date of this report, the members of these Committees represent 41 persons (out of a total of 1,001 persons to date), of which 24.4% are women (vs 31.6% in 2021).

3. COMPENSATION FOR BOARD MEMBERS AND CORPORATE OFFICERS

3.1. Compensation for board members and corporate officers in 2022

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 28 April 2023 to vote on this information under the terms of a resolution that has been reproduced under **Appendix 2** of this report.

3.1.1. 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 by the Company and its controlled or controlling companies, as defined by Article L.233-16 of the French commercial code, to each member of the Board of Directors in 2022, to the Chief Executive Officer of the Company in 2022, and to the Deputy CEO from 1 January 2022 to 6 December 2022 (effective date of the resignation of Mr. Jean-Marc Gendre from his position as Deputy CEO of the Company) in connection with all their corporate office, employment contract, exceptional appointments or missions:

In euros	Compensation				Benefits in kind and other items of compensation		
	Fixed	Variable	Profit sharing	Extraordina-ry	Attendance fees	Benefits in kind/in cash	Allocation of free shares and stock options
Marc Le Flohic	368,445 (1)	331,499 (2)	–	–	–	20,457 (3)	–
Jean-Marc Gendre	232 604 (5)	228,305 (6)	–	–	–	9,737 (7)	–
Gwenaëlle Le Flohic	–	–	–		7,000	–	–
Marie Begoña Lebrun	–	–	–		7,000	–	–
ESIRA	–	–	–		7,000	–	–
Emmanuel Cueff	–	–	–		13,000	–	–
EMZ Partners	–	–	–		–	–	–

(1) Corresponds to the fixed compensation 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 variable compensation due in respect of financial year 2021 and paid during financial year 2022.
(3) Corresponds to the provision of a company car by Keopsys industries to Mr. Marc Le Flohic (until 23 March 2022) then by Lumibird SA from 23 March 2022.
(4) Corresponds to the compensation received by Mr Jean-Marc Gendre for his position as Deputy Chief Executive Officer of Lumibird and his employment contract with Quantel Médical between 1 January 2022 and 6 December 2022, effective date of the resignation of Mr. Jean-Marc Gendre from his position as Deputy CEO of the Company.
(5) Corresponds to the fixed compensation received by Mr Jean-Marc Gendre for his position as Deputy Chief Executive Officer of Lumibird and his employment contract with Quantel Médical between 1 January 2022 and 6 December 2022, effective date of the resignation of Mr. Jean-Marc Gendre from his position as Deputy CEO of the Company.
(6) Corresponds to the variable compensation of Mr. Jean-Marc Gendre due in respect of the fiancial year 2021 and paid during financial year 2022.
(7) Corresponds to the provision of a company car by Quantel Médical to Mr. Jean-Marc Gendre until the effective date of his resignation from his position as Deputy CEO of Lumibird SA.

3.1.2. Compensation for the members of the Board of Directors

3.1.2.1. Review of the general principles of the policy for the 2022 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. 12 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.

Since 2020, the Company's management has had the overall compensation budget for the directors for the current year voted by the General Meeting and distributed by the Board of Directors approving the half-year financial statement.

For the financial year 2022, the general meeting of 3 May 2022 decided to set the total compensation package to be allocated to the directors at EUR 60,000 per year. This increase compared to previous years was justified, on the one hand, by the possible enlargement of the Board of Directors in 2022 resulting from the increase in the size of the Lumibird Group and, on the other hand, by the planned increase in the work of the Board of Directors, in particular with the creation of a CSR Committee. As the enlargement of the Board has not taken place, and the CSR Committee has not yet started its work in 2022, the Board of Directors, in its meeting of 22 September 2022, decided to allocate 34,000 euros out of the 60,000 decided by the General Meeting, according to the following distribution:

- €7,000 per director,
- An additional €4,000 allocated to Mr Emmanuel Cueff, in his capacity as Chairman of the Audit Committee,
- An additional €2,000 allocated to Mr Emmanuel Cueff in his capacity as Chairman of the Compensation Committee.

The balance of 26,000 is retained in the overall package and will be allocated among the directors at a subsequent meeting of the Board of Directors.

3.1.2.2. Compensation allotted or paid to Board members

The table 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 3.1.2.1 of this report.

Members of the Board of Directors	Gross amounts(1) alloted for financial years 2019 and 2021 paid in 2021 (in euros)	Gross amounts alloted and paid in 2022 (in euros)
Mr Marc Le Flohic		
Compensation for his position as director	-	-
Other compensation	-	-
Ms Gwenaëlle Le Flohic		
Compensation for her position as director	14,000	7,000
Other compensation	-	-
ESIRA(2) represented by Mr Jean-François Coutris		
Compensation for his position as director	14,000	7,000
Other compensation	-	-
Ms Marie Begoña Lebrun		
Compensation for her position as director	14,000	7,000
Other compensation	-	-
Mr Emmanuel Cueff		
Compensation for his position as director	26,000	13,000
Other compensation	-	-
EMZ Partners represented by Mr Ajit Jayaratnam		
Compensation for its position as director	-	-
Other compensation	-	-
TOTAL	**68,000**	**34,000**

(1) Compensation paid before deduction of all taxes and social charges.
(2) 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 3 May 2022 approved, on first call, the components of the compensation paid or allotted to Board members for or during the financial year ended 31 December 2021, and on the distribution policy applicable to the Board members for the 2022 financial year without expressing significant reservations. As these elements have been reduced for the year 2023, 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.

3.1.3. 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 28 April 2023 determine the followed fixed, variable, and exceptional components comprising the total compensation and benefits in kind that are paid or allotted for the 2022 financial year to Marc Le Flohic, CEO and to Jean-Marc Gendre, Deputy CEO of the company from 1 January 2022 to 6 December 2022, effective date of the resignation of Mr. Jean-Marc Gendre from his position as Deputy CEO of the Company.

These components abide by the principles and criteria for compensation of the Chairman and CEO and of the Deputy CEO for the 2022 financial year, as approved by the Company's general meeting of shareholders on 3 May 2022.

As a preliminary point, it is specified that Mr. Jean-Marc Gendre did not receive any severance pay or any other form of compensation due to the termination of his duties as Deputy CEO of the Company.

3.1.3.1. Review of the general principles of the policy for the 2022 financial year

The policy on compensation of the CEO and the Deputy CEO for the 2022 financial year is presented in paragraph 3.2.3 of the corporate governance report for the financial year ended 31 December 2021.

3.1.3.2. 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 28 April 2023 decide on the components of compensation paid or allotted during or for the 2022 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 3 May 2022, 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 2021 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	€368,445	€368,445	The fixed compensation of Marc Le Flohic due and paid for financial year 2022 amounted to €368,445. This compensation corresponds to fixed compensation collected by Marc Le Flohic for his corporate office as CEO of Lumibird (for €167,475), as well as for his employment contract within Keopsys Industries (for €200,970).
Variable compensation	€116,974	€331,499	**Payment of components of variable compensation in 2022 (for the financial year 2021)** The components of variable compensation collected by Marc Le Flohic in financial year 2022 correspond to the variable compensation of Marc Le Flohic due for financial year 2021. The policy on compensation of the CEO for the 2021 financial year is presented in paragraph 2.2.3 of the corporate governance report for the financial year ended 31 December 2020. The Board of Directors, during the meeting on 17 March 2022, following the opinion of the Compensation Committee, noted that the quantitative and qualitative objectives to which the payment of variable remuneration for Mr Marc Le Flohic for the financial year 2021 was subject had been reached as follows: ¬ with regard to the quantitative objectives, accounting for 60% of the variable remuneration: • revenue (calculated on the same scope as the budget approved by the Board of Directors at its meeting of 16 March 2021) amounted to €162,454k for the 2021 financial year, i.e. the revenue target was achieved by 100.35%, • EBITDA (calculated on the same scope as the budget approved by the Board of Directors at its meeting of 16 March 2021) amounted to €32,643k for the financial year 2021, i.e. the EBITDA target was achieved by 97.98%, • net income (calculated on the same scope as the budget approved by the Board of Directors at its meeting of 16 March 2021) amounted to €13,858k for the financial year 2021, i.e. the net income target was achieved by 85.83%. ¬ with regard to qualitative objectives, accounting for 40% of variable compensation: • the Group continued its work to cover its extra-financial risks, led by the CSR Director appointed in 2021, and reflected in the extra-financial performance declaration for the 2021 financial year. The degree of coverage of the risks resulting from the analysis of the conclusions of the independent third-party organisation was evaluated at 80%, • Ellex's results for the year 2021 were in line with expectations, integrating the expected synergies linked to the merger, resulting in a 100% performance on this criterion, • The work on finalising the Quantel-Keopsys synergies was 100% completed. Consequently, the Board of Directors meeting of 17 March 2022 unanimously authorised the payment of variable compensation to Mr Marc Le Flohic for the 2021 financial year as follows:

Components of compensation submitted for vote	Amounts paid during the financial year ended	Amounts allocated for the financial year ended or accounting valuation	Presentation
			¬ with regard to the quantitative criteria, accounting for 60% of the variable compensation: • 73,948 euros for the "turnover" objective, • 69,964 euros for the "EBITDA" objective, • 47,577 for the "net income" objective. ¬ with regard to the qualitative criteria, accounting for 40% of the variable remuneration: • 73,689 euros for the "Quantel-Keopsys synergies" criterion, • 36,845 euros for the "Ellex synergies" criterion, • 29,476 euros for the "extra-financial risks" criterion. i.e. a total variable compensation of €331,499 paid to Mr Marc Le Flohic for the financial year 2021. **Procedure for determining the variable compensation for 2022** Following the opinion of the Compensation Committee, the Board of Directors decided, at its meeting on 17 March 2022, that the variable portion of Marc Le Flohic's compensation for financial year 2022, in the maximum amount of 100% of his fixed compensation for 2022 (i.e. €368,445), would be based on achievement of the objectives described in paragraph 3.2.3 of the corporate governance report for the year ended 31 December 2021. **Evaluation of the level of achievement of objectives for 2022** 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 2022, 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 14 March 2023, following the opinion of the Compensation Committee, noted that the quantitative and qualitative objectives for the payment of variable remuneration for the CEO for the financial year 2022 had been reached as follows: ¬ with regard to the quantitative objectives, accounting for 70% of the variable remuneration: • revenue (calculated on the same scope as the budget approved by the Board of Directors at its meeting of 17 March 2022) amounted to €190,959k for the 2022 financial year, i.e. the revenue target was achieved by 101.65%, • EBITDA (calculated on the same scope as the budget approved by the Board of Directors at its meeting of 17 March 2022) amounted to €31,337k for the financial year 2022, i.e. the EBITDA target was achieved by 75.15%, • net income (calculated on the same scope as the budget approved by the Board of Directors at its meeting of 17 March 2022) amounted to €11,352k for the financial year 2022, i.e. the net income target was achieved by 62.72%, ¬ with regard to qualitative objectives, accounting for 30% of variable compensation: • the Group continued its work to cover its extra-financial risks, led by the CSR Director (appointed in 2021) reflected in the extra-financial performance declaration for the 2022 financial year. The degree of coverage of the risks resulting from the analysis of the conclusions of the independent third-party organisation was evaluated at 100%, • the Group has evolved and structured its governance in line with expectations and the achievement of this objective has been assessed at 100%. Consequently, the Board of Directors meeting of 14 March 2023 unanimously authorised the payment of variable compensation to Mr Marc Le Flohic for the 2022 financial year as follows: ¬ with regard to the quantitative criteria, accounting for 70% of the variable compensation: • 74,903 euros for the "revenue" objective • 0 euros for the "EBITDA" objective • 0 for the "net income" objective ¬ with regard to the qualitative criteria, accounting for 30% of the variable remuneration: • 73,689 euros for the "Group executove governance" criterion, • 38,845 euros for the "extra-financial risks" criterion. i.e. a total variable compensation of €185,437 paid to Mr Marc Le Flohic for the financial year 2022. In accordance with Article L. 22-10-34, II of the French Commercial Code, these variable compensation components will only be paid to Marc Le Flohic after their approval by the general meeting scheduled for 28 April 2023.
Profit sharing	None	None	During financial year 2022, Marc Le Flohic did not receive any 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 2022.
			No performance share was allocated to Marc Le Flohic for financial year 2022.
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.

Components of compensation submitted for vote	Amounts paid during the financial year ended	Amounts allocated for the financial year ended or accounting valuation	Presentation
Benefits in kind	€20,457	€20,457	Marc Le Flohic has a corporate car provided to him by Keopsys Industries until 23 March 2022 then by Lumibird from this date.
Evolution and external comparability/Pay equity ratios			**Evolution and external comparability of the compensation of the CEO** The fixed compensation paid to Mr Marc Le Flohic for 2022 amounted to €368,445 (including €167,475 for his mandate as CEO and €200,970 for his employment contract with Keopsys Industries), i.e. a compensation equal to what was paid in 2021. This continuity compares to an 18% increase in revenue between the year ending 31 December 2021 and the year ending 31 December 2022. Between 2018 and 2022, the evolution of the total compensation (including all components of fixed, variable, and exceptional compensation) of the CEO was a yearly average of +19%. **Pay 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. In accordance with Recommendation 16 of the Reference Code, the table below also shows the ratio between the level of remuneration of the CEO and the level of the minimum growth wage (SMIC). 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 2018 to 2022 to Marc Le Flohic, CEO of the Company since 18 November 2016, for his corporate term as CEO and his employment contract with Keopsys Industries. **Evolution of the 2018–2022 pay equity ratio** See below
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.

Evolution of the 2018–2022 pay equity ratio

CEO	2018	2019	2020	2021	2022	2017–2021 (average)
Compensation paid	340,440	437,926	348,337	495,859	720,401	468,593
Change from previous financial year in %	N/A	29%	-20%	42%	45%	19%
Average employee compensation	**45,430**	**44,259**	**43,332**	**44,988**	**45,985**	**44,799**
Change from previous financial year in %	NA	(3%)	(2%)	4%	2%	0%
Ratio compared to average employee compensation	**7.5**	**9.9**	**8.0**	**11.0**	**15.7**	**10.4**
Change from previous financial year in pts	***N/A***	***2.4***	***(1.9)***	***3.0***	*4.6*	*2.0*
Median employee compensation	**34,815**	**35,101**	**33,135**	**33,473**	34,714	34,248
Change from previous financial year in %	N/A	1%	(6%)	1%	4%	0%
Ratio compared to median employee compensation	**9.8**	**12.5**	**10.5**	**14.8**	**20.8**	**13.7**
Change from previous financial year in pt	***N/A***	***2.7***	***(2.0)***	***4.3***	*5.9*	*2.7*
Minimum growth wage (SMIC)	€17,981	€18,254	€18,473	€18,654	€19,237	€18,520
Change from previous financial year in %	1%	2%	1%	1%	3%	2%
Ratio compared to minimum growth wage	**18.9**	**24.0**	**18.9**	**26.6**	**37.4**	**25.2**
Change from previous financial year in pt	***N/A***	***5.1***	***(5.1)***	***7.7***	*10.9*	*4.6*
Net accounting income (Company performance) in € million(1)	(1.6)	7.8	6.0	3.8	**0.5**	**3.3**
Change from previous financial year in %	(194%)	388%	(23%)	(36%)	(88%)	60%

(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.

The calculation of the pay equity ratio has been revised compared to previous years, as explained below. The following are now taken into account in the calculation of the ratio:

- for the denominator, the compensation of employees with open-ended contracts from 1 January 2018 to 31 December 2022 within the Group's French entities (as a reminder, in previous years, only employees with open-ended contracts within Lumibird SA were taken into account). This methodology was deemed more appropriate due to the increase in the number of employees with open-ended contracts working in French entities other than Lumibird SA over the period 2019-2022 (notably due to the transfer of 81 employees as part of the partial contribution of assets by Lumibird SA of its laser production and research & development activities to Quantel Technologies, carried out on 16 December 2019); moreover, the entities included in the scope are those incorporated in France, due to the disparities in salaries between the various countries in which the Group is established,
- for the numerator, the compensation of Mr Marc Le Flohic received between 1 January 2018 and 31 December 2022 in respect of his office as Chairman and Chief Executive Officer and his employment contract with Keopsys Industries (as a reminder, in previous years, only the compensation of Mr Marc Le Flohic in respect of his office as Chairman and Chief Executive Officer of the Company was taken into account) As the scope of all French subsidiaries was retained in the denominator of the pay equity ratio, it was deemed more relevant to take into account the compensation received by the Company's Chairman and Chief Executive Officer under employment contracts concluded with the Company's subsidiaries,
- 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.

With regard to the pay equity ratio in relation to the annual amount of the minimum growth wage (SMIC), the SMIC as published on the INSEE website (https://www.insee.fr/fr/statistiques/1375188), was taken into account

3.1.3.3. Compensation alloted or paid to the Deputy 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 or alloted to the Deputy CEO during or for the period between 1 January 2022 and 6 December 2022 (effective date of the resignation of Mr. Jean-Marc Gendre from his position as Deputy CEO of the Company).

It will thus be proposed that the general meeting scheduled for 28 April 2023 decide on the components of compensation paid or allotted during or for the period between 1 January 2022 to 6 December 2022 (effective date of the resignation of Mr. Jean-Marc Gendre from his position as Deputy CEO of the Company) to Jean-Marc Gendre, Deputy CEO, 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 Deputy CEO, as approved by the general meeting of 3 May 2022, 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 2021 to Jean-Marc gendre, Deputy 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	€236,370	€236,370	The fixed compensation of Jean-Marc Gendre due and paid for financial year 2022 was calculated pro rata temporis until 6 December 2022, on the basis of a full year's compensation of €253,750, i.e. for the period under consideration €236,370. This compensation corresponds to fixed compensation collected by Jean-Marc Gendre for his corporate office as Deputy CEO of Lumibird (for €118,185), as well as for his employment contract within Quantel Medical (for €118,185).
Variable compensation	€238,305	€-	**Payment of components of variable compensation in 2022 (for the financial year 2021)** The components of variable compensation collected by Jean-Marc Gendre in financial year 2022 correspond to the variable compensation of Jean-Marc Gendre due for financial year 2021. The policy on compensation of the Deputy CEO for the 2021 financial year is presented in paragraph 3.2.3 of the corporate governance report for the financial year ended 31 December 2021. The Board of Directors, during the meeting on 17 March 2022, following the opinion of the Compensation Committee, noted that the quantitative and qualitative objectives to which the payment of variable remuneration for Mr Jean-Marc Gendre for the financial year 2021 was subject had been reached as follows: - with regard to the quantitative objectives, accounting for 60% of the variable remuneration: • revenue (calculated on the same scope as the budget approved by the Board of Directors at its meeting of 16 March 2021) amounted to €162,454k for the 2021 financial year, i.e. the revenue target was achieved by 100.35%, • EBITDA (calculated on the same scope as the budget approved by the Board of Directors at its meeting of 16 March 2021) amounted to €32,643k for the financial year 2021, i.e. the EBITDA target was achieved by 97.98%, • net income (calculated on the same scope as the budget approved by the Board of Directors at its meeting of 16 March 2021) amounted to €13,858k for the financial year 2021, i.e. the net income target was achieved by 85.83%,

Components of compensation submitted for vote	Amounts paid during the financial year ended	Amounts allocated for the financial year ended or accounting valuation	Presentation
			¬ with regard to qualitative objectives, accounting for 40% of variable compensation: • the Group continued its work to cover its extra-financial risks, led by the CSR Director appointed in 2021, and reflected in the extra-financial performance declaration for the 2021 financial year. The degree of coverage of the risks resulting from the analysis of the conclusions of the independent third-party organisation was evaluated at 80%, • Ellex's results for the year 2021 were in line with expectations, integrating the expected synergies linked to the merger, resulting in a 100% performance on this criterion, • The work on finalising the Quantel-Keopsys synergies was 100% completed. Consequently, the Board of Directors meeting of 17 March 2022 unanimously authorised the payment of variable compensation to Mr Jean-Marc Gendre for the 2021 financial year as follows: ¬ with regard to the quantitative criteria, accounting for 60% of the variable compensation: • 50,929 euros for the "turnover" objective, • 48,185 euros for the "EBITDA" objective, • 32,767 for the "net income" objective, ¬ with regard to the qualitative criteria, accounting for 40% of the variable remuneration: • 50,750 euros for the "Quantel-Keopsys synergies" criterion, • 23,375 euros for the "Ellex synergies" criterion, • 20,300 euros for the "extra-financial risks" criterion. i.e. a total variable compensation of €228,305 paid to Mr Jean-Marc Gendre for the financial year 2021. **Procedure for determining the variable compensation for 2022** Following the opinion of the Compensation Committee, the Board of Directors decided, at its meeting on 17 March 2022, that the variable portion of Jen-Marc Gendre's compensation for financial year 2022, in the maximum amount of 100% of his fixed compensation for 2022 (i.e. €253,750), would be based on achievement of the objectives described in paragraph 3.2.3 of the corporate governance report for the year ended 31 December 2021. **Evaluation of the level of achievement of objectives for 2022** During the meeting of 14 March 2023, the Board of Directors, on the advice of the Compensation Committee, decided that, due to the resignation of Mr Jean-Marc Gendre from his duties as Deputy CEO of the Company, no variable remuneration would be paid to him in respect of the financial year 2022, this being replaced by a new variable remuneration in respect of his new duties within the Lumibird Group.
Profit sharing	None	None	Between 1 January 2022 and 6 December 2022 (effective date of the resignation of Mr. Jean-Marc Gendre from his position as Deputy CEO of the Company), Jean-Marc Gendre did not receive any profit sharing from the company under his employment contract with Quantel Medical.
Multiyear variable compensation	None	None	Not applicable.
Exceptional compensation	None	None	Not applicable.
Stock option, performance shares, or any other component of long-term compensation	None	None	No stock option was allocated to Jean-Marc Gendre between 1 January 2022 and 6 December 2022 (effective date of the resignation of Mr. Jean-Marc Gendre from his position as Deputy CEO of the Company) No performance shares were granted to Mr Jean-Marc Gendre Between 1 January 2022 and 6 December 2022 (effective date of the resignation of Mr. Jean-Marc Gendre from his position as Deputy CEO of the Company). In addition, the Board of Directors, during its meeting of 1 April 2022, recorded the definitive acquisition of 40,000 free shares for the benefit of Mr Jean-Marc Gendre, then Deputy CEO of the Company. The conditions for the definitive acquisition of these free shares are described in the special report of the Board of Directors prepared for the 2019 financial year in accordance with the provisions of Article L.225-197-4 of the French Commercial Code, which is available on the Company's website (www.lumibird.com) under the heading "Finance / Regulated Information".
Compensation due to office as director	None	None	Not applicable.
Benefits in kind	€10,622	€10,622	Between 1 January 2022 and 6 December 2022 (effective date of the resignation of Mr. Jean-Marc Gendre from his position as Deputy CEO of the Company), Jean-Marc Gendre has benefited from a corporate car which the Company had provided to him.
Evolution and external comparability/Pay equity ratios			**Evolution and external comparability of the compensation of the Deputy CEO** The fixed compensation paid to Mr Jean-Marc Gendre for 2022 (*pro rata temporis* until 6 December 2022) amounted to €236,370 (including €118,185 for his mandate as Deputy CEO and €118,185 for his employment contract with Quantel Medical). In a full year, Mr Jean-Marc Gendre's compensation would have amounted to €253,750, i.e. a fixed compensation equivalent to that paid for the financial year 2021. This continuity compares to an 18% increase in revenue between the year ending 31 December 2021 and the year ending 31 December 2022. Between 2018 and 2022, the evolution of the total compensation (including all components of fixed, variable, and exceptional compensation) of the Deputy CEO was a yearly average of +20%. **Pay equity ratios** **Table – Putting the compensation of corporate officers in perspective with the Company's performance and the average and median employee compensation**

Components of compensation submitted for vote	Amounts paid during the financial year ended	Amounts allocated for the financial year ended or accounting valuation	Presentation
			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. In accordance with Recommendation 16 of the Reference Code, the table below also shows the ratio between the level of remuneration of the Deputy CEO and the level of the minimum growth wage (SMIC). The compensation of the Deputy 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 2017 to 2021 to Jean-Marc Gendre, Deputy CEO of the Company since 31 March 2021, for his corporate term as Deputy CEO and his employment contract with Quantel Medical. For the 2022 financial year, the remuneration of the Deputy CEO is that which should have been paid to Mr Jean-Marc Gendre, in respect of his corporate mandate and his employment contract, on the basis of a full year, i.e. a fixed compensation equal to €253,750, as well as the variable remuneration of €228,305 paid to Mr Jean-Marc Gendre, in respect of his corporate mandate, for the 2021 financial year. 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 2018 – 2022 pay equity ratio** See below
Termination indemnity: Severance payment	None	None	Not applicable.
Non-compete indemnity	None	None	The Deputy CEO does not benefit from any non-compete indemnity.
Supplementary retirement scheme	None	None	The Deputy CEO does not benefit from any supplementary retirement scheme.

Evolution of the 2018–2022 pay equity ratio

CEO	2018	2019	2020	2021	2022	2017–2021 (average)
Compensation paid	**N/A**	**N/A**	**348,437**	**367,350**	**492,677**	**402,821**
Change from previous financial year in %				**5%**	**34%**	**20%**
Average employee compensation	**45,430**	**44,259**	**43,332**	**44,988**	**45,985**	**44,799**
Change from previous financial year in %	NA	(3%)	(2%)	4%	2%	0%
Ratio compared to average employee compensation			**8.0**	**8.2**	**10.7**	**9.0**
Change from previous financial year in pts				***0.1***	***2.5***	***1.3***
Median employee compensation	**34,815**	**35,101**	**33,135**	**33,473**	34,714	34,248
Change from previous financial year in %		1%	(6%)	1%	4%	0%
Ratio compared to median employee compensation			**10.5**	**11.0**	**14.2**	**11.9**
Change from previous financial year in pt				***0.5***	***3.2***	***1.8***
Minimum growth wage (SMIC)	€17,981	€18,254	€18,473	€18,654	€19,237	€18,520
Change from previous financial year in %		2%	1%	1%	3%	2%
Ratio compared to minimum growth wage			**18.9**	**19.7**	**25.6**	**21.4**
Change from previous financial year in pt				***0.8***	***5.9***	***3.4***
Net accounting income (Company performance) in € million(1)	(1.6)	7.8	6.0	3.8	**0.5**	**3.3**
Change from previous financial year in %		388%	(23%)	(36%)	(88%)	60%

(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.

The calculation of the pay equity ratio has been revised compared to previous years, as explained below. The following are now taken into account in the calculation of the ratio:

- for the denominator, the compensation of employees with open-ended contracts from 1 January 2018 to 31 December 2022 within the Group's French entities (as a reminder, in previous years, only employees with open-ended contracts within Lumibird SA were taken into account). This methodology was deemed more appropriate due to the increase in the number of employees with open-ended contracts working in French entities other than Lumibird SA over the period 2019-2022 (notably due to the transfer of 81 employees as part of the partial contribution of assets by Lumibird SA of its laser production and research & development activities to Quantel Technologies, carried out on 16 December 2019); moreover, the entities included in the scope are those incorporated in France, due to the disparities in salaries between the various countries in which the Group is established,

- for the numerator, the compensation of Mr Jean-Marc Gendre received between 1 January 2018 and 31 December 2021 and the compensation he should have received on a full-year basis in respect of his office as Deputy CEO and his employment contract with Quantel Medical (as a reminder, in previous years, only the compensation of Mr Jean-Marc Gendre in respect of his office as Deputy CEO of the Company was taken into account) As the scope of all French subsidiaries was retained in the denominator of the pay equity ratio, it was deemed more relevant to take into account the compensation received by the Company's Deputy CEO under employment contracts concluded with the Company's subsidiaries,
- 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.

With regard to the pay equity ratio in relation to the annual amount of the minimum growth wage (SMIC), the SMIC as published on the INSEE website (https://www.insee.fr/fr/statistiques/1375188), was taken into account

3.1.3.4. 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.

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

In 2021 and 2022, as since the start of 2023, 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 2022 in accordance with Article L.225-184 of the French commercial code.

3.1.3.6. 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.

The Board of Directors, during its meeting of 1 April 2022, recorded the definitive acquisition of 163,000 free shares, including 40,000 for the benefit of Mr Jean-Marc Gendre, then Company's Deputy CEO. The conditions for the definitive acquisition of these free shares are described in the special report of the Board of Directors prepared for the 2019 financial year in accordance with the provisions of Article L.225-197-4 of the French Commercial Code, which is available on the Company's website (www.lumibird.com) under the heading "Finance / Regulated Information".

Also, on 21 September 2021, the Board of Directors awarded 291,000 bonus Company shares to 84 employees of the Company and certain related companies under article L.225-197-2 of the French commercial code. 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 to 2021 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.

Lastly, on 9 December 2022, the Board of Directors granted 60,000 Company's free shares to an employee of a company affiliated with the Company within the meaning of Article L.225-197-2 of the French Commercial Code. On this point, reference is made to the information presented in the special report of the Board of Directors prepared for the financial year 2022 pursuant to the provisions of Article L.225-197-4 of the French Commercial Code, which is available on the Company's website (www.lumibird.com) in the "Finance / Regulated Information" section.

3.1.3.7. 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 2021	Marc Le Flohic 2022
Compensation allocated for the financial year (detailed in Table 2)	710,384	574,339
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	**710,384**	**574,339**

[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 2021	2022 (1)
Compensation allocated for the financial year (detailed in Table 2)	492,594	246,992
Valuation of multiyear variable compensation allocated for the financial year(2)	-	-
Valuation of options allocated over the financial year(3)	-	-
Valuation of performance shares allocated over the financial year(4) (detailed in table 6)	-	612,000
TOTAL	**492,594**	**858,992**

(1) Mr. Jean-Marc Gendre resigned as Deputy Chief Executive Officer with effect from 6 December 2022. Consequently, the 2022 column shows the compensation items paid to him between 1 January 2022 and 6 December 2022.
(2) Jean-Marc Gendre does not benefit from any multiyear variable compensation mechanism during the period concerned.
(3) Jean-Marc Gendre does not benefit from any stock or share subscription options during the period concerned.
(4) 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). The Board of Directors, during its meeting of 1 April 2022, recorded the definitive acquisition of 40,000 free shares for the benefit of Mr Jean-Marc Gendre.

Table 2 – Breakdown of compensation allocated to each corporate officer

Marc Le Flohic In Euros	Financial year 2021		Financial year 2022	
	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	498,974	284,449	370,759	516,821
Of which fixed compensation	167,475	167,475	167,475	167,475
Of which annual variable compensation	331,499	116,974	185,437	331,499
Of which multiyear variable compensation	-	-	-	-
Of which exceptional compensation	-	-	-	-
Of which compensation allocated for serving as director	-	-	-	-
Of which benefits in kind	-	-	17,847	17,847
Managing director of Keopsys Industries(1)	211,410	211,410	203,580	203,580
Of which fixed compensation	200,970	200,970	200,970	200,970
Of which benefits in kind (2)	10,440	10,440	2,610	2,610
Of which exceptional compensation	-	-	-	-
Of which profit sharing	-	-	-	-
Other offices within the Group	–	–	–	–
TOTAL	**710,384**	**495,859**	**574,339**	**720,401**

(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 2021		Financial year 2022 (1)	
	Amounts due for the financial year	Amounts paid during the financial year	Amounts due for the financial year	Amounts paid during the financial year
Deputy CEO of Lumibird	355,180	207,436	118,185	346,490
Of which fixed compensation	126,875	126,875	118,185	118,185
Of which annual variable compensation	228,305	80,561	-	228,305
Of which multiyear variable compensation	-	-	-	-
Of which exceptional compensation	-	-	-	-
Of which compensation allocated for serving as director	-	-	-	-
Of which benefits in kind	137,414	159,914	128,807	128,807
Strategy director of Quantel Medical(2)	126,875	126,875	118,185	118,185
Of which fixed compensation	10,539	10,539	10,622	10,622
Of which benefits in kind (3)	-	-	-	-
Of which exceptional compensation		22,500	-	-
Of which profit sharing	-	-	-	-
Other offices within the Group	-	-	-	-
TOTAL	**492,594**	**367,350**	**246,992**	**475,297**

(1) Mr. Jean-Marc Gendre resigned as Deputy Chief Executive Officer with effect from 6 December 2022. Consequently, the 2022 column shows the compensation items paid to him between 1 January 2022 and 6 December 2022.
(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 between 1 January 2022 and 6 December 2022.

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
40,000	Plan 1 April 2019 (1)	612,000 (2)	1 April 2022

(1) 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.
(2) 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).

The Board of Directors, during its meeting of 1 April 2022, recorded the definitive acquisition of 40,000 free shares for the benefit of Mr Jean-Marc Gendre.

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 Deputy CEO	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

3.2. Compensation policy for corporate officers of Lumibird for the 2023 financial year

In application of Article L. 22-10-8 of the Commercial Code, the general meeting scheduled for 28 April 2023 to approve the financial statements for the financial year ended 31 December 2022 will be asked to approve the compensation policy for corporate officers for the 2023 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 Deputy CEO.

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 28 April 2023 does not approve these resolutions, the compensation will be determined in conformity with the compensation policy approved by the general meeting held on 3 May 2022 for the financial year 2022. 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 Deputy CEO is contingent on approval from the general meeting.

3.2.1. Principles common to all corporate officers

3.2.1.1. 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 pay 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 Deputy CEO 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.

3.2.1.2. 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 2022, 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.

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

In addition to the elements common to all corporate officers presented under paragraph 3.2.1 of this report, for the 2023 financial year, the Board of Directors of 14 March 2023, after receiving the opinion of the Compensation Committee, decided to propose setting the overall package at 44,000 euros. If this overall package is approved at the general meeting scheduled to be held on 28 April 2023, this will bring the remuneration package to be distributed among the directors to 70,000 euros (including the 26,000 euros remaining to be distributed under the compensation package approved in the 2022 financial year).

The Board of Directors of 14 March 2023, on the advice of the Compensation Committee, decided to set the rule for the distribution of this overall package of 70,000 euros among the directors as follows

- €9,000 will be allocated to each director who is not a corporate officer, including Ms Marie-Hélène Sergent, subject to her appointment as a director of the Company by the general meeting of the Company's shareholders scheduled to take place on 28 April 2023,
- An additional €5,000 will be allocated for each of the 3 chairmanships of the Board Committees (Audit Committee, Remuneration Committee, CSR Committee).

The balance of €10,000 will be retained to compensate any new member who may be appointed in the event of further enlargement of the Board and, failing such enlargement, will be retained and allocated at a later date by the Board of Directors.

The non-voting members of the Board of Directors are not compensated.

3.2.3. Compensation policy applicable to the CEO and any Deputy CEO of the Company

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 any Deputy CEO of the Company who may be appointed by the Board of Directors in the course of the financial year 2023 or any future financial year until a new decision by the Board of Directors, includes specific elements which are elaborated on below. This compensation is presented on a full-year basis and, in the event of the appointment of a Deputy CEO during the financial year, would be prorated according to the exact date of appointment.

This policy covers components of the CEO and any Deputy CEO'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 2023 financial year, the Board of Directors, at its meeting on 14 March 2023, on the advice of the Compensation Committee, has decided:

Components of the Compensation Policy	Presentation
	¬ to set the fixed compensation for Mr Marc Le Flohic at 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, ¬ that the fixed compensation of any Deputy CEO of the Company who is appointed during the financial year 2023 or any future financial year until a new decision by the Board of Directors, shall be set by the Board of Directors at the date of appointment in accordance with the principles described above.
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 the financial year 2023, the Board of Directors decided at its meeting of 14 March 2023, on the advice of the Compensation Committee, to set the variable compensation of the Chairman and Chief Executive Officer of the Company and of any Deputy CEO of the Company who may be appointed by the Board of Directors in the course of the financial year 2023 or any future financial year until a new decision by the Board of Directors, at a maximum of 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 2023, these criteria consist, in the amount of 70%, of quantitative objectives and, in the amount of 30%, of qualitative objectives. **Quantitative objectives, which account for 70% of the variable compensation** Quantitative objectives account for 70% of the variable compensation target if 100% of each of the following objectives is achieved: ¬ Achieve a net income (Group share), on a like-for-like basis, as resulting from the 2023 budget presented to the Board of Directors on 14 March 2023, with this criterion accounting for 30% of the variable compensation target and capped at 66% of the variable compensation target if the 160% objective is met, ¬ Achieve Group sales, on a like-for-like basis, as resulting from the 2023 budget presented to the Board of Directors on 14 March 2023, with this criterion accounting for 20% of the variable compensation target and capped at 44% of the variable compensation target if the 160% objective is met, ¬ Achieve a Group EBITDA, on a like-for-like basis, as resulting from the 2023 Group budget presented to the Board of Directors on 14 March 2023, with this criterion accounting for 20% of the variable compensation target and capped at 44% of the variable compensation target if the 160% objective is met. 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,

Components of the Compensation Policy	Presentation
	¬ 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 30% of the variable compensation** Qualitative objectives depend on: ¬ for 10% of the variable compensation target, reinforcing the implementation of extra-financial risk coverage policies, ¬ for 20% of the variable compensation target, the evolution and structuring of the Group's executive governance. 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.
Variable compensation Deferred methods	Not applicable.
Variable Compensation Payment terms	**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 2023, 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 2022 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 2023.
Exceptional compensation	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. 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 2023.
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 company car). 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 2023 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 2022, 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 2023.
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

Components of the Compensation Policy	Presentation
	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 to a Deputy CEO for the 2023 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 a Deputy CEO.
Holding of both a corporate office and an employment contract	The CEO or any Deputy CEO 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.

4. OTHER INFORMATION CONCERNING CORPORATE GOVERNANCE

4.1. 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 2022. This report is contained in Section 2 of Chapter 2 of the Company's Universal Registration Document for the year ended 31 December 2022.

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.

4.2. 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.

In order to ensure shareholders' effective participation in Lumibird's annual general meetings in a health context that makes physical meetings of shareholders more difficult, in 2020 the Company established a correspondence voting platform via the "Votacess" website with Uptevia Corporate Trust (formerly 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 28 April 2023, has allowed the number of voting shareholders to be substantially increased compared to previous general meetings.

Furthermore, in order to comply with Recommendation No. 14 of the Reference Code, the Board of Directors plans, each year, to review the negative votes cast at the general meetings held in the previous year and to consider possible changes to the resolutions presented at future general meetings in order to take account of these negative votes.

As such, the Board of Directors, in its meeting of 14 March 2023, analysed the votes cast at the General Meeting of Shareholders on 3 May 2022. In particular, it noted that the results showed a high level of participation, as the 328 shareholders represented or voting by correspondence jointly held:

- For the resolutions submitted to the ordinary general meeting, 18,221,739 shares (i.e. 81.48% of the shares with voting rights, and 81.10% of Lumibird's share capital, as at the date of the meeting) and 24,441,158 voting rights (i.e. 84.93% of the voting rights).
- For the resolutions submitted to the Extraordinary General Meeting, 18,140,989 (i.e. 81.12% of the shares with voting rights and 80.75% of the share capital of Lumibird, as at the date of the meeting) and 24,280,408 voting rights (i.e. 84.38% of the voting rights).

Furthermore, the Board of Directors noted that all resolutions were passed by a majority of more than 85% of the votes cast, demonstrating the overall support of the shareholders for the resolutions proposed by the Board of Directors. Consequently, the Board of Directors did not consider it appropriate to change, in view of the general meeting scheduled to be held on 28 April 2023, what may have led to negative votes on the resolutions proposed at the general meeting of shareholders on 3 May 2022.

4.3. Authorised capital

4.3.1. Table summarising the financial authorisations and delegations granted to the Board of Directors currently in force

The table presenting the various delegations of authority and financial authorisations granted to the Board of Directors on 4 May 2021 and 3 May 2022 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 authorisations have not been used by the Board of Directors, with the exception of:

- the authorisation granted by the general meeting of Shareholders of 3 May 2022 in its 13th resolution, for the Company to buy back its own shares with a view to continuing to implement the liquidity agreement entered into with Louis Capital Markets (see section 12.4 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 2022 for further information).
- the authorisation granted by the General Meeting of Shareholders of 4 May 2021 in its 27th 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.

4.3.2. Presentation of proposed financial authorisations and delegations for the Combined General Meeting scheduled on 28 April 2023

The financial delegations and authorisations proposed to the Combined General Meeting to be held on 28 April 2023 are set out in Chapter 6 of the Company's Universal Registration Document for the financial year ended 31 December 2022, which is available on the Company's website (www.lumibird.com) in the "Finance / Regulated Information" section.

4.4. 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 62.1% 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 2022.

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 authorisations 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 2022, 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.
- ____

The Board of directors

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 2022 financial year	Over the past five years	During the 2022 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	Member of the Supervisory Board of Financière Platine and Myrtil (SAFIC ALCAN), Wisteria and Groupe Positive	Member of the Supervisory Boards of Safinca Non-voting member on the Supervisory Boards of Equis Holding Member of the Strategic Committee of Financière Lily 2

APPENDIX 2

Draft resolution no. 10 submitted to the general meeting scheduled for 28 April 2023 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 2022 financial year (general ex post say on pay)

Tenth resolution

(Approval of the information relating to the compensation of corporate officers for the year ended 31 December 2022 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 2022 presented in the Board of Directors' report on corporate governance, included in Chapter 2 of the Company's 2022 Universal Registration Document, in accordance with section I of Article L.22-10-9 of the Commercial Code.

APPENDIX 3

Draft resolution no. 11 submitted to the general meeting scheduled to be held on 28 April 2023 regarding the approval of fixed, variable, and exceptional components of total compensation and benefits of any kind paid or attributed to the CEO during the 2022 financial year

Eleventh 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 2022)

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 with 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 2022, as presented in the Board of Directors' report on corporate governance, included in Chapter 2 of the Company's 2022 Universal Registration Document.

APPENDIX 4

Draft resolution no. 12 submitted to the general meeting scheduled to be held on 28 April 2023 regarding the approval of fixed, variable, and exceptional components of total compensation and benefits of any kind paid or attributed to the Deputy CEO during the 2022 financial year

Twelfth resolution

(Approval of the fixed, variable and exceptional items making up the total compensation and benefits of any kind paid or allocated for the year ended 31 December 2022 to Mr. Jean-Marc Gendre, Deputy Chief Executive Officer of the Company until 6 December 2022)

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 with 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 for the year ended 31 December 2022 to Jean-Marc Gendre, Deputy Chief Executive Officer of the Company until 6 December 2022, as presented in the Board of Directors' report on corporate governance, included in Chapter 2 of the Company's 2021 Universal Registration Document.

APPENDIX 5

Draft resolutions no. 13 to 15 submitted to the general meeting scheduled to be held on 28 April 2023 in relation to the compensation policies applicable to the Directors, the CEO, and the Deputy CEO for the 2023 financial year

Thirteenth resolution

(Approval of the compensation policy applicable to the members of the Board of Directors for the financial year 2023)

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 with 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 2023 financial year, as presented in the Board of Directors' report on corporate governance, included in Chapter 2 of the Company's 2022 Universal Registration Document.

Fourteenth resolution

(Approval of the compensation policy applicable to the CEO for the financial year 2023)

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 with the provisions of Article L.22-10-8 of the French commercial code, the compensation policy applicable to the CEO for the 2023 financial year, as presented in the Board of Directors' report on corporate governance, included in Chapter 2 of the Company's 2022 Universal Registration Document.

Fifteenth resolution

(Approval of the compensation policy applicable to the Deputy CEO for the financial year 2023)

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 with the provisions of Article L.22-10-8 of the French commercial code, the compensation policy applicable to the Deputy CEO for the 2023 financial year, as presented in the Board of Directors' report on corporate governance, included in Chapter 2 of the Company's 2022 Universal Registration Document.

APPENDIX 6

TABLE OF FINANCIAL DELEGATIONS

The financial authorisations and delegations of authority presented in the following table were granted to the Board of Directors on 4 May 2021 and 3 May 2022.

Securities concerned	Source of the authorisation	Duration and end of the authorisation	Limits applicable for the authorisation	Use of the authorisation	Specific features of the authorisation
PURCHASE OF ITS OWN SHARES BY THE COMPANY					
Authorisation in connection with a program for the Company to purchase its own shares	Combined General Meeting on 3 May 2022 13th resolution	18 months Ending 3 Nov 2023	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 authorisation 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 4 May 2021 19th resolution	26 months Ending 4 July 2023	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 4 May 2021 20th resolution	26 months Ending 4 July 2023	Within the limit of 50,000,000 euros (specific limit and overall maximum limit)	-	-
Increase in the share capital through the incorporation of reserves, profits or issue premiums	Combined General Meeting on 4 May 2021 20th resolution	26 months Ending 4 July 2023	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 4 May 2021 21st resolution	26 months Ending 4 July 2023	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.22-10-35 and R.22-10-32 of the French commercial code.
(3) Increase in the capital of the Company or another company through the issuing	Combined General Meeting on 4 May 2021 22nd resolution	26 months Ending 4 July 2023	Within the limits of 50,000,000 euros and 20% of the capital per year, and	-	The subscription price for the securities issued under the delegation will be determined in accordance with Articles L.22-10-35 and R.22-10-32 of the French commercial code.

Securities concerned	Source of the authorisation	Duration and end of the authorisation	Limits applicable for the authorisation	Use of the authorisation	Specific features of the authorisation
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			the overall maximum limit set in **(1)**		
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 4 May 2021 23rd resolution	26 months Ending 4 July 2023	Within the limits of 15% of the initial issue and the overall maximum limit of 50,000,000 euros set 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 4 May 2021 24th resolution	26 months Ending 4 July 2023	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, at the Board of Directors' discretion, than (i) the last closing price of the Company's share preceding the setting of the issue price, possibly reduced by a maximum discount of 20%, (ii) the weighted average price of the Company's share on the Euronext Paris market during the last three trading sessions preceding the setting of the issue price, possibly reduced by a maximum discount of 20%, (iii) the average of the prices of the Company's shares on the Euronext Paris market recorded over a maximum period of six months preceding the setting of the issue price, possibly reduced by a maximum discount of 20%.
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 4 May 2021 25th resolution	26 months Ending 4 July 2023	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	Combined General Meeting on 3 May 2022 14th resolution	18 months Ending 3 Nov 2023	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/or (ii) French or foreign-law industrial groups with operational activities in high-technology

Securities concerned	Source of the authorisation	Duration and end of the authorisation	Limits applicable for the authorisation	Use of the authorisation	Specific features of the authorisation
the French commercial code					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 service 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 issue price of the securities issued under this delegation may be no lower, at the Board of Directors' discretion, than (i) the last closing price of the Company's share preceding the setting of the issue price, possibly reduced by a maximum discount of 20%, (ii) the weighted average price of the Company's share on the Euronext Paris market during the last three trading sessions preceding the setting of the issue price, possibly reduced by a maximum discount of 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 4 May 2021 27th resolution	38 months Ending 4 July 2024	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)	On 21 September 2021, the Board of Directors awarded 291,000 bonus Company shares to 84 employees of the Company and certain related companies under article L.225-197-2 of the French commercial code. In this respect, reference is made to the information presented in the special reports of the Board of Directors prepared for the financial year 2021 pursuant to the provisions of Article L.225-197-4 of the French Commercial Code, available on the Company's website (www.lumibird.com) in the "Finance / Regulated Information" section."	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.
Authorisation to award stock options to some or all of the Groups employees and corporate officers	Combined General Meeting on 4 May 2021 28th resolution	38 months Ending 4 July 2024	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 3 May 2022 15th resolution	26 months Ending 3 July 2024			The maximum nominal amount of capital increases that may be carried out under this authorisation is set at 1,000,000 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.

STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS FOR 2021

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

We hereby inform you that we have not been advised of any agreements that were authorised 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

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 16 July, 2020, director since 22 September, 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.

This agreement allows the Company to benefit from Esira's expertise in the implementation of its global strategy and to ensure the stability of its shareholding.

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, 6 April 2023

The Statutory Auditors

KPMG S.A.	Mazars
Vincent Broyé *Partner*	Ludovic Sevestre *Partner*

CHAPTER 3

RISK AND CONTROL

Section 1

RISK FACTORS

The Group conducted an analysis of the main 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 risk assessment procedures (described below in Section 2 - paragraph 1.2.4 of this Chapter 3) that take 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 related to the climatic and macro-economic environment, business sectors and strategy of the Group			
Risk of resurgence, worsening or protraction of the Covid-19 crisis		1.1	2.1
Risks of it being impossible for the production teams to work on site	**	*1.1.1*	*2.1.1*
Risks relating to the impacts of remote working on the motivation and mental condition of Group employees	*	*1.1.2*	*2.1.2*
Risks of canceled orders, delivery delays and supply chain disruption	**	*1.1.3*	*2.1.3*
Risks linked to the financial, macroeconomic, and overall geopolitical environment in which the Group operates	***	1.2	2.2
Risks linked to global warming	**	1.3	2.3
Risks linked to Group competition in its markets	**	1.4	2.4
Risks of technological obsolescence and innovation of the Group's products	**	1.5	2.5.1
Risks of non-development of the markets in which the Group operates	**	1.6	2.4
Operational risks and risks related to the Group's structure			
Risks of defectiveness or performance default of the Group's products	**	2.1	2.5.2
Risks to the Group's talents and expertise	**	2.2	2.6
Risks of hacking, intrusion, or cyberattacks on the Group's IT systems	***	2.3	2.7
Risks linked to ESIRA's control of the Company	**	2.4	2.8
Counterparty risks of the Group's clients	*	2.5	2.9.1
Risks of economic dependence with respect to some of the Group's providers	**	2.6	2.9.2
Risks related to acquisitions and external growth operations and strategic agreements			
Risks linked to external growth operations planned or performed by the Group	**	3.1	2.10
Risks linked to the Group's strategic agreements	*	3.2	2.11
Legal and regulatory risks			
Risks relating to authorisations to export or sell the Group's medical or laser products	**	4.1	2.12.1
Other ethics and compliance risks			
Risk of non-compliance with anti-corruption and bribery legislation and regulations	***	*4.2.1*	*2.12.2*
Risk of non-compliance with anti-modern slavery and child labor legislation	*	*4.2.2*	*2.12.3*
Risk of non-compliance with personal data protection legislation	**	*4.2.3*	*2.12.4*
Risks linked to the Group's industrial property rights	**	4.3	2.13
Risks linked to the financing of the Group's research and development	***	4.4	2.13
Risks linked to the Group's insurance policies	*	4.5	2.14
Judicial and arbitration procedures	*	4.6	2.15
Financial risks			
Exchange rate risk	*	5.1	2.16
Interest rate risk	*	5.2	2.16
Liquidity risk	*	5.3	2.16

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

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

The recent years 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 recorded the following impacts and identified the following risks linked to the Covid-19 epidemic:

1.1.1 The measures encouraging or requiring people to work from home in some of the Group's jurisdictions or restricting travel for the Group's employees have sometimes made - and could in the future make - it impossible or difficult for the production teams to work on site**

In 2022, the Group used arrangements for staff to work remotely for its support functions primarily. For its production functions, while the Group has not had to shut down any of its production lines or sites, it has been faced with stoppages linked to the spreading of Covid-19. In France, nearly 30% of staff were absent at least once during the year as a result of Covid-19 (childcare, sick leave, paid leave).

If the Group is unable to physically bring together its production teams or capitalise on all the benefits of working remotely, it could be faced with a drop in productivity for its teams, which would have an adverse impact on its earnings and outlook.

1.1.2 The lockdown and curfew measures and other restrictions adopted by the various States where the Group operates, restricting the free circulation of its staff, and the widespread adoption of arrangements by Lumibird for staff to work remotely could have negative impacts on the motivation and mental condition of the Group's employees*

For example, in 2022, some of the Group's staff expressly asked to be able to work on site, at least for a limited time per week, and to not be forced to work remotely 100% of the time, for psychological balance reasons. If the Group is unable to motivate its staff, it could be faced with a drop in productivity among its teams and increased absenteeism, which would have an adverse impact on its earnings and outlook.

1.1.3 Any resurgence, worsening or extension of the Covid-19 epidemic could result in canceled orders, delivery delays and supply chain disruption**

In 2022 the Group did not endure any cancellation of orders or termination of contracts. The Group has nevertheless been able to observe occasional delivery delays particularly due to supply delays linked to market tensions.
In the future, the global health crisis will have an impact on the Group's results and 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 potential adoption of new lockdown, curfew and other restriction measures in the various countries where the Group operates,
- the impact of the health crisis on the motivation and health of its employees, 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 2022, it earned 16% of its revenues in France (up 1% compared to 2021), 24% in other European countries (stable compared to 2021), 26% in the Canada, United States, and Latin American zone (up 3% compared to 2021), 22% in the Asia-Pacific zone (down 3% compared to 2021), and 12% 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), high inflation, a sharp variation in energy prices, oil, gas or other raw materials, a shortage of certain electronic components, an economic slowdown within the countries in which the Group 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.

In particular, in 2021 and 2022, the shortage affecting electronic components, and active circuits in particular, led to delivery delays for the Group. On the date of this Universal Registration Document, the Group estimates that part of its backlog is continuing to be affected by these shortages, requiring alternative solutions to be deployed in order to maintain acceptable delivery times. The Group cannot guarantee that the shortage of this type of electronic circuits will not continue in 2023, notably as a result of production restrictions in China (confinements), a strong recovery in demand after the Covid-19 crisis, higher raw material costs and the reorganisation of this value chain initiated by manufacturers to the detriment of brokers, which risks having a further impact on sourcing costs and timeframes. If this shortage became more acute, the Group could be unable to honor certain orders, which would have a negative impact on its revenues, profitability and earnings. Moreover, the possibility of this issue lasting or spreading to other types of components, such as aluminum mechanical parts and cases, which are very widely used in the lasers produced by the Group, cannot be ruled out.

Furthermore, since the Group earned 84% of its international (outside of France) revenues in 2022, 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 geopolitical tensions related to the Russian-Ukrainian conflict that began in February 2022, 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 resurgence 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 global warming***

The Group operates in certain regions around the world that are exposed to changes (in terms of their scope or frequency) concerning exceptional meteorological phenomena due to climate change. For example, Australia, a jurisdiction where the Group carries out a significant percentage of its activities through its subsidiary Ellex, experienced significant flooding in 2022, while Europe, an area in which the Group achieves a significant part of its turnover, has been affected by several heat waves and droughts creating fire risks, including in areas where the Group operates industrial and commercial sites.

All of these phenomena (fires, heatwaves, droughts, storms, hurricanes, flooding) could slow down or disrupt the Group's operations, increase the costs involved, degrade working conditions for employees or even damage its R&D or production sites.

While the Group has not experienced such situations on the date of this Universal Registration Document, it cannot guarantee that, in the future, its assets, facilities or employees will not be affected by natural disasters linked to global warming. If this happened, it would result in repair costs and a shortfall resulting from the Group's operations being shut down, which could have an adverse impact on its financial position and earnings.

1.4. 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 competition is primarily from Asian companies, with players such as Onet, Ammonics, along with European competitors, such as BKTEL, and North American companies like Nuphoton, MPB and Advalue Photonics. In the field of nanosecond pulsed lasers, for scientific or industrial applications, competition is global, with companies such as MKS-Spectra Physics, Amplitude-Continuum, Litron, Ekspla, Innolas or Cutting Edge Optronics. 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 3D scanning fibre lasers for LIDAR surveying applications and to hold significant world market shares 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 30%, 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.

1.5. 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.

1.6 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. The fibre laser market is expected to grow at an average of 10% per year until 2025, according to a McKinsey & Co report of June 2021[(1)7]. The report also highlights that the sector is on the cusp of a new era of innovation in which lasers will increasingly be combined with optical and sensor technologies to enable more sophisticated applications. According to the same report, it is estimated that the entire fibre laser market will reach close to $7 million in 2025, 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 massive products recalls or 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**

Macroeconomic conditions in recent years have exacerbated the scarcity of human resources and hyper-competition between organisations. Therefore, 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 fields of optics and optoelectronics, in all areas of the company, from design in R&D to production and after-sales service, not forgetting the support services: procurement, supply chain, IT, quality, finance, human resources, CSR. 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 division, 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 2022 accounted for more than 15% of its 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, temporary or permanent loss, or alteration of its data to be critical. This risk has been notably accentuated by the recent health crisis linked to Covid-19, which has greatly facilitated 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 (including ransomware) 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."

If these acts of cyber fraud or cyberattacks were to occur, 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 62.11% of its voting rights (without taking into

[7] *McKinsey & Co, The next wave of innovation in photonics – June 28, 2021*

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 2022 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, flash or slit lamps, laser diodes or even 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.

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, during 2022, the Group remained active in its external growth operations. In particular, in May 2022, the Group finalised the acquisition of the Saab Group's defence laser rangefinder business and in September 2022 it completed the acquisition of Innoptics, a company specialising in the encapsulation of electronic components.

Within the context of its recent or future 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. Integration could also require significant financial or human investments that the Group did not anticipate or 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. Risks relating to authorisations to export or sell the Group's medical or laser products**

The laser products designed, manufactured and sold by the Group involve public health and safety issues or sensitive components for the defence of certain States. Depending on the division and jurisdiction concerned, the Group may be subject to conditions for obtaining and maintaining authorisations from the relevant authorities to export or sell laser or medical products. The main jurisdictions concerned are the European Union and the United States, where the Group manufactured all of its laser products in 2022.

For example, some of the products from the Group's Photonics Division that are manufactured in Europe are subject to the European regulations concerning exports of dual-use products in connection with Council Regulation (EC) No 428/2009 of May 5, 2009. Under these regulations, the Group's exports of these products to third countries (located outside the European Union) are subject to authorisation from the national authorities (in France, the Minister of Industry). In France, some of Sensup's products, relating to laser weapons, are subject to export controls for defence equipment (Article R.311-2 of the French Internal Security Code and Articles L.2335-1 et seq of the French Defence Code) and must therefore also obtain specific authorisations from the French Ministry of Defence and the Directorate General of Armaments for any exports outside the European Union.

In the United States, 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. When the products concerned are low-technology lasers, they may be classified in the "EAR 99" category and exempt from export licenses. This is notably the case for Quantel USA's exports of certain versions of the CFR, DRL and MERION products. For exports concerning certain jurisdictions, such as China, the Group is required to obtain a statement from the client setting out its intentions concerning the product's use and ultimate purpose (End-User Statement).

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 competent 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 regulations applicable in Europe or in the United States, does not obtain the authorisations needed to export its manufactured products to Europe or the United States, or, for the United States only, 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 foreign clients (not located in Europe or in the United States, respectively), 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.

Moreover, with regard to its products that are manufactured in the United States and exempt from export licenses under the "EAR 99" classification, the Group cannot guarantee that the statements made by clients concerning the products' use and ultimate purpose are accurate or will be respected. If clients do not comply with their statements, this could have negative impacts on the Group's relations with the American authorities and particularly the Bureau of Industry and Security, within the United States Department of Commerce.

Lastly, medical products designed and manufactured by the Medical division must comply with the essential requirements of Regulation 2017/745/EU of 5 April 2017, strengthening the safety of medical devices. In the United States, medical products that the Group has manufactured and sold are systematically subject to the requirement of obtaining an FDA (Food and Drug Administration) authorisation. If the authorisation of the Group's new medical products is denied by the European authorities or by the FDA, their sale in Europe or in the United States might 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, it could be forced to recall certain medical products that do not conform, which would result in significant commercial and reputational damage.

4.2. Other ethics and compliance risks

In addition to the regulations identified above, the Group could be subject to a risk of non-compliance with the following regulations:

4.2.1 Certain Group employees, agents or representatives could breach anti-corruption and bribery legislation and regulations***

In 2022, the Group recorded 21% of its revenues in countries that it considers to be risky, i.e. whose corruption perceptions index is less than 50 according to the NGO Transparency International[8], as compared to 21% in 2021. Although on the date of this Universal Registration Document, the Group has not recorded any proven instances of corruption, the risk cannot be ruled out that in the future, some of its employees, agents or representatives might breach or commit offenses relating to local anti-corruption or bribery legislation, particularly in the countries with the highest exposure levels. If this risk occurred, it would result in civil or criminal penalties, which would have an adverse impact on the Group's earnings and its image in relation to local authorities and other stakeholders

4.2.2 Certain Group suppliers, subcontractors or other commercial partners could breach anti-modern slavery and child labor legislation*

In 2022, the Group recorded 15% of its revenues in countries that it considers to be risky, i.e. whose slavery vulnerability rating is higher than 40% according to the NGO Walk Free[9], as compared to 17% in 2021.

Although on the date of this Universal Registration Document, the Group is not aware of any instances of modern slavery or child labor, it cannot rule out the risk that in the future, some of its suppliers, subcontractors or other commercial partners involved in its supply chain might breach or commit offenses relating to local anti-modern slavery and child labor legislation, particularly in the countries with the highest exposure levels. If this risk occurred, it would result in significant damage to the Group's image and the immediate end of commercial relations with the partner concerned, which would have an adverse impact on the Group's production capacity and sourcing.

4.2.3 The Group could not be fully compliant with personal data protection legislation and specifically Regulation No.2016/279 of April 27, 2016 (GDPR)**

In connection with its activities, for both the Photonics Division and the Medical Division, the Group collects and processes personal data, particularly regarding clients, employees and commercial or financial partners. Within this framework, the Group is subject to complex and evolving regulations in various jurisdictions, including Regulation No.2016/279 of April 27, 2016 (GDPR).

If the Group is unable to comply with all of the personal data protection legislation and regulations, and particularly Regulation No 2016/279 of April 27, 2016 (GDPR), this could result in a risk of penalties being applied by the specialist authorities, which could reach significant amounts

4.3. Risks related to the Group's industrial property rights**

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 2022, amounted to 17.0 million euros (vs 16.4 million euros in 2021), of which 11.0 million were capitalised and 6.0 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 45 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.

4.4 Risks related to the financing of the Group's R&D***

A portion of the financing of the Group's research and development activities is provided (approximately 4% for financial year 2022, vs around 3% for 2021) 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.

[8] *Transparency International's ranking can be found at: https://www.transparency.org/en/cpi/2021/.*

[9] *Walk Free's ranking can be found at: https://www.globalslaveryindex.org/2018/data/maps/#prevalence.*

4.5 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.

4.6 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 6.1.17 of the notes to the annual consolidated financial statements as at 31 December 2022. The provisions recorded, or that the Group could end up recording in its financial statements, 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.

5. FINANCIAL RISKS

5.1. 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 exchange rate 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 2022 for more information concerning the exchange rate risk.

5.2. Interest rate risk *

The bank loans contracted by the Group are at fixed rates and the Group is not exposed to interest rate risk. The average consolidated cost of net financial debt was 2.96% at 31 December 2022 compared with 2.55% at 31 December 2021.

The reader is asked to refer to Note 6.5.2 to the consolidated financial statements as at 31 December 2022 for more information concerning the interest rate risk.

5.3. 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 2022 for more information on the liquidity risk.

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. RISK IDENTIFICATION AND CONTROL PROCEDURES

1.1. Accounting and financial reporting

The general internal control and risk management principles relating to the accounting and financial reporting (defined as 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 accounting and financial reporting 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 centralised 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 financial statements, 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 organised between the Deputy CEO, the Finance Department and the operational managers from the Laser 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 analysed 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 finalised, 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 the Board of Directors' corporate governance report in accordance with Article L.225-37 of the French commercial code.

1.2. Risk management policy and framework

The Lumibird Group's risk management is a system of coordinated activities to oversee and control the Group in terms of risks (both financial and non-financial). The Group has developed a risk management framework that provides insights into the structure, methodologies and direction for managing risks within Lumibird. This framework is designed to ensure that the identification, assessment and response to risks are incorporated into its activities by the Group.

Risk management is recognized as the foundation for good corporate governance, healthy management and organizational success. Good risk management should enable the Group to successfully achieve its objectives and ensure the efficient, effective, economical and ethical use of its resources.

1.2.1. Risk management objectives

The risk management objectives within the Lumibird Group are as follows:

- Ensuring that the risk management principles and processes are applied to support informed, efficient and effective decision-making in order to achieve the organizational objectives set by the Group,
- Ensuring that the major risks are identified, understood and managed correctly,
- Ensuring that the operational processes are focused on the areas where risk management is required,
- Ensuring the efficient and effective management of shared or cross-jurisdiction risks,

- Further strengthening organizational resilience and capitalizing on the opportunities for improving performance levels, and
- Promoting and encouraging a positive risk culture within which all the staff facing risks take on the responsibility for identifying and managing the risks.

Risk management creates and protects value. By managing risks efficiently and effectively, Lumibird aims to increase both the probability of achieving its commercial objectives and the confidence of its various stakeholders.

1.2.2. Risk management governance

Some risks have a limited potential impact, while others could potentially threaten the achievement of Lumibird's strategic objectives. Within the Lumibird Group, risks are approached on three levels:

- "Group" risks which could result in significant financial or operational impacts and threaten the achievement of the strategic objectives set by the Group (including the risk factors presented in section 1 of this chapter 3). These risks are identified, addressed and managed at the highest level by the Management Committee, supported by a sub-committee that was set up recently, the Risk and Governance Committee, which ensures that "Group" risks are systematically assessed and used to ensure informed decision-making and planning. Within this framework, the Management Committee is also supported by the Group's Executive Committees. Ultimately, "Group" risks are reported to and reviewed by the Board of Directors and the Company's Audit Committee.
- "Business Unit" risks which are likely to have an impact on the annual objectives of a Group Business Unit or a specific function. These risks are identified, addressed and managed by the senior managers partly through day-to-day operations, as well as through more specific and ongoing plans and activities. They report to the Group's management through reporting to a designated member of the Group Management Committee.
- "Local" risks which involve a potential impact for a specific site, at local or project level. These risks are identified, addressed and managed by the Group's local management teams through the adoption of measures concerning day-to-day management. The local management teams also generally put in place risk management plans that are not reviewed or formalized by the Group's governance bodies, unless expressly requested by the Management Committee.

1.2.3. Risk identification procedures

The Group's approach in terms of identifying risks takes into account three risk environments: external, implementation and operational.

- The external environment generates risks resulting from changes in the political, economic, social and technological environment and the way that these may impact the Group's objectives and strategies.
- The implementation environment generates risks resulting from the implementation of new R&D commercial systems, programs or policies or significant changes made to the Group's existing programs or systems.
- The operational environment generates risks resulting from the Group's day-to-day activities, such as shortcomings, breakdowns or malfunctions affecting the systems, processes and procedures that the Group has put in place to mitigate the risks.

1.2.4. Risk assessment and management procedures

The risk assessment and management procedures are adapted to the objective and in proportion to the scale or significance of the risks that they are intended to cover. The Group applies three specific procedures:

- The Group has drawn up a "risk matrix" enabling it to analyze and assess the risks, taking into account their level of impact and their probability of occurrence (after factoring in any risk management or mitigation measures put in place by Lumibird). Each risk is analyzed in relation to this matrix and is assigned a risk level.
- The Group has drawn up a risk appetite and tolerance policy that reflects (i) the level of risk that the organization is willing to accept in the pursuit of its objectives, as well as the Group's attitude in relation to the risk, taking into account the inherent level of uncertainty with the risk environment, and (ii) the organization's potential tolerance of certain risks that it considers to be more acceptable.
- The treatment of the risks is ultimately determined by the risk level assigned to each risk based on the matrix in relation to its risk appetite and tolerance. The Group is supported by a roadmap that helps it to manage and oversee the treatment, escalation and retention of risks. The risk management procedures within the Lumibird Group include, for instance, processes for planning and budgeting risks relating to activities, project management agreements, specific financial operations (including external growth operations), the integration of new entities and the implementation of information systems.

2. MITIGATION MEASURES FOR IDENTIFIED RISKS

For each risk identified in section 1 of this Chapter 3, the Group strives to establish appropriate policies aimed at (ii) identify situations where a risk may materialise as soon as possible after its occurrence and (iii) mitigate the effects of a risk after its occurrence.

Nevertheless, risks from the external environment (see paragraph 1.2.2) by their very nature cannot be subject to measures to reduce their probability of occurrence, notably:

- risks depending on the global environment, over which the Group has no control whatsoever, such as the risks of resurgence, worsening or protraction of the Covid-19 crisis described in section 1 – paragraph 1.1 of this Chapter 3, 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, risks linked to global warming, as described in section 1 – paragraph 1.3 of this Chapter 3, or the risks of not developing the Group's markets, as described in Section 1 – Paragraph 1.6 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 1.4 of this Chapter 3.

2.1. Mitigation measures for the risk of resurgence, worsening or protraction of the Covid-19 crisis

Since the start of the Covid-19 pandemic, the Group's Management Committee has put in place comprehensive arrangements to continuously monitor changes in the regulations and standards restricting the free circulation of its staff. The Group has also taken the following actions:

2.1.1 With regard to the risks of it being impossible for the production teams to work on site (presented in section 1 – paragraph 1.1.1 of this Chapter 3), the Group encourages staff to work on site, notably by putting in place appropriate health procedures and obtaining exemptions from the requirements to work remotely in Australia and the United States. For the other teams, the Group has adapted to remote working by developing all of the managerial and IT tools required for the effective coordination and circulation of information between the Group's employees.

2.1.2 With regard to the risks relating to the impacts of remote working on the motivation and mental condition of Group employees (presented in section 1 – paragraph 1.1.2 of this Chapter 3), the Group put in place, with a view to maintaining the motivation and protecting the mental health of its employees, HR procedures involving the local managers tasked with identifying problematic situations and responding to them in an appropriate manner (e.g. by adjusting working times, distributing tasks more efficiently, submitting additional requests for exceptions to remote work, etc.).

2.1.3 Lastly, with regard to the risks of canceled orders, delivery delays and supply chain disruption (presented in section 1 – paragraph 1.1.3 of this Chapter 3), the Group has put in place an action plan making it possible, in the event of cancellations, to realign production and R&D activities around orders for clients whose activity has not been shut down or that are likely to pick up again most quickly. To avoid the risks of delivery delays and supply chain disruption, the Group is also supported by its multi-sourcing strategy, presented in section 2 – paragraph 2.9.2 of this Chapter 3, ensuring that it has a low level of dependence on suppliers.

2.2. Mitigation measures for risks relating to the global financial, macroeconomic and geopolitical environment that the Group operates in

To limit the risks relating to the global financial, macroeconomic and geopolitical environment that the Group operates in (presented in section 1 – paragraph 1.2 of this Chapter 3), the Group continuously monitors, through its Management Committee, changes in international financial or macroeconomic conditions, as well as the status of trade relations between the main jurisdictions where it operates. For example, The Group renegotiated the majority of its energy supply contracts in order to cope with the increase in energy prices over the past year.

In 2022, the Management Committee analysed the Group's exposure to the 2022 Russia-Ukraine conflict. In this context, it estimated that the Group has relatively limited exposure to this conflict since, in 2021, it recorded less than 0.8% (vs 1.5% in 2021) of its revenues in Russia and less than 0.2% (vs 0.5% in 2021) in Ukraine. In addition, the Group does not currently hold any significant receivables to be recovered in Russia or Ukraine, and no sourcing is currently in place with suppliers from either of these two countries.

With regard to the shortage affecting electronics components in 2021 and 2022, and particularly active circuits, the Group systematically carried out work to find equivalent components for each delivery delay, through the Procurement Department, in conjunction with its operational units (*Business Units*). This work led to a number of changes to the bills of materials for virtually all of the Group's boards, requiring performance levels to be revalidated in certain cases and, more rarely, several iterative phases of work to be carried out before achieving a result that was in line with its requirements. Moreover, to limit the effects of any continuation of this shortage, the Group has set up a strategy working with the suppliers concerned to build up safety stocks on a better scale thanks to a quantification of future requirements over a timeframe with increased visibility (typically 12-24 months) and now uses brokers to gain better access to the rarest components. Lastly, the Group is also capitalising on its multi-sourcing strategy, presented in section 2 – paragraph 2.9.2 of this Chapter 3, in order to reduce its level of dependence on certain suppliers.

2.3. Mitigation measures for risks relating to global warming

To minimise the impact of climate risks (presented in section 1 – paragraph 1.3 of this Chapter 3) on its assets, facilities or employees, the Group systematically analyses, prior to any investment, the physical risks associated with a given site (availability of water, frequency of extreme events, etc.).

In addition, exposure to natural disasters is taken into account specifically when designing the Group's production and R&D facilities, in the same way as their energy efficiency or carbon footprint.

2.4. Mitigation measures for market risks (risks relating to the Group's competition on its markets and risks of the Group's markets not developing)

In connection with the management of market risks (competitive risks presented in section 1 – paragraph 1.4 of this Chapter 3 and risks of the Group's markets not developing presented in section 1 – paragraph 1.6 of this Chapter 3), the Group controls and closely monitors the developments on each of the markets that it operates on, the changes in the competitive landscape for each of its divisions, taking into account the changes in its market shares, recent consolidation operations involving its competitors and the latest innovations by stakeholders in this area.
Moreover, the Group believes that its model for vertical integration (from design through to the distribution of its products) represents an asset in terms of managing the competitive risk. It also regularly positions itself on operations to acquire companies or new technologies in the sector in order to avoid too significant levels of concentration.

2.5. 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.

2.5.1 As concerns the risks of technological obsolescence and innovation of its products (described in Section 1 - paragraph 1.5 of this Chapter 3), the Group tries to deploy three medium to long-term development roadmaps (one for the Photonics Division, one for the Medical Division and one for the LIDAR Division), 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.

2.5.2 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).

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.

2.6. Mitigation measures for 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) firstly 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.

The work to review and update HR procedures, initiated in 2020, continued in 2022.

In addition, the Group also addresses talent risk through frequent reviews of its compensation policy. For example, the Group increased salaries by an average of 3.1% in the past year, partly to help employees cope with the inflationary risks facing our economy. Lastly, 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. For example, during its meeting of 21 September 2021, the Board of Directors of Lumibird decided to adopt a new free share allocation plan for the benefit of several categories of Group employees representing a total of 84 employees and 291,000 shares.

2.7. Mitigation measures for the risks of hacking, intrusion, or cyberattacks on the Group's IT systems

Aware of the importance of the risks relating to hacking, intrusion or cyberattacks on its information systems (presented in section 1 - paragraph 2.3 of this Chapter 3), the Group has significantly strengthened its anti-hacking strategy.

Since 2021, the Group carried out a quarterly security review in order to ensure the effective follow-up on and monitoring of the actions approved in conjunction with the Data Protection Officer (DPO), who is supporting Lumibird with its strategy to further strengthen its cyber security.

In practice, over the past year, this approach led to:

- in the first quarter, the strengthening of the password identification procedures, with a requirement to change from 8 to 12 characters and to include at least one number and one special character,
- in June, the deployment of multifactor authentication (MFA) for the office suite used by the Group,
- in December, the decision to regularly carry out phishing campaigns targeting internal users' email addresses in order to raise their awareness and train them on hacking risks.

To monitor the effectiveness of its policy to prevent intrusions or cyberattacks on its information systems, Lumibird chose its rate of positives with the phishing tests as its primary indicator. Based on the use of the tools available to its information system and awareness and training campaigns, it has been deployed over 2022.

Finally, the Group has taken out insurance with Allianz to cover itself against any risk of cyberattack, cyberfraud or any other risk of hacking or intrusion into the Group's information systems.

2.8. Mitigation measures for 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.

2.9. Mitigation measures for 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:

2.9.1 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 2022, no direct customer or distributor of the Group represented more than 3% of consolidated revenues (vs 5% in 2021). The five biggest customers represent less than 10% of consolidated revenues (vs 15% in 2021). Furthermore, in France, sales are systematically covered by credit insurance. Likewise, as concerns the Group's international sales (outside of France), which represented approximately 84% of its sales for financial year 2022 (in revenues, vs 85% in 2021), the Group has signed a credit insurance policy with Atradius which covers the bulk of its international sales.

2.9.2 as concerns the risk of economic dependence vis-a-vis some of the Group's suppliers (described in Section 1 – paragraph 2.6 of this Chapter 3), the Group opts for a "multi-sourcing" strategy in order to avoid a single-source supply that makes the Group dependent on the financial health of its supplier, the supplier's quality policy, and the political or health stability of the country where the supplier is located. To do so, 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 2022 financial year, no supplier represented more than 3% of the Group's purchases (vs 5% in 2021), and the five top suppliers represented less than 10.5% of the Group's purchases (vs 10% in 2021). In addition, the Group also strives to design modular products, capable of operating with different critical components regardless of their origin, while maintaining the required level of excellence. Finally, the Group is implementing a responsible purchasing policy in which suppliers commit to respecting environmental and human rights criteria, in line with the United Nations' sustainable development objectives.

2.10 Mitigation measures for risks linked to the Group's planned or completed external growth operations

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). 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.

2.11 Mitigation measures for risks linked to the Group's strategic agreements

The Group's strategic agreements are 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.

2.12 Mitigation measures for legal, regulatory, and compliance 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.

2.12.1 With regard to the risks relating to authorisations to export or sell the Group's medical or laser products (presented in section 1 - paragraph 4.1 of this Chapter 3), the Group endeavors to secure these authorisations and keep them in place by working with specialist advisors or even developing product ranges that are not subject to regulations (notably ITAR-free products).

2.12.2 With regard to the risks of non-compliance with anti-corruption and bribery legislation and regulations by Group employees, agents or representatives (presented in section 1 - paragraph 4.2.1 of this Chapter 3), the Group has formalised a new version of its code of conduct, notably incorporating the behavioral best practices to be adopted in terms of preventing corruption, and this is scheduled to be rolled out across all of the Group's subsidiaries during the first half of 2023 after validation by the Management Committee. In addition, the procedures in place since an ERP IT tool was set up make it possible to control signatures for orders covering both sales and purchases. These procedures are covered by a framework of clearly defined prices, scales and commissions.

2.12.3 With regard to the risks of non-compliance by Group suppliers, subcontractors or other commercial partners with anti-modern slavery and child labor legislation (presented in section 1 - paragraph 4.2.2 of this Chapter 3), the Group has drawn up a policy that is available on its website, based on a strict selection of its suppliers and stakeholders, as well as certificates of compliance for these suppliers and stakeholders in line with the core principles of respect for human rights and the fight against slavery and forced labor

2.12.4 With regard to the risks of non-compliance with personal data protection legislation, and specifically Regulation No.2016/279 of April 27, 2016, known as GDPR (presented in section 1 - paragraph 4.2.3 of this Chapter 3), in 2022, the Group set up a working group with the objective of reviewing, with the help of an external consultant, each of the relevant regulatory provisions and, for each failure identified, establish a remediation plan and schedule.

2.13 Mitigation measures for risks linked to the Group's industrial property rights

Management of risks linked to industrial property rights and to the financing of the Group's research and development (described in Section 1 - paragraphs 4.3 and 4.4 of this Chapter 3) are regularly analysed with lawyers and industrial property and counsels. In addition, Ellex, the Group's medical subsidiary in Australia, has put in place a procedure to regularly review patents held by competitors in order to limit infringement risks.

2.14 Mitigation measures for risks linked to the Group's insurance policies

As concerns the risks linked to the Group's insurance policies (described under Section 1 - paragraph 4.5 of this Chapter 3), the Group strives, through its Finance Department, assisted by several insurance brokers, to continuously keep adequate coverage at reasonable premium levels in order to best cover all insurable risks to which it is subject.

2.15 Mitigation measures for risks linked to the judicial and arbitration procedures

The risks linked to the judicial and arbitration procedures (described under Section 1 -paragraph 4.6 of this Chapter 3) are managed through the recording of provisions under the conditions described in Note 6.1.17 to the annual consolidated financial statements as at 31 December 2022.

2.16 Mitigation measures for financial risks

The financial risks the group faces (described in Section 1, paragraph 5 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

MANAGEMENT REPORT

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 2022 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,
- The extra-financial performance statement as provided for in Article L.225-102-1 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 2022

1.1. Key events in fiscal year 2022

1.1.1 Activity

After two years (2020, 2021) disrupted by the COVID-19 health crisis and its consequences on the economies of the countries in which Lumibird and its subsidiaries operate, the year 2022 took place in a tense geopolitical context (war in Ukraine) and in a constrained economic context: shortage of optical and electronic components leading to higher costs as well as a critical lengthening of procurement lead times, inflation unseen for more than 10 years weighing on overheads and personnel costs, higher cost of debt.

In this environment, the Lumibird Group remained agile and pragmatic. It has maintained a high level of activity while laying the foundations for adapting its organisation to new economic, social and societal constraints.

To date, this has resulted in:

- higher structural costs, representing an investment in the future,
- support for its subsidiaries to ensure the financing of stocks, securing supplies and their costs, as well as the financing of new production sites (Ljubljana, Villejust, Göteborg, Lannion) better adapted to short and medium term production needs,
- a still very active M&A approach, aimed at consolidating the Group's strategy in terms of vertical integration.

Over the financial year, the level of activity of 191.0 million euros (+ €28.5 million/+17.5% on a reported basis compared to 2021) generated:

- an EBITDA of €31.3 million (16.4% of revenues), down €1.3 million (-4.0%) compared to 2021,
- a current operating income of €16.4 million (8.6% of revenues), i.e. - 3.4 million euros (-17.2%) compared to the current operating result of last year,
- ~ a net financial debt position of €52.5 million compared to €14.9 million a year earlier, reflecting the Group's investment in securing its supplies and adapting its facilities.

1.1.2 Financial structure

Finally, the Group continues to match the maturity of its debt with that of its operations: the company has put in place 2 lines of 5 million euros each with BPI Financement, both with a 10-year term and a deferred repayment period covering eight quarters, bearing interest at 0.64% and 2.59% respectively, and combined with cash collateral for a total of €0.5 million.

At 31 December 2022, the Group had a net financial debt position of €52.5 million (including a positive net cash position of €61.7 million at less than one year), enabling it to meet its short- and medium-term debt obligations without difficulty.

1.2. Business for the year

Extract of the consolidated income statement (in million euros)	2021 reported	2022 reported	Change
Revenues	162.5	191.0	17.5%
EBITDA (1)	32.6	31.3	-4.0%
% of revenue	20.1%	16.4%	
Current operating income	19.8	16.4	-17.2%
% of revenue	12.2%	8.6%	
Operating income	19.1	17.3	-9.8%
Financial income	-1.5	-2.8	-85.0%
Taxes	-3.7	-3.1	+16.2%
CONSOLIDATED NET INCOME	**13.9**	**11.4**	**-18.1%**

(1) Earning Before Interest, Taxes Depreciation and Amortization (EBITDA) corresponds to current operating profit adjusted for charges to provisions and depreciation net of reversals and expenses covered by such reversals.

1.2.1. Revenues

The Lumibird Group's consolidated revenues for 2022 was €191.0 million, up 17.5% from 2021 based on reported data. At constant exchange rates(1) it increased by €24.8 million, or 15.2%, to €187.2 million.

(1) Considering the rates for FY 2021 applied to revenues for 2022

Revenues (in million euros)	2021 reported	2022 reported	Reported change
First quarter	33.8	38.0	12.2%
Second quarter	41.6	46.1	10.8%
Third quarter	37.2	40.9	10.0%
Fourth quarter	49.8	66.0	32.4%
TOTAL	**162.5**	**191.0**	**17.5%**
Of which:			
Photonics	76.4	93.5	22.5%
Medical	86.1	97.4	13.2%

Group revenues are evenly split between the Photonics (€93.5 million) and Medical (€97.5 million) divisions.

1.2.1.1. Photonics

For the year, the Photonics division recorded strong growth in Europe (+38%) and the US (+26%), but sales declined slightly in China, where the zero COVID policy has weighed on the economy.
It had the strongest growth in the last quarter, at +49% with sales of €35.3 million. The Defence/Space activities, notably supported by the integration of Lumibird Photonics Sweden, recorded sales of €14.6 million (+167%) in the quarter, representing 49% of the annual sales of €30.1 million (+50%). The Industrial and Scientific activities grew by 30% over the quarter, to €11.1 million, for an annual total of €37.4 million (+10%). The Lidar business was stable at €9.6 million for an annual total of €26.0 million (+16%). Lidar systems represent 34% of the Lidar business over the year and are up 42%.

1.2.1.2. Medical

In 2022, the Medical division was more resilient in Asia (+11%), with dynamic growth in the US (+18%) and limited growth in Europe (+5%), marked by the conflict in Ukraine. Annual sales in Ophthalmology were split between direct sales (€50 million, +11%) and the distributor network (€47.4 million, +15%).

The division recorded stable seasonal growth throughout the year and closed the last quarter up 17% at €30.7 million. The division's sales are split between Diagnostics (€8.6 million in the last quarter and €23.8 million for a yearly total up 28%) and Treatment (€22.1 million in the last quarter and €73.7 million for a yearly total up 9%).

1.2.2. Current operating profitability

In the difficult economic context described in paragraph 1.1.1, the Group has maintained a high level of activity, in line with its expectations, while intensifying its efforts to secure its development in 2022 and 2023, at the cost of a tightening of its operating margin in 2022.

In 2022, the Group achieved a current operating profit of €16.4 million (compared to €19.8 million a year earlier). This evolution - a decrease of - €3.4 million - can be rationalised as follows:

Current operating income generated by the new defence range finder business in Sweden	+ €0.8m
Change in gross margin at constant scope linked to growth [10]	+ €11.2m
Increase in net external expenses [11]	-€3.6m
Increase in personnel costs [12]	-€10.0m
Increase in depreciation and amortisation [13]	-€2.0m
Other expenses	+ €0.1m

1.2.3. Operational profitability

Taking into account a current operating income of €16.4 million over 2022, the Group posted an operating profit of €17.3 million (compared to €19.1 million a year earlier).
The change compared to the previous year (-€1.8 million) is due to:

- The decrease of the current operating income (- €3.4 million),
- The recognition of capital gains on asset disposals (Aircraft, Slovenian real estate) +€3.9m,
- The increase in 2022 of costs directly related to M&A transactions - €2.3 million.

During 2022, the Group has been active in its M&A activity. In particular, in May 2022, the Group finalised the acquisition of the Saab Group's defence laser rangefinder business and of Innoptics, a company specialising in the encapsulation of electronic components.

1.2.4. Financial result

The financial result for 2022 is -€2.8 million, compared to -€1.5 million a year earlier. This evolution (increase in financial expenses of €1.3 million) mainly reflects:

- The increase in the cost of net financial debt for -€0.9 million, under the combined effect of the increase in the quantum of debt and the interest rate: the average gross debt increases from €100.3 million over 2021 to €113.1 million over the 2022 financial year, when the annualised rate of gross financial debt is 2.96% compared to 2.55% one year earlier,
- The evolution of the foreign exchange gain and losses for -€0.2 million in variation compared to 2021.

1.2.5. Net income

Taking into account the change in operating income on the one hand, the change in financial income and expenses on the other hand, as well as and the tax expense (including deferred tax) which changes in line with the operational profitability, the Group's net income for 2022 came to €11.4 million.

[10] *The increase in activity excluding the defence rangefinder business in Sweden (+14.3%) was accompanied by a tightening of margins (from 63.6% to 61.6% overall) due to a rise in procurement costs, particularly in dollars;*

[11] *The increase in net expenses is mainly due to the efforts to structure the Group (leading to an increase in professional fees) but also to an increase in travel and marketing expenses to make up for the "COVID" years;*

[12] *The Group's efforts in terms of securing its growth have also mainly focused on strengthening its production, research and development, support and management teams (including top management, already initiated in H2 2021);*

[13] *The increase in depreciation and amortisation is due to the amortisation of mature R&D projects, which are expected to be fully operational in terms of revenues from 2023 onwards.*

1.3. Consolidated balance sheet summary

Extract from the consolidated balance sheet (in million euros)	2021 reported	2022 reported	Change
Non-current assets	164.8	184.9	20.2
Current assets (excluding cash and cash equivalents)	85.7	125.4	39.7
Cash and cash equivalents	97.1	61.7	(35.5)
TOTAL ASSETS	**347.6**	**372.0**	**24.4**
Shareholders' equity (incl. minority interests)	181.3	193.4	12.1
Non-current liabilities	108.4	58.8	(49.6)
Current liabilities	57.9	119.8	61.9
TOTAL LIABILITIES	**347.6**	**372.0**	**24.4**

1.3.1. Non-current assets

Non-current assets are mainly comprised of fixed assets (tangible and intangible - including goodwill - and financial), and tax receivables due in more than one year (mainly the Research Tax Credit and deferred tax assets).
Compared to the figures at 31 December 2021 (reported), total non-current assets increased by €20.2 million. This increase can be broken down mainly as follows:

- -€0.3 million change in goodwill carried by Lumibird, mainly due to the recognition of provisional goodwill following the acquisition of Innoptics (+ €0.3 million), the impact of change in the pound sterling exchange rate on Halo-Photonics goodwill (-€0.4 million) and the Australian dollar exchange rate on Ellex goodwill (-€ 0.2 million),
- €17.6 million in net tangible and intangible fixed assets, with net investment flows for the period (+€36.8 million) partially offset by asset disposals (-€4.9 million), and depreciation and amortisation charges (-€14.3 million),
- 0.6 million in non-current financial assets, corresponding mainly to cash collateral granted to BPI in connection with the setting up of a financing facility (€0.5 million) and a guarantee on the lease of a new property at the Villejust site (€0.1 million),
- 2.3 million in non-current tax receivables (including deferred tax assets), due on the one hand to the consumption of the tax losses of the French tax group for -€3.4 million and the recognition of new temporary differences for €4.8 million, and on the other hand due to the change in the portion over one year of the Group's research tax credit (€0.9 million).

1.3.2. Current assets

Current assets, excluding cash, came to €125.4 million, up €39.7 million compared to 31 December 2021. This change is mainly due to the increase in inventories for €19.6 million and trade receivables (€16.9 million due to the strong seasonal nature of the business at the end of the year). This results in an increase in working capital requirements (WCR), which is commented in 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 2022	181.3
Dividend distribution	-
Income– Group share	11.4
Translation differences	-0.4
Actuarial differences	0.5
Treasury shares	-0.9
Free shares	1.3
Other change	0.2
SHAREHOLDERS' EQUITY AT 31 DEC 2022	**193.4**

1.3.4. Current and non-current liabilities

In million euros	2021			2022		
	Non current	Current	Total	Non current	Current	Total
Financial debts	97.9	14.2	112.0	48.6	65.6	114.2
Provisions (excluding employee benefits)	0.0	1.2	1.2	-	1.5	1.5
Employee benefits	3.1	0.0	3.2	2.7	0.1	2.7
Deferred tax liabilities	0.9		0.9	2.6	-	2.6
Other liabilities	6.5	41.6	48.1	4.9	51.9	56.7
Tax payable		0.9	0.9	-	0.9	0.9
TOTAL CURRENT AND NON-CURRENT LIABILITIES	**108.4**	**57.9**	**166.3**	**58.8**	**119.8**	**178.6**

Current and non-current liabilities amounted to €178.6 million euros, an increase of +€12.3 million over the year. This change mainly reflects the change in trade payables discussed in paragraph 1.4.1 of this report, and to a lesser extent the change in financial liabilities (+€2.2 million), explained below.

The Group's net financial debt, by nature, is presented and evolves as follows:

Net financial debt in million euros	2021	2022
Debts from credit institutions	63.1	63.0
Bonds	39.5	39.6
Financial lease and lease debts	7.2	9.5
Aid/ Repayable advances	0.9	0.5
Tax credits financing	-	-
Short-term bank borrowings and overdrafts	1.2	0.2
Other financial debts	0. 2	1.4
TOTAL FINANCIAL DEBTS (current and non-current)	**112.0**	**114.2**
Cash assets	-97.1	-61.7
NET FINANCIAL DEBT	**14.9**	**52.5**
Of which less than one year (1)	-83.0	3.9
Of which over one year	97.9	48.6

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

The Group's gross financial debt at 31 December 2022 was €114.2 million (i.e. +€2.2 million compared to the gross financial debt at 31 December 2021). This change is mainly due to:

- An increase in financial debts carried:
  - €10 million through 2 lines of €5 million each with BPI Financement for a respective term of 10 years and including a deferred repayment of 8 quarters, bearing interest at a rate of 0.64% and 2.59%, and accompanied by cash pledges for a total amount of €0.5 million,
  - €5.2 million through the setting up of financing backed by the acquisition or extension of real estate complexes (Ljubljana, Lannion),
  - €5.4 million due to the change in the value of the debt resulting from lease contracts (revision of the probable useful life) including a new property lease for €3.5 million for the new Quantel Technologies site in Villejust,
  - €0.6 million due to the evolution of other debts (ICNE, new leasing contract, etc.).
- ~ A decrease in financial debts induced by:
  - €19.2 million by debt repayments (including leases), including the early repayment of loans for the financing of the historic building in Lannion (refinanced elsewhere) and the Lumibird Transport aircraft.

The evolution of the cash flow is commented in chapter 1.4.1 of this report.

It should be noted that the Group's acquisition debt (bank and bond), amounting to respectively €10.5 million and €40.0 million on the Group's balance sheet at 31 December 2022) is subject to two ratios, failure to comply with which will result in the debt becoming payable:

- A **leverage ratio** (ratio of the net consolidated debt to consolidated EBITDA) must not exceed a declining maximum, gradually moving from 3.50 (high limit) at 31 December 2020 to 2.75 (low limit) at 31 December 2026 and for which:
  - Consolidated net debt means, on a consolidated basis the difference between:
    - Consolidated cash, representing the active position of cash and cash equivalents accounts,
    - Consolidated indebtedness, the latter designating all borrowings and similar debts excluding all subordinated debts, plus, within the same scope of consolidation, the passive positions of bank accounts, bills discounted and not due, off-balance sheet commitments (excluding pension commitments, guarantees and sureties granted in the context of current operations and interest rate and exchange rate hedges) and assignments of receivables or discounting with recourse or any factoring operation with recourse,
  - Consolidated EBITDA is the consolidated current operating income:
    - Increased by net depreciation and provisions,
    - Decreased by other current income and increased by other current expenses.

  At 31 December, the Group's leverage ratio was 1.7.

- 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, and for which:
  - The consolidated cash flow consists of the Group's consolidated EBITDA:
    less:
    - corporate taxes actually paid,
    - investments disbursed,
    - change in consolidated net working capital,
    - any income not expected to be received or paid and included in consolidated EBITDA,
    - any exceptional or extraordinary item (including net proceeds from the sale of assets, shares, company rights or business goodwill) which is not part of current operations and which has been the subject of a receipt or disbursement,

    increased by:
    - any drawdown of medium-term loans,

  - the sum of other interest and financial income from investments and cash and cash equivalents and net income from the disposal of investment securities,
- debt service means the Group's consolidated financial expense:
  - increased by the principal repayment amount of financial debts maturing during the test period under consideration,
  - less any repayment in 2021 of bank loans subject to PGE (state-guaranteed loan) regulations entered into prior to the date of signing the agreement.

Given the record level of activity in the fourth quarter of 2022 (and in particular in December 2022), the Group's working capital requirement at 31 December 2022 is occasionally high. As a result, taking into account the methods of calculating the coverage ratio, at 31 December 2022, the Group had a ratio of -0.2 and did not meet the threshold of 1.

At that date, the Group is therefore in a situation of early repayment of its acquisition debt (bank and bond). In application of the provisions of IAS1, all of the Group's acquisition debt (bank and bond), i.e. €49.9 million (including the calculation of the Effective Interest Rate), has been classified as current financial debt.

Subsequent to the balance sheet date, and prior to the closing of the 2022 financial statements, the Group obtained the agreement of its lenders to waive compliance with the coverage ratio at 31 December 2022, which consequently does not give the €49.9 million reclassified as current financial liabilities an immediate collectability or a maturity of less than 12 months. Furthermore, given the Group's cash flow forecasts, its available cash and additional financing capacities, the Group's liquidity is not in question as at 31 December 2022 and for the next 12 months.

1.4. Cash flow

In 2022, the Group recorded a net cash flow of -€35.6 million. The Group’s cash flow statement is presented below:

Cash flow in million euros	2021	2022
Cash flow from operations	26.6	1.4
Cash flow from investments	-28.6	-29.3
Cash flow from financing	18.2	-7.9
Impact of exchange rate variations	0.6	0.2
CHANGE IN CASH	**16.8**	-35.6

1.4.1. Cash flow from operations

Over the financial year 2022, the Group generates a net cash flow of +€1.4 million from operations; this flow is mainly broken down as follows:

- €30.1 million in operating cash flow before tax and financial expenses, generated by the Group's EBITDA, net of expenses directly related to the scope of consolidation,
- €29.2 million change in working capital requirements (WCR), mainly due to
  - the increase in inventories (€13.6 million), particularly of raw materials, as the Group worked to secure its supplies in order to secure future orders and also bore the cost of components in a context of shortages,
  - the increase in trade receivables (€12.9 million) and trade payables (€1.6 million) due to the seasonal nature of the business in the last two months of the year,
  - the increase in other social and tax receivables for €4.3 million (notably Research Tax Credit, VAT).
- +€0.5 million in taxes received and paid.

1.4.2. Cash flow from investments

1.4.2.1. Investments carried out

Investments carried out in million euros	2021	2022
Industrial investments	24.0	36.8
Financial investments (excluding acquisitions)	8.3	0.7
INVESTMENTS RECORDED	**32.3**	**37.6**
Disbursement on acquired industrial investments	20.1	29.4
Cash from disposals of industrial investments	-1.9	-8.7
Disbursement on acquired financial investments	8.3	0.7
Cash from disposals of financial investments	-	-0.2
INVESTMENTS PAID OUT	**26.5**	**21.3**
Acquisition of subsidiaries – Net cash	***2.1***	***8.1***

The difference between investments recorded and investments paid out corresponds to:

- Finance leases,
- The impact of disposals of fixed assets,
- The change in the fixed asset supplier item.

For the financial year 2022, the Group's recorded industrial investments amounted to 36.8 million. They mainly concern:

- capitalised development costs for €10.2 million,
- €17.6 million, mainly related to the extension of industrial capacity at the Lannion site, the new Quantel Technologies site, Optotek, and Lumibird Photonics Sweden,
- €5.2 million of new rights of use (through leases), mainly related to the new real estate lease for Quantel Technologies' new site in Villejust,
- miscellaneous equipment (€3.8 million).

1.4.2.2. Ongoing investments

As at 31 December 2022, the amount of ongoing investments recorded is €9.8 million and mainly concern the extension of the Lannion site and the development of the Villejust site.

1.4.2.3. Investments to be made

Apart from the ongoing investments mentioned above, the other planned investments relate to current investments in R&D and manufacturing equipment, it being specified that manufacturing requires relatively very few specific investment.

1.4.3. Cash flow from financing

The Group's financing cash flows stem from:

- Debt (new loans, loan repayments, interest paid):
  - €15.2 million of new bank loans, details of which are provided in section 1.3.4 of this report,
  - The Group repaid its financial debts, either in advance following the disposal of the underlying assets or in

accordance with the repayment schedule (-€18.8 million),
  - The Group incurred €2.9 million of cash financial expenses.
- Other transactions on its shares (free shares, treasury shares) for -€1.4 million.

2. 2022 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:

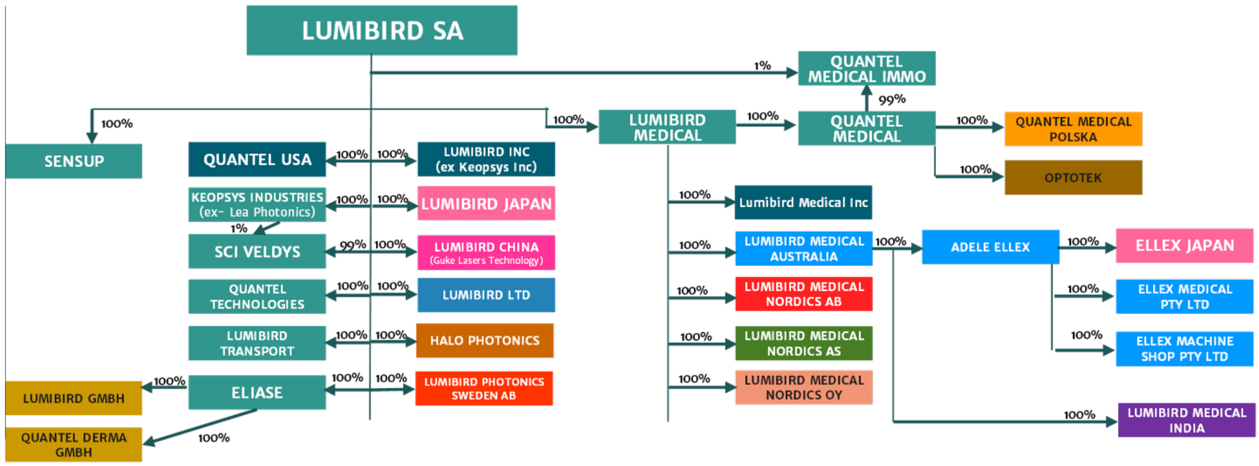
In million euros	31/12/2021 reported	31/12/2022 reported	Change
Revenues	75.0	84.9	9.9
Operating income	1.3	-0.8	-2.1
Financial income	1.3	2.6	1.3
Extraordinary income	0.2	-3.0	-3.2
Profit sharing	-		-
Income tax (including tax consolidation)	1.1	1.7	0.6
NET INCOME	**3.8**	**0.5**	**(3.4)**

Net income was €0.5 million, down €3.4 million. This change can be broken down as follows

- €2.1 million decrease in operating income: Lumibird SA having undergone a major effort this year in terms of mergers and acquisitions (€1.2 million), and structuring the Group. In addition, as a contractor in the photonics division, Lumibird SA also absorbed the costs of developing factories and deploying sales forces in the marketing subsidiaries,
- +€1.3 million change in the financial result, this change resulting mainly from the management of subsidiaries (in 2021 the Group bore the cost of waiving receivables in favour of some of these subsidiaries for -€2.1 million) and the increase in the cost of debt,
- €3.0 million decrease in extraordinary income:
  - In 2021, the dividends paid by Quantel Medical to its new shareholder (Lumibird Medical) were erroneously recorded at Lumibird SA for €1.5 million. This error was corrected in 2022, and recorded in exceptional income for -€1.5 million,
  - In 2022, the unwinding of the 2019-2021 free share plan led to the recognition, at Lumibird SA, of an exceptional expense of €1.4 million.
- +€0.6 million in tax income, linked to the improvement in the results of the tax consolidation group.

2.2. Subsidiaries' business

2.2.1. Group structure at 31 December 2022



EUROPEAN UNION
- Company based in France
- Company based in Germany
- Company based in Poland
- Company based in Slovenia
- Company based in Finland
- Company based in Sweden
- Company based in UK

EUROPEAN ECONOMIC AREA
- Company based in Norway

AMERICA
- Company based in Canada
- Company based in USA

ASIA-PACIFIC
- Company based in Japan
- Company based in China
- Company based in India
- Company based in Australia

The structure presented above reflects the Group at 31 December 2022. 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 Villejust.
  - **Quantel Technologies**, whose production plant is based in Villejust, 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 **Lumibird 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, operating on a market for which 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 Quanbtel Médical, 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 Médical is supported by:
- **Optotek Médical**, 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**, **Lumibird Medical AB** and **Lumibird Medical AS**, distribution companies based respectively Norway, Finland and Sweden and serve the Northern European markets,
- **Ellex Medical Pty** and **Ellex Machine Shop**, Australian companies that develop, manufacture and distribute Ellex product range in Australia,
- **Ellex Japan** (Japan), **Lumibird Medical Inc** (merger of Quantel Medical Inc. and Ellex USA), marketing companies in Medical sector that serve 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 owned the real estate for the Group's production site in Lannion and sold it to Keopsys Industries in December 2022,
- **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 and is in the process of being liquidated,
- **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,
- **Lumibird Transports**, incorporated in 2021 but with no activity since the end of 2022 following the disposal of its main asset.

- The key figures for Lumibird's main subsidiaries at 31 December 2022 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 2022

There were no changes in the Group's scope of consolidation during the past financial year. Saab's defence laser rangefinder business was acquired on 31 May 2022 by Lumibird Photonics Sweden AB, which was established by the Group during 2021.

In addition, Innoptics, which was acquired by Keopsys Industries in September 2022, was dissolved without liquidation by transferring its assets and liabilities to Keopsys Industries in November 2022.

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, Lumibird Transports,
- Manager of 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,
- Chairman of Lumibird Photonics Sweden AB.

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 2022:

- 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 2022.

As the tax group is headed by the Company, it had at 31 December 2022, €4.3 million in deficits (compared to €7.7 million one year earlier).

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)	31/12/2021	31/12/2022
Trade receivables not due	-	-
Guarantees given on markets	66	-
Pledges on tangible and intangible assets	-	-
Pledges on securities	-	-
Actual sureties	-	-
TOTAL	**66**	**-**

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

(€'000)	31/12/2021	31/12/2022
Trade receivables transferred		-
Guarantees and letters of intent	900	900
Collaterals and pledges on tangible and intangible assets	8,869	21,144
Collaterals and pledges on securities	144,000	140,000
Privilege to money lenders	3,783	8,042
Actual sureties	156,652	169,186
TOTAL COMMITMENTS GIVEN	**157,552**	**170,086**

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 60,434 thousand euros at 31 December 2022.

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 €41.3 million (confirmed budget), under the terms detailed under paragraph 1.3.4 of this report and (ii) to finance in the supplementary amount of €41.3 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.

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	0					138
	Total amount of invoices concerned (All taxes included)	0	1,397	10	52	111	1,571
	% of the total amount of purchases for the year	0%	1.4%	Ns	0.1%	0.1%	1.6%
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	0					91
	Total amount of invoices concerned (All taxes included)	0	2,894	913	524	2,127	6,458
	% of the total amount of purchases for the year	0%	3.3%	1.0%	0.6%	2.4%	7.4%
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 €3.5 million in invoices issued to intragroup subsidiaries for which payments is assured for 2023,
- to €2.3 million in invoices offset by advances and instalments recorded under liabilities in the amount of €1.6 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 2022 fiscal year, came to 17.1 million euros, with 11.0 million euros capitalized and 6.1 million euros expensed for the current fiscal year.

6. Recent developments and outlook for the company and the group

6.1. 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 2022.

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.

6.2. Recent events

In paragraph (1.3.4) of this report, the Group explained the conditions for which the total amount of its acquisition debt (bank and bond), i.e. €49.9 million as at 31 December 2022, has been classified as current financial debt.

Subsequent to the balance sheet date, and prior to the closing of the 2022 financial statements, the Group obtained the agreement of its lenders to waive compliance with the coverage ratio at 31 December 2022, which consequently does not give the €49.9 million reclassified as current financial liabilities in application of the provisions of IAS1 an immediate collectability or a maturity of less than 12 months. In addition, given the Group's cash flow forecasts, its available cash and additional financing capacities, the Group's liquidity is not in question at 31 December 2022 and for the next 12 months.

The major events that have occurred since the beginning of the 2023 financial year, as well as the current and projected economic context, do not alter the Lumibird Group's assessment of the main risks and uncertainties weighing on its activities or its customer risk.

6.3. 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.

For more information on the Group's business model, the reader is referred to paragraph 1 of the Group's extra-financial performance statement for the year ended 31 December 2022.

6.4. Future outlook and information on trends

Lumibird's markets remain extremely buoyant and capacity building through investments in industrial facilities should support strong sales momentum in the coming half-years.

In this context, the Group is targeting reported sales of €250 million in 2023 (including organic growth of 8% to 10% and possible external growth), and a return of the EBITDA margin to a range of 18-23%. In the medium term (to 2026), the objective is to maintain organic growth of 8-10% and to increase the EBITDA margin to 25%.

7. Regulatory environment

The Group operates in a complex and evolving regulatory environment. Depending on the division and jurisdiction concerned, the Group may be subject to conditions for obtaining and maintaining authorisations of export or sale authorisations for the Group's laser or medical products. The Group is also subject to increasingly stringent environment regulations in the course of its activities.

7.1. 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.

The main jurisdictions concerned are the European Union and the United States, where the Group manufactured all of its laser products in 2022.

7.1.1 French and European regulations

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 addition, some of Sensup's products, relating to laser weapons, are subject to export controls for defense equipment (Article R.311-2 of the French Internal Security

Code and Articles L.2335-1 et seq of the French Defense Code) and must therefore also obtain specific authorizations from the French Ministry of Defense and the Directorate General of Armaments for any exports outside the European Union.

7.1.2 US regulations

In the United States, similar arrangements to the European framework apply through the Export Administration Regulations (EAR), which subject exports of dual-use products manufactured in the United States to a system of authorizations based on licenses issued by the US Department of Commerce (specifically the Bureau of Industry and Security within the United States Department of Commerce) depending on the export countries. When the products concerned are low-technology lasers, they may be classified in the "EAR 99" category and exempt from export licenses. This is notably the case for Quantel USA's exports of certain versions of the CFR, DRL and MERION products. For exports concerning certain jurisdictions, such as China, the Group is required to obtain a statement from the client setting out its intentions concerning the product's use and ultimate purpose (End-User Statement).

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).

7.2. 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 EU Regulation 2017/745 dated 5 April 2017 relating to medical devices, which some of the provisions have been in force since 26 May 2021. 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, 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.

7.3. Environment regulations applicable to the Group's products

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) amended by Regulation No. 2021/979 of 17 June 2021, 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.

8. Allocation of earnings

8.1. Proposed allocation of earnings

It will be proposed to allocate earnings for the year ended 31 December 2022, with a profit of €469,661 to "retained earnings", taking this account's from €+82,717,020 to €+83,186,681.

8.2. 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 2022.

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	2018	2019	2020	2021	2022
Capital at the end of the year					
Share capital	16,754	18,430	22,467	22,467	22,467
Number of existing ordinary shares	15,035,456	18,429,867	22,466,882	22,466,882	22,466,882
Operations and results of the year					
Revenues excluding taxes	56,669	66,711	65,017	74,993	84,923
Income before taxes, employee profit-sharing, amortisation and provisions	6,601	9,016	76,565	2,494	968
Income tax	451	-577	403	1,195	1,729
Income after taxes, employee profit-sharing, amortisation and provisions	-1,638	7,829	75,904	3,829	470
Income distributed	-	-	-	-	-
Earnings per share					
Income after taxes, employee profit-sharing, before amortisation and provisions	0.47	0.44	3.43	0.16	120.02
Income after taxes, employee profit-sharing, amortisation and provisions	-0.11	0.42	3.38	0.17	20.90
Personnel					
Average number of people employed during the year	145	135	134	62	66
Payroll	7,428	7,117	3,701	4,898	6,334
Employee benefits	3,336	3,445	1,841	2,184	3,020

10. 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 in September 2022, Keopsys Industries acquired the entire share capital of Innoptics, a company that was dissolved without liquidation by transferring all of its assets to Keopsys Industries in November 2022.

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.

11. Employee shareholding

On 1 April 2019, the Board of Directors granted 182,000 free shares in the Company to 39 employees of the Company or of some of the companies related to it within the meaning of Article L.225-197-2 of the Commercial Code. During its meeting on 31 March 2020, the Board of Directors decided to grant two additional employees the benefit of the provisions of this plan, by awarding them each 3,000 free shares. During its meeting of 1 April 2022, the Board of Directors recorded the definitive acquisition of 163,000 free shares, including 40,000 for the benefit of Mr. Jean-Marc Gendre, then Deputy CEO of the Company.

On 21 September 2021, the Board of Directors also granted 291,000 free shares in the Company to 84 employees of the Company or of certain companies related to it within the meaning of Article L.225-197-2 of the Commercial Code. The vesting date for the bonus shares has been set by the Board of Directors as the year-end date for the annual financial statements for 2023, representing a vesting period of over two years, 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.

Lastly, on 9 December 2022, the Board of Directors granted 60,000 free shares in the Company to an employee of a company related to the Company within the meaning of Article L.225-197-2 of the Commercial Code. These free shares will be subject to a definitive acquisition in two tranches: 20% of the shares allocated, on the date of closing of the annual financial statements for the financial year 2024 by the Board of Directors and the remaining 80%, on the date of closing of the annual financial statements for the financial year 2026 by the Board of Directors. In addition, the definitive acquisition of these shares is subject to a condition of presence and performance conditions in line with the previous free share plans decided by the Board of Directors.

Reference is made to the information presented in the special report of the Board of Directors for the financial year 2022 in accordance with the provisions of Article L.225-197-4 of the French Commercial Code, which is available on the Company's website (www.lumibird.com) under the heading "Finance / Regulated Information".

As at 31 December 2022, of the 291,000 free shares that were formally granted to the beneficiaries on 21 September 2021, 176,000 were still in force, 115,000 shares having lapsed due to the departure of the beneficiaries as well as the revision of the operational plan impacting the achievement of the performance conditions of the plan. Of the 60,000 free shares granted to the beneficiary on 9 December 2022, 60,000 are still in force.

The value of the allocation plan was determined as follows:

Free shares allocation plans	Plan dated 31/03/2021	Innoptics earn-out 22/09/2022	Plan dated 9/12/2022
Total number of free shares originally allocated	291,000	40,000	60,000
Board meeting date for allocation decision	21/09/2021	n/a	9/12/2022
End of the vesting period	Closing of 2023 financial statements	31/12/2026	Closing of 2024 (for 20%) and 2026 (80%) financial statements
Stock price at the date of allocation (B)	17.0	20.0	15.4
Corporate social contribution (C)	20%		20%
Plan value as of 01/04/2022 (A*B*(1+C))	3,590,400	799,600	1,105,920
Number of free shares cancelled/refused	71,000		-
Remaining free shares at 31 December 2021 (A)	176,000	40,000	60,000

In 2022, the impact of the plan on the financial statements (in shareholders' equity) has been determined pro rata temporis over the vesting period and amounts to €1,539,941. In 2021, the impact of the plans was €1,333,684.

Lastly, the employees do not directly hold any Company shares that would be subject to a non-transferability clause under the regulations in force.

12. Information concerning the share capital

12.1. Share capital

At 31 December 2022, 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.

12.2. 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 2022, out of the 22,466,882 shares comprising the share capital, 6,544,901 shares were entitled to double voting rights.

12.3. 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.

12.4. Review of operations carried out as part of an authorized share buyback program

In accordance with Articles L.22-10-62 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 13th resolution, the Combined General Meeting on 3 May 2022 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.22-10-62 and L.225-210 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 4 May 2021 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
- 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.

This authorisation was implemented through a liquidity contract concluded with Louis Capital Markets.

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 2022, the following resources were recorded in the liquidity account:

- 33,979 Lumibird shares,
- 262,662.33 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 2022	33,979
Number of shares purchased from 1 January 2022 to 31 December 2022	149,731
Number of shares sold from 1 January 2022 to 31 December 2022	131,169
Average purchase price	19.66 €
Average sales price	20.41 €
Average unit cost price of securities in the portfolio at 31 December 2021	19.91 €

12.5. 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.

12.6. 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 3,185,715 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.

12.7. 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.

12.8. Change in Lumibird's capital and shareholding structure

12.8.1. 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
16/06/2020	Capital increase in cash 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.*

12.8.2. Change in Lumibird's shareholding structure over the last three years

Shareholding structure	Situation at 31 December 2020				Situation at 31 December 2021				Situation at 31 Decembera 2022				Situation at 1st March 2023			
	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)
ESIRA(3)	11,667,290	51.93%	17,397,731	61.63%	11,667,290	51.93%	17,777,747	62.12%	11,667,290	51.93%	17,911,080	62.11%	11,667,290	51.93%	17,911,080	62.11%
Group employees	4,209	0.02%	8,059	0.03%	4,209	0.02%	8,418	0.03%	170,003	0.76%	210,459	0.73%	164,449	0.73%	204,419	0.71%
Self-holding	268,717	1.20%	NA	NA	260,536	1.16%	NA	NA	174,448	0.78%	-	-	174,335	0.77%	-	-
Public	8,038,648	35.78%	8,340,598	29.54%	7,780,010	34.63%	8,079,388	28.23%	8,041,079	35.79%	8,301,734	28.79%	8,046,746	35.81%	8,307,768	28.81%
7 Industries Hoding B.V(4)	1,126,498	5.01%	1,126,498	3.99%	1,706,649	7.60%	1,706,649	5.96%	1,706,649	7.60%	1,706,649	5.92%	1,706,649	7.59%	1,706,649	7.92%
AMIRAL GESTION(5)	1,361,520	6.06%	1,361,520	4.82%	1,048,188	4.67%	1,048,188	3.66%	707,413	3.15%	707,413	2.45%	707,413	3.15%	707,413	2.45%
TOTAL	**22 466 882**	**100%**	**28 234 406**	**100%**	**22 466 882**	**100%**	**28 620 390**	**100%**	**22 466 882**	**100 %**	**28 837 335**	**100 %**	**22 466 882**	**100%**	**28 837 329**	**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, 28,620,390 at 31 December 2021 and 28,837,335 at 31 December 2022.
(3) ESIRA is a French-law simplified joint-stock company (société par actions simplifiée) controlled by Mr Marc Le Flohic who is also its Chairman.
(4) 7 Industries Holding B.V is a company controlled by Ms Ruthi Wertheimer
(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 1 March 2023 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.

12.8.3. 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 2021 are presented below:

Disclosure made by	Date of disclosure	Date of threshold crossing	Threshold crossed upwards / downwards	Threshold(s) crossed	Reasons for crossing
Caisse des dépôts et consignations(1)	23 March 2022	17 March 2022	Upwards	1% of the company's capital and voting rights	Acquisition of Lumibird shares on the market
AMIRAL GESTION	9 March 2022	8 March 2022	Downwards	4% of the company's capital	Disposal of Lumibird shares on the market

(1) Through CDC Croissance.

No other shareholding threshold disclosures were brought to the attention of Lumibird during the past year, or since the beginning of fiscal year 2023.

The information concerning the instances when the legal disclosure thresholds were crossed, upwards or downwards, is available on the AMF website (www.amf-france.org).

12.8.4. Listing market and change in the share price

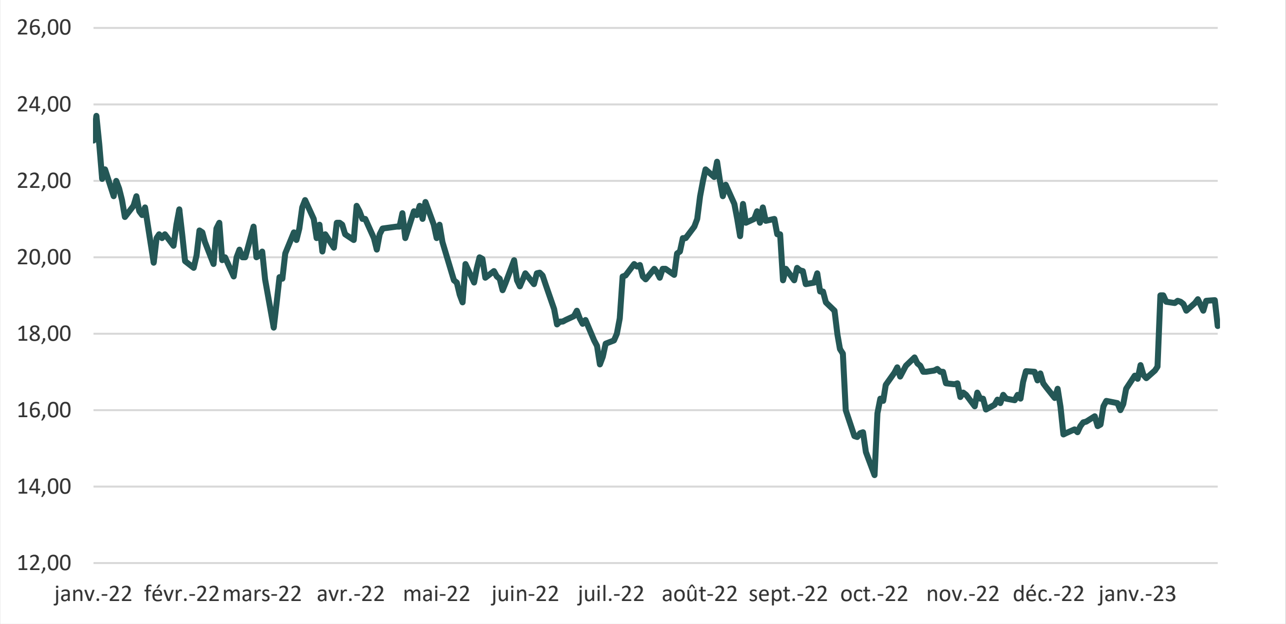
Lumibird's shares, initially listed on NYSE Euronext Paris SA's Nouveau Marché from 30 September 1997, have been admitted for trading on the Euronext market (Compartment B) in Paris since 2005 (ISIN: FR0000038242 – Ticker: LBIRD).

There are no requests underway for the Company's shares to be admitted on another market or stock exchange.

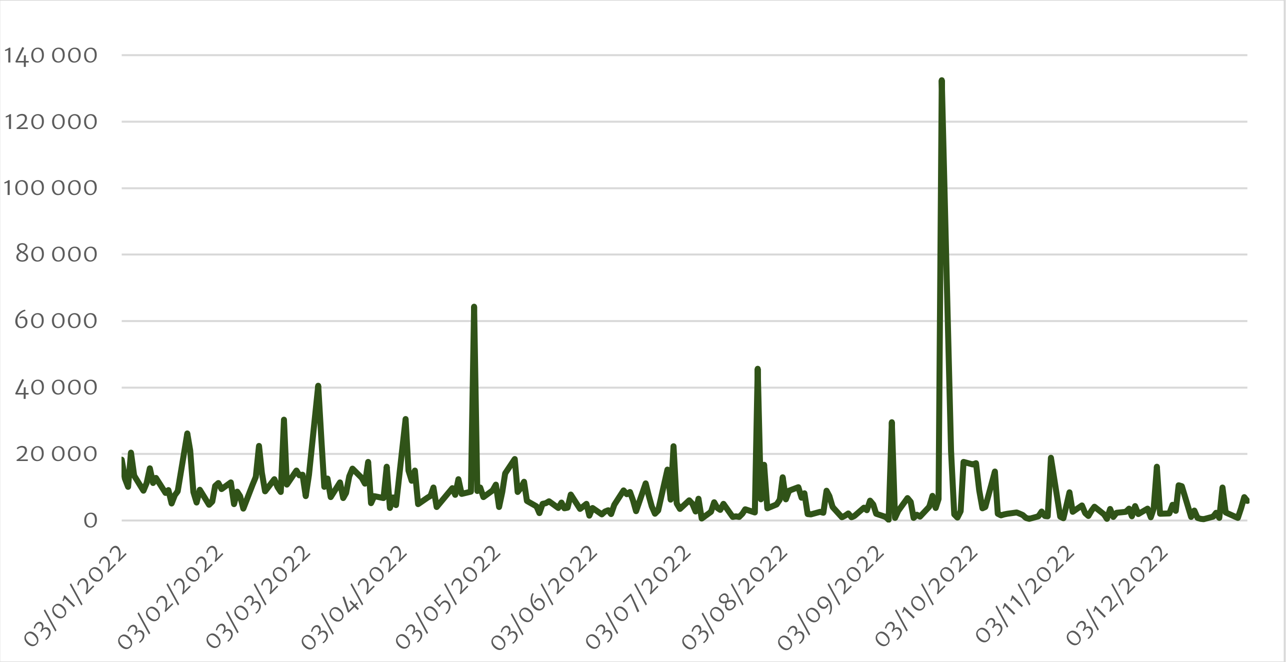
The Company's market capitalization, based on Lumibird's share price at 14 March 2023 (closing price), i.e. 17.04 euros, and the number of securities comprising the share capital on this date, i.e. 22,466,882 shares, represents 382.836 million euros.

The changes in Lumibird's share price since 1 January 2022 are presented below:

Lumibird share price (in euros)



Lumibird share: Volumes traded



Summary of share prices and volumes for the period from January 2022 to January 2023 (source: Euronext Paris S.A.)

Date	High	Low	Average (at closing)	Number of shares traded
January 2022	24.1	19.68	21.47	249,129
February 2022	21.4	19.04	20.30	229,469
March 2022	21.7	17.4	20.27	286,057
April 2022	21.85	19.94	20.89	246,997
May 2022	21.3	18.56	19.73	156,221
June 2022	19.86	16.64	18.62	135,901
July 2022	20.65	17.14	19.44	128,275
August 2022	22.5	19.72	21.33	113,416
September 2022	20.4	14.82	18.03	255,476
October 2022	17.6	14.12	16.75	107,231
November 2022	17.1	16.02	16.45	62,798
December 2022	17.12	15.24	15.96	88,674
January 2023	19.22	16.4	18.21	104,821

12.9. Potential capital

12.9.1. Information on stock options / warrants

No stock options or warrants were in place or awarded during 2022.

12.9.2. Information on free share awards

The information on free share awards is presented in section 12 of this report.

12.9.3. Non-equity securities

Besides the €40 million bond at 31 December 2022, no non-equity securities issued by the Company were outstanding on the date of this report.

12.9.4. Operations carried out in 2021 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, no 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 2022 and since the start of 2023.

12.10. Other information

12.10.1. Taxation

12.10.1.1 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 16,391 euros in 2022, generating a theoretical supplementary corporate income tax charge of 4,098 euros.

12.10.1.2. 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.

12.10.2. 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

Section 2

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 31/12/2022

1. BALANCE SHEET AT 31 DECEMBER 2022

Assets	Notes	GROSS	AMORT & DEPR.	NET 31/12/2022	NET 31/12/2021
Uncalled subscribed capital				-	-
Establishment costs			-	-	-
R&D costs			-	-	-
Software, concessions, patents		23	(23)	-	0
Right to lease			-	-	-
Commercial funds			-	-	-
Other intangible assets		1,107	(650)	457	233
Intangible assets in progress			-	-	-
Intangible assets	Note 1	**1,130**	(673)	457	233
Land			-	-	-
Buildings		59	(15)	44	50
Technical facilities		124	(54)	71	73
Other tangible assets		1,361	(949)	412	140
Investment properties			-	-	-
Tangible assets in progress		3,637	-	3,637	62
Advances and deposits on tangible assets			-	-	-
Tangible assets	Note 1	**5,181**	(1,018)	4,164	325
Equity interests		158,648	(9,533)	149,115	146,813
Equity securities held for investment		8,449	(949)	7,500	8,449
Receivables from equity interests		17,285	-	17,285	21,247
Loans		412	-	412	384
Guarantees and deposits paid		2,485	-	2,485	1,920
Merger Mali on financial assets			-	-	-
Other long-term receivables		-	-	-	-
Treasury shares		2,362	(128)	2,234	2,976
Financial assets	Note2	**189,641**	(10,610)	179,032	180,839
Total Fixed assets		**195,952**	**(12,300)**	**183,652**	**181,397**
Inventories and work-in-progress	Note 3 & 4	2,395	(233)	2,162	2,004
Prepayments and advances paid to suppliers	Note 5	111	-	111	3
Trade receivables	Note 5	24,724	(120)	24,604	15,499
Other receivables	Note 5	78,244	(42)	78,203	69,400
Total Current assets		105,474	(395)	105,079	86,905
Cash	Note 9	36,020	(17)	36,003	62,530
Prepaid expenses	Note 6	1,629	-	1,629	749
Accrued and deferred income		2,182	-	2,182	1,270
TOTAL ASSETS		**341,258**	**(12,712)**	**328,546**	**332,851**

LIABILITIES	Notes	2022	2021
Shareholders' equity and retained earnings			
Share capital		22,467	22,467
Paid-in capital		86,103	86,103
Revaluation difference			
Legal reserve		2,247	2,247
Reserve for long-term capital gains			
Other reserves		153	153
Retained earnings		82,717	78,888
Net income		470	3,829
Subventions			
Tax-regulated provisions			
Total shareholders' equity and reserves	Note 7	**194,156**	**193,687**
Other equity			
Conditional advances		-	
Total shareholders' equity		-	
Provisions for risks and charges		**1,654**	**607**
Financial liabilities			
Financial debt		90,369	92,891
Other financial liabilities		169	154
Total financial liabilities	Note 9	**90,538**	**93,045**
Advances received on client orders		**1,611**	**1,707**
Payables			
Trade and related payables		28,048	34,964
Other payables		10,670	7,421
Total payables	Note 9	38,718	42,385
Deferred income	Note 10	1,080	914
Accrued liabilities		789	507
TOTAL LIABILITIES		**328,546**	**332,851**

2. 2022 INCOME STATEMENT (€'000)

€'000	2022	2021
Operating revenues		
Net revenues	84,923	74,993
Inventoried production	326	1,158
Capitalised production		-
Operating subsidies	254	13
Reversal of depreciation and provisions - expense transfers	602	1,210
Other revenues	1,130	2,474
Other operating revenues	2,312	4,855
Total operating revenues	**87,234**	**79,848**
Operating expenses		
Purchases consumed	(52,395)	(47,968)
Other purchases and external expenses	(22,298)	(19,400)
Taxes, duties and similar payments	(560)	(500)
Wages and salaries	(6,334)	(4,850)
Payroll taxes	(3,020)	(2,164)
Depreciations	(469)	(381)
Provisions	(1,769)	(605)
Other expenses	(1,274)	(2,725)
Total operating expenses	**(88,118)**	**(78,592)**
OPERATING INCOME	**(884)**	**1,255**
Financial income	9,681	5,250
Financial charges	(7,074)	(3,962)
NET FINANCIAL INCOME	**2,606**	**1,287**
Exceptional income	636	5,287
Exceptional charges	(3,618)	(5,128)
EXCEPTIONAL RESULT	**(2,982)**	**159**
Employees profit sharing		-
Income tax	1,729	1,127
NET INCOME	**470**	**3,829**

3. ALLOCATION OF NET INCOME PROPOSAL (€'000)

€'000	Origin	Allocation	Dividends	Post allocation
Origin				
Paid-in capital	86,103	-	-	86,103
Legal reserves	2,247	-	-	2,247
Long-term capital gain reserves	-	-	-	-
Other reserves	153	-	-	153
Retained earnings from prior years	82,717	470	-	83,187
2022 NET INCOME	470	(470)	-	-

4. NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Lumibird's annual financial statements are expressed in euros, unless otherwise indicated. They were approved by the Board of Directors on 14 March 2023.

4.1. Accounting principles, rules and methods

4.1.1 Principles, rules

The annual financial statements have been prepared in accordance with French Accounting Standards Authority (Autorité des Normes Comptables) regulation no. 2014-03 of 8 September 2014, relating to the General Accounting Plan, up to date with the various additional regulations in force at the date of preparation of the said annual financial statements.

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,

The basic method used for the valuation of items recorded in the financial statements is the historical cost method.

4.1.2 Accounting methods

Change in estimates
None

Change in the method of presentation
None

Error corrections
The dividends paid in 2021 by Quantel Medical (in respect of its 2020 results) were erroneously recorded for Lumibird SA, instead of Lumibird Medical. For the 2022 financial year, this error was corrected, taking into account a retroactive effect on the interest on Lumibird Medical's debt to Lumibird SA, which was recorded under exceptional income. The impact of this error correction, recorded under exceptional expenses, amounts to €1,517,545.

4.2. Key developments in the last financial year

After two years (2020, 2021) disrupted by the COVID-19 health crisis and its consequences on the economies of the countries in which Lumibird and its subsidiaries operate, the year 2022 took place in a tense geopolitical context (war in Ukraine) and in a constrained economic context: shortage of optical and electronic components leading to higher costs as well as a critical lengthening of procurement lead times, inflation unseen for more than 10 years weighing on overheads and personnel costs, higher cost of debt.

In this environment, the Lumibird Group remained agile and pragmatic. It has maintained a high level of activity while laying the foundations for adapting its organisation to new economic, social and societal constraints. To date, this has resulted in:

- higher structural costs,
- support for its subsidiaries to ensure the financing of stocks, securing supplies and their costs, as well as the financing of new production sites (Ljubljana, Villejust, Göteborg, Lannion) better adapted to short and medium term production needs,
- a still very active M&A approach, aimed at consolidating the Group's strategy in terms of vertical integration.

At the same time, Lumibird SA has continued its efforts to optimise its financial situation, always with the aim of providing itself with the means to support the development of its Group: the company has put in place 2 lines of 5 million euros each with BPI Financement, both with a 10-year term and a deferred repayment period covering eight quarters, bearing interest at 0.64% and 2.59% respectively, and combined with cash collateral for a total of €0.5 million.

Lastly, Lumibird, in connection with its holding activities:

- participated in the consolidation of the capital of its subsidiary Lumibird Photonics Sweden, by carrying out a capital increase for €2,702,000, of which €2,659,000 was carried out by partial incorporation of current account,
- wrote down the value of its investment in Halo-Photonics by €4,467,000,
- reversed an impairment on its shareholding in Quantel USA, in the amount of €4,068,000.

4.3 Notes on balance sheet items

4.3.1. Intangible assets

Expenses related to patents and trademarks are amortised on a straight-line basis over a period of 10 years.

Purchased software is recorded at acquisition cost and amortised 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 amortised but instead subject to an annual impairment test (impairment test based on future cash flows).

4.3.2. 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

4.3.3. Financial assets

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.

Other financial assets

Other financial assets may consist of:

- Deposits and guarantees paid to third parties as security,
- Loans paid to third parties (employees or public bodies in the case of the "1% housing" contribution),
- Merger losses on financial assets, recognized in the context of mergers or universal transfer of assets.

4.3.4. 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).

4.3.5. 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 recognised only when the services are completed.

4.3.6. 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.

4.3.7. 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 recognised and booked. A provision for foreign exchange risk is recognised to cover the risk of potential loss.

4.3.8. Retirement benefits

Upon retirement, employees receive compensation in accordance with the law and the contractual provisions. As the company has not signed any specific agreement concerning retirement commitments, its commitment is limited to the conventional retirement indemnity.

The policy is not to provision the rights acquired by the employees but to record instead the corresponding expenses in the fiscal year when benefits are actually paid.

4.3.9. Provision for 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.

4.3.10. 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.

4.4 Notes to the income statement items

4.4.1. Revenues

Revenues consist of sales of goods and services produced. A product is recognised 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 recognised 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 recognised as deferred income. Any loss on probable termination is immediately recorded.

For long-term contracts (i.e. spread over more than 12 months) generally including phases of studies and definitions of products and components, revenue is recognised 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.

4.4.2. 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.

4.5 Parent company

Lumibird SA, whose registered office is 2 rue Paul Sabatier – 22300 Lannion, is the consolidating parent company of the Lumibird Group. The financial statements of the Lumibird Group are available at this address.

Lumibird is also part of:

- The Group Esira, whose parent company Esira is located at 2 rue Paul Sabatier – 22300 Lannion
- The Group Clervie, whose parent company Clervie, is located at 2 rue Paul Sabatier – 22300 Lannion.

4.6. Information relative to line items of the balance sheet

Note 1. Intangible and tangible assets table

Gross value (€'000)	Opening	Increase	Decrease	Other variations	Closing
Establishment costs	-	-	-	-	
R&D costs	-	-	-	-	
Software, concessions, patents	23	-	-	-	23
Right to lease	-	-	-	-	
Commercial funds	-	-	-	-	
Other intangible assets	800	306	-	1	1,107
Intangible assets in progress	-	-	-	-	
Advances and deposits on intangible assets	-	-	-	-	
Intangible assets	822	306	-	1	1,130
Land	-	-	-	-	
Buildings	59	-	-	-	59
Technical facilities	117	8	-	0	124
Other tangible assets	1,019	342	-	(0)	1,361
Investment properties	-	-	-	-	
Tangible assets in progress	62	3,665	-	(90)	3,637
Advances and deposits on tangible assets	-	-	-	-	
Tangible assets	1,257	4,014	-	(90)	5,181
TOTAL INTANGIBLE AND TANGIBLE FIXED ASSETS	**2,079**	**4,321**	**-**	**(89)**	**6,311**

Amortisation and depreciation (€ '000)	Opening	Increase	Decrease	Other variations	Closing
Establishment costs - Amort	-	-	-	-	
Research costs - Amort.	-	-	-	-	
Software, concessions, patents – Amort	(23)	(0)	-	-	(23)
Right to lease – Amort	-	-	-	-	
Commercial funds - Amort	-	-	-	-	
Other intangible assets – Amort	(566)	(173)	-	-	(650)
Establishement costs - Loss of value	-	-	-	-	
Research costs – Loss of value	-	-	-	-	
Software, concessions, patents – Loss of valie	-	-	-	-	
Right to lease – Loss of value	-	-	-	-	
Commercial funds – Loss of value	-	-	-	-	
Other intangible assets – Loss of value	-	-	-	-	
Intangible assets in progress – Loss of value	-	-	-	-	
Intangible assets Amort and depreciation	(589)	(173)	-	89	(673)
Land - Amort.	-	-	-	-	
Buildings - Amort.	(9)	(6)	-	(0)	(15)
Technical facilities - Amort.	(43)	(10)	-	-	(54)
Other tangible assets - Amort.	(880)	(70)	-	-	(949)
Investment properties - Amort.	-	-	-	-	
Land – Loss of value	-	-	-	-	
Buildings – Loss of value	-	-	-	-	
Technical facilities – Loss of value	-	-	-	-	
Other tangible assets – Loss of value	-	-	-	-	
Investment properties – Loss of value	-	-	-	-	
Tangible assets in progress – Loss of value	-	-	-	-	
Tangible assets Amort and Depreciation	(932)	(85)	-	-	(1,018)
AMORTISATION AND DEPRECIATION INTANGIBLE AND TANGIBLE ASSETS	**(1,521)**	**(258)**	**-**	**89**	**(1,690)**

Net value (€'000)	Opening	Increase	Decrease	Other variations	Closing
Establishment costs	-	-	-	-	-
R&D costs	-	-	-	-	-
Software, concessions, patents	0	(0)	-	-	0
Right to lease	-	-	-	-	-
Commercial funds	-	-	-	-	-
Other intangible assets	233	134	-	90	457
Intangible assets in progress	-	-	-	-	-
Advances and deposits on intangible assets	-	-	-	-	-
Intangible assets	233	133	-	90	457
Land	-	-	-	-	-
Buildings	50	(6)	-	(0)	44
Technical facilities	73	(2)	-	0	71
Other tangible assets	140	272	-	(0)	412
Investment properties	-	-	-	-	-
Tangible assets in progress	62	3,665	-	(90)	3,637
Advances and deposits on tangible assets	-	-	-	-	-
Tangible assets	325	3,929	-	(90)	4,164
TOTAL INTANGIBLE AND TANGIBLE FIXED ASSETS	**558**	**4,062**	**-**	**(0)**	**4,621**

Note 2. Financial assets table

Gross value (€'000)	Opening	Increase	Decrease	Change in capital	Other variations	Closing
Equity interests	155,946	-	(0)	43	2,659	158,648
Fixed assets of the portfolio activity	8,449	-	-		-	8,449
Receivables from equity interests	21,247	-	(3,962)		-	17,285
Loans	384	34	(6)		-	412
Guarantees and deposits paid	1,920	617	(51)		0	2,485
Merger Mali on financial assets	-	-	-		-	
Other long-term receivables	0	-	-		-	0
Treasury shares	2,976	1,934	(2,548)		0	2,362
FINANCIAL FIXED ASSETS	**190,921**	**2,585**	**(6,567)**	**43**	**2,659**	**189,641**

Impairment (€'000)	Opening	Increase	Decrease	Change in capital	Other variations	Closing
Equity interests	(9,134)	(4,467)	4,068		-	(9,533)
Fixed assets of the portfolio activity	(949)	-	-		-	(949)
Receivables from equity interests	-	-	-		-	
Loans	-	-	-		-	
Guarantees and deposits paid	-	-	-		-	
Mali on financial assets	-	-	-		-	
Other long-term receivables	-	-	-		-	
Treasury shares	-	(128)	-		-	(128)
FINANCIAL ASSETS IMPAIRMENT	**(10,082)**	**(4,595)**	**4,068**	**-**	**-**	**(10,610)**

Net value (€'000)	Opening	Increase	Decrease	Change in capital	Other variations	Closing
Equity interests	146,813	(4,467)	4,068	43	2,659	149,115
Fixed assets of the portfolio activity	7,500	-	-	-	-	7,500
Receivables from equity interests	21,247	-	(3,962)	-	-	17,285
Loans	384	34	(6)	-	-	412
Guarantees and deposits paid	1,920	617	(51)	-	0	2,485
Merger Mali on financial assets		-	-	-	-	-
Other long-term receivables	0	-	-	-	-	0
Treasury shares	2,976	1,806	(2,548)	-	0	2,234
FINANCIAL ASSETS	**180,839**	**(2,010)**	**(2,499)**	**43**	**2,659**	**179,032**

Equity interests

Table of subsidiaries and affiliates

French subsidiaries

Fiscal year 2022	Share Capital	Other shareholders' equity	ownership %	Net book value	Loans and advances given and not repaid yet	Endorse -ments	Revenue before tax	Net income	Dividends from consolidated equity interests
VELDYS	1	584	99,00%	1	-		288	765	
KEOPSYS INDUSTRIES	1,795	5,154	100,00%	4,500	14,788		27,060	569	1,000
SENSUP	500	(1,093)	100,00%	2,155	2,007		1,221	(726)	
QUANTEL TECHNOLOGIES	1,753	1,317	100,00%	1,764	8,860		17,058	1,096	1,000
ELIASE	100	21	100,00%	100	-		-	31	
LUMIBIRD MEDICAL	116,652	4,707	100,00%	116,652	18,891		-	4,205	
LUMIBIRD TRANSPORT	100	1,485	100,00%	100	-		678	1,694	

Foreign subsidiaries

Fiscal year 2022	Share Capital	Other shareholders' equity	ownership %	Net book value	Loans and advances given and not repaid yet	Endorse-ments	Revenue before tax	Net income	Dividends from consolidated equity interests
QUANTEL USA	17,724	(7,938)	100%	10,043	7,091	-	17,033	(951)	-
LUMIBIRD INC	5	2,684	100%	-	0	-	18,510	263	-
LUMIBIRD JAPAN	70	164	100%	100	842	-	4,473	79	-
LUMIBIRD CHINA	215	(448)	100%	200	-	-	3,933	(1)	-
LUMIBIRD LTD	2,770	(1,294)	100%	2,716	4,123	-	5,017	(612)	-
HALO-PHOTONICS	0	2,556	100%	8,051	-	-	84	(63)	-
LPS AB	2,727	176	100%	2,734	3,715	-	5,681	190	-

Key events of the financial year

During the 2022 financial year, Lumibird SA restructured the capital of its subsidiary Lumibird Photonics Sweden (by incorporating its current account in the amount of €2,659,000 and capital contribution of €43,000; this transaction led to an increase in the amount of Lumibird Photonics Sweden shares held by Lumibird SA of the same amount (change recorded under the column "other changes").

Valuation of equity interests

Each year, Lumibird carries out a valuation of the equity securities held, using the method specified in note 1.3.3. The analysis carried out in 2022 highlight the need to adjust provisions for impairment previously recognised. In fact:

- A reversal of depreciation of the Quantel USA shares was carried out for €4,068,000,
- A depreciation of the Halo-Photonics shares was recorded for €4,467,000.

Equity securities held for investment

Equity securities held for investment correspond to:

- The shares in Cilas, acquired in 2021 for €7.5 million, representing 37% of the capital of this company
- Shares in Medsurge, for which a 100% provision has been made

Cilas shares are valued at their minimum expected recoverable amount in the context of ongoing discussions concerning a possible sale.

Other financial fixed assets

Other financial fixed assets include:

- The long-term loan of an initial amount of €24m granted by Lumibird SA to its subsidiary Lumibird Medical as part of the acquisition of Ellex, in 2020. This loan, recorded under "receivables from equity investments", bears interest at a rate of 1.7% and matures on 1 July 2030,
- Deposits and guarantees. They correspond mainly to the cash pledges deposited in the context of loans contracted with the BPI (€2,200,000) and to a lesser extent to the guarantee deposits on the building of Villejust for €116,000,

Note 3. Inventories

Gross value

Inventories and WIP (€'000)	Gross	Impairment	Net 31/12/2022	Net 31/12/2021
Inventories of materials and supplies	73	(11)	62	88
Work in progress	(0)		(0)	-
Parts	2,272	(223)	2,049	1,866
Finished goods	50	(0)	50	49
TOTAL INVENTORIES	**2,395**	**(233)**	**2,162**	**2,004**

Provision

Impairment (€'000)	Opening	Increase	Decrease	Other variations	Closing
Write-down on inventories – material and supplies	1	9		0	**11**
Write-down on inventories - WIP	-			-	
Write-down on inventories - parts	80	144	(1)	-	**223**
Write-down on inventories – finished goods	0	0	-	-	**0**
PROVISIONS FOR INVENTORY WRITE-DOWNS	**82**	**153**	**(1)**	**0**	**233**

Note 4 - Receivables

Receivables (€'000)	Gross 31/12/2021	Gross 31/12/2022	Up to 1 year	Over 1 year
Fixed assets				
Fixed assets of the portfolio activity	8,449	8,449		
Receivables from equity interests	21,247	17,285	-	17,285
Loans	384	412	-	412
Guarantees and deposits paid	1,920	2,485	184	2,302
Treasury shares	2,976	2,362		2,362
Other financial fixed assets	**34,975**	**30,993**	**184**	**22,361**
Prepayments and advances paid to suppliers	**3**	**111**	**111**	
Trade and related receivables	**15,594**	**24,724**	**24,724**	
Personnel and welfare agencies receivables	19	21	21	
Taxes and duties recoverable, excluding income tax	3,377	3,912	3,912	
Tax consolidation related receivables	3,110	4,778	4,778	
Income tax	7,282	8,028	7	8,021
Group and associated companies	55,181	60,611	60,611	
Other receivables	459	895	895	
Credit notes receivables	2	-	-	
Other receivables	**69,431**	**78,244**	**70,224**	**8,021**
Prepaid expenses	749	1,629	1,629	
Deferred expenses	1,130	920	210	710
Translation differences – assets	139	1,262	1,262	
Total current assets	**87,046**	**106,890**	**98,160**	**8,730**

As at 31 December 2022, tax receivables mainly consist of tax credits for 2019 to 2022 that have not been offset against advance payments of corporate income tax.

Note 5 – Liquidity agreement

At 31 December 2022, the resources made available to the investment service provider under the liquidity contract were as follows:

- 33,979 shares,
- 262,632.39 euros in cash.

Number of treasury shares held at 31 December 2022	33,979
Number of shares purchased from 1 January to 31 December 2022	149,731
Number of shares sold from 1 January to 31 December 2022	131,169
Average purchase price	€19.66
Average sales price	€20.41
Average unit cost price of securities in the portfolio at 31 December 2022	€16.89

Note 6 – Prepaid expenses

Prepaid expenses (€'000)	31/12/2021	31/12/2022
Property lease / Rent	173	127
Equipment lease / rent	86	18
Safety – maintenance and repair	–	156
Insurance	14	48
Fees/studies	241	103
Prepaid expenses on long-term contracts	–	784
Fairs, exhibitions and seminars	67	46
Licences	150	319
Other	18	29
TOTAL PREPAID EXPENSES	**749**	**1,629**

Note 7 – Change in shareholders' equity

Change in shareholders' equity (€'000)	Share Capital	Paid-in capital	Reserves	Other reserves	Retained earnings	Net income	Total Shareholders' equity
SITUATION AT 31/12/2020	**22,467**	**86,103**	**1,843**	**153**	**3,388**	**75,904**	**22,467**
Allocation to retained earnings			404		75,500	(75,904)	
Fiscal year income						3,829	
Capital increase							
Other	–	–	–	–	0		–
SITUATION AT 31/12/2021	**22,467**	**86,103**	**2,247**	**153**	**78,888**	**3,829**	**22,467**
Allocation to retained earnings					3,829	(3,829)	
Fiscal year income						470	
Capital increase							
Dividend distribution							
Other	–	–	–	–	–		–
SITUATION AT 31/12/2022	**22,467**	**86,103**	**2,247**	**153**	**82,717**	**470**	**22,467**

As at 31 December 2022, the share capital consisted of 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 2022 by:

	Nb of shares	% of capital	Nb of voting rights(1)	% of voting rights(2)
ESIRA(3)	**11,667,290**	**51.93%**	**17,911,080**	**62.11%**
Group executives	170,003	0.76%	210,459	0.73%
Treasury shares	174,448	0.78%	NA	NA
7 Industries Holding B.V(4)	1,706,649	7.60%	1,706,649	5.92%
Amiral Gestion(5)	707,413	3.15%	707,413	2.45%
Other, incl. Public	8,041,079	35.79%	8,301,734	28.79%
TOTAL	**22,466,882**	**100%**	**28,837,335**	**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 28,837,335 at 31 December 2022.
(3) ESIRA is a French-law simplified joint-stock company (société par actions simplifiée) held at 85% by Mr Marc Le Flohic, Chairman and CEO of the Company.
(4) 7Industries Hoding B.V is a company controlled by Ms Ruthi Wertheimer.
(5) Asset management company acting on behalf of funds which it manages.

Note 8 - Free shares

At its meeting of September 21, 2021, the Board of Directors decided to adopt an allocation plan for several categories of Group employees, representing a total of 84 employees and 291,000 shares. The final vesting date for the bonus shares was set at the date of closing of the 2023 financial statements, i.e. a vesting period of 2 years and 5 months, 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 with the Company or an affiliated company within the meaning of article L.225-197-2 of the French Commercial Code, and
- the performance conditions set by the Board of Directors are met.

As of December 31, 2022,

- taking into account beneficiaries who have already left the Group, those who have refused the plan, 220,000 of the 291,000 bonus shares offered are considered to be in force:
- of the revision of the operating plan, which takes into account current and projected economic uncertainties, the achievement of the plan's performance conditions has been reviewed and has led to a provision (pro rata temporis) of 80% of the plan.

Finally, at its meeting of December 9, 2022, the Board of Directors decided to adopt a plan to grant 60,000 shares to a category of employees. The vesting date for the bonus shares was set at the date of closing of the 2024 financial statements for 20% of the shares and 2026 for 80% of the shares, i.e. a vesting period of 4 years and 3 months, 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 with the Company or an affiliated company within the meaning of Article L.225-197-2 of the French Commercial Code, and
- the performance conditions set by the Board of Directors are met

The value of the allocation plan was determined as follows:

Free shares plan	Plan dated 21/09/2021	Plan dated 09/12/2022
Total number of free shares originally allocated	291,000	60,000
Board meeting date for allocation decision	21/09/2021	09/12/2022
End of the vesting period	2023 fin stmts	2024 fin stmts (20%) and 2026 fin stmts (80%)
Stock price at the date of allocation (B)	17.0	15.36
Corporate social contribution (« Forfait social ») (C)	20%	20%
Plan value at the end of the vesting period (A*B* (1+C))	€3,590,400	€1,105,920
Number of free shares cancelled/refused	71,000	-
Number of free shares pending	-	-
Number of shares remaining at the vesting date	220,000	60,000
Remaining free shares at December 31 2022 (A)	176,000	60,000

Note 9 - Provisions

PROVISIONS FOR RISK AND CHARGES (€'000)	Opening	Increase	Used reversal	Unused reversal	Other variations	Closing
Tax-regulated provisions	-	-	-	-	-	
Total I	-	-	-	-	-	-
Provisions for litigation	-	263	-	-	-	**263**
Provisions for warantee	27	57	-	-	0	**84**
Provisions for foreign exchange loss	140	1,262	**(140)**	-	(0)	**1,262**
Other provisions for risk	440	45	**(440)**	-	-	**45**
Provisions for pensions and retirement	-	-	-	-	-	
Provisions for expenses	-	-	-	-	-	
Total II	607	1,627	(580)	-	(0)	1,654
TOTAL PROVISIONS FOR RISK AND CHARGES	**607**	**1,627**	**(580)**	**-**	**(0)**	**1,654**

PROVISIONS FOR RISK AND CHARGES (€'000)	Increase	Used reversal	Unused reversal
Operational Allocation / Reversal	1,582	**(580)**	-
Financial Allocation / Reversal	45	-	-
Extraordinary Allocation / Reversal	-	-	-
TOTAL ALLOCATION/REVERSAL	**1,627**	**(580)**	**-**

Provisions for litigation consist of provisions for social risks related to disputes with former employees.

Note 10 – Liabilities

Statement of liabilities (€'000)	31/12/2021	31/12/2022	Less than 1 year	More than 1 year
Bond issues	40,000	40,000	40,000	–
Financial debt and bank overdraft	53,045	50,538	20,789	29,749
Total borrowings and financial debt	**93,045**	**90,538**	**60,789**	**29,749**
Advances and deposits received on orders	**1,707**	**1,611**	**1,611**	
Trade and related payables	**34,964**	**28,048**	**28,048**	**-**
Personnel and related liabilities	2,374	2,032	2,032	
Tax liabilities (excluding income tax)	183	690	690	
Liabilities relating to tax consolidation	2,698	2,627	2,627	
State – income tax	135	134	134	
Group current account	1,572	5,187	5,187	
Other liabilities	459	–	–	
Other operating liabilities	**7,421**	**10,670**	**10,670**	**-**
Prepaid income	914	1,080	1,080	
Accrued liabilities	507	789	789	
Total current liabilities	**45,512**	**42,198**	**42,198**	**-**
TOTAL LIABILITIES	**138,557**	**132,736**	**102,987**	**29,749**

Bank borrowings and financial debt

Borrowing status

Bank borrowings and financial debt (€'000)	31/12/2021	31/12/2022
Bond issues	**40,000**	**40,000**
Debt from credit institutions	52,891	50,369
Advance related to Research tax credit		
Advance related to Tax credit for competitiveness and employment		
Borrowings and other financial liabilities	–	–
Interests on debt	140	155
Bank overdrafts	14	14
Total bank borrowings and financial debt	**93,045**	**90,538**
Active cash	62,530	36,003
NET FINANCIAL DEBT	**30,515**	**54,535**

Table of changes in borrowings

Value (€'000)	Opening	Increase	Decrease	Other variations	Closing
Bond issues	40,000	–	–	–	**40,000**
Debt from credit institutions	52,891	10,000	(12,522)	(0)	**50,369**
Advance related to Research tax credit	–	–	–		
Advance related to Tax credit for competitiveness and employment	–	–	–		
Borrowings and other financial liabilities	(0)	–	–	0	**-**
Interests on debt	140	16	–	0	**155**
Bank overdrafts	14	(1)	–	–	**14**
Total bank borrowings and financial debt	**93,045**	**10,015**	**(12,522)**	**(0)**	**90,538**
Active cash	62,530	–	(26,485)	(43)	**36,003**
NET FINANCIAL DEBT	**30,515**	**10,015**	**13,962**	**43**	**54,535**

During financial year 2022, the company set up two lines of credit of 5 million euros each with BPI financement, with a respective term of 10 years, and all including a deferred repayment of 8 quarters, bearing interest at the respective rates of 0.64% and 2.59%, and including cash collateral for a total amount of 0.5 million euros,

The Group's acquisition debt, both bank (drawn for €10.5 million at 31 December 2022) and bond (for €40.0 million), is subject to two ratios, tested annually at 31 December, failure to comply with which results in the debt becoming due:

- A **leverage ratio** (ratio of the net consolidated debt to consolidated EBITDA) must not exceed a declining maximum, gradually moving from 3.50 (high limit) at 31 December 2020 to 2.75 (low limit) at 31 December 2026 and for which:
  - Consolidated net debt means, on a consolidated basis the difference between:
    - Consolidated cash, representing the active position of cash and cash equivalents accounts,
    - Consolidated indebtedness, the latter designating all borrowings and similar debts excluding all subordinated debts, plus, within the same scope of consolidation, the passive positions of bank accounts, bills discounted and not due, off-balance sheet commitments (excluding pension commitments, guarantees and sureties granted in the context of current operations and interest rate and exchange rate hedges) and assignments of receivables or discounting with recourse or any factoring operation with recourse,
  - Consolidated EBITDA is the consolidated current operating income:
    - Increased by net depreciation and provisions,
    - Decreased by other current income and increased by other current expenses.

At 31 December, the Group's leverage ratio was 1.7.

- 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, and for which:
  - The consolidated cash flow consists of the Group's consolidated EBITDA:
    less:
    - corporate taxes actually paid,
    - investments disbursed,
    - change in consolidated net working capital,
    - any income not expected to be received or paid and included in consolidated EBITDA,
    - any exceptional or extraordinary item (including net proceeds from the sale of assets, shares, company rights or business goodwill) which is not part of current operations and which has been the subject of a receipt or disbursement,

    increased by:
    - any drawdown of medium-term loans,
    - the sum of other interest and financial income from investments and cash and cash equivalents and net income from the disposal of investment securities,
  - debt service means the Group's consolidated financial expense:
    - increased by the principal repayment amount of financial debts maturing during the test period under consideration,
    - less any repayment in 2021 of bank loans subject to PGE (state-guaranteed loan) regulations entered into prior to the date of signing the agreement.

Given the record level of activity in the fourth quarter of 2022 (and in particular in December 2022), the Group's working capital requirement at 31 December 2022 is occasionally high. As a result, taking into account the methods of calculating the coverage ratio, at 31 December 2022, the Group had a ratio of -0.2 and did not meet the threshold of 1. At that date, the Group is therefore in a situation of early repayment of its acquisition debt (bank and bond). In application of the provisions of IAS1, all of the Group's acquisition debt (bank and bond), i.e. €50.5 million, has been classified as current financial debt.

Subsequent to the balance sheet date, and prior to the closing of the 2022 financial statements, the Group obtained the agreement of its lenders to waive compliance with the coverage ratio at 31 December 2022, which consequently does not give the €50.5 million reclassified as current financial liabilities an immediate collectability or a maturity of less than 12 months. Furthermore, given the Group's cash flow forecasts, its available cash and additional financing capacities, the Group's liquidity is not in question as at 31 December 2022 and for the next 12 months.

Note 11 - Prepaid income

Prepaid income (€'000)	31/12/2021	31/12/2022
Prepaid income on contract	749	-
Other prepaid income	165	1,080
TOTAL PREPAID INCOME	914	1,080

Note 12. Accrued income / Accrued expenses

Accrued income

Accrued income (€'000)	31/12/2021	31/12/2022
LT contract	2,612	3,105
Invoices to be issued	351	901
Tax and personnel receivables	18	-
TOTAL ACCRUED INCOME	2,981	4,006

Accrued expenses

Accrued expenses (€'000)	31/12/2021	31/12/2022
Unreceived invoices	15,431	9,288
Employee vacation payables	521	584
Other tax and personnel payables	2,137	1,469
Credit notes to be received	2	-
Accrued interests	140	155
Unpaid invoices on long-term contracts	5,977	7,415
TOTAL ACCRUED EXPENSES	24,208	18,911

Note 13 – Translation differences

Translation differences assets (€'000)	31/12/2021	31/12/2022
Customers	15	128
Suppliers	72	323
Current accounts	52	811
TOTAL TRANSLATION ASSETS DIFFERENCES	139	1,262

Translation differences liabilities (€'000)	31/12/2021	31/12/2022
Suppliers	-	77
Customers	26	31
Current accounts	480	682
TOTAL TRANSLATION DIFFERENCES LIABILITIES	507	789

4.7. Notes to the income statement

Note 14 - Revenues

Total sales

Revenues (€'000)	31/12/2021	31/12/2022
Sales of goods	437	892
Production sold (goods)	62,450	70,980
Production sold (services)	10,176	10,824
Revenue from auxiliary activities	1,930	2,227
REVENUES	**74,993**	**84,923**
Of which Export	**56,692**	**61,894**

Distribution of sales by geographical area

Distribution of sales by geographical area	31/12/2021	31/12/2022
Hong Kong	2,678	1,414
USA	11,264	15,346
Germany	4,290	6,472
Korea	2,272	2,200
China	8,439	7,593
Austria	2,153	2,243
Switzerland	4,130	3,377
Israël	8,249	6,543
Other	13,216	16,707
TOTAL EXPORT SALES BY GEOGRAPHICAL AREA	**56,692**	**61,894**

Note 15 - Purchases consumed

Purchases consumed (€'000)	31/12/2021	31/12/2022
Purchase of raw materials	(15,814)	(11,321)
Purchases of studies and services	-	
Other purchases	(42)	(295)
Purchases of equipment and supplies not held in inventory	-	
Purchase of gas and electricity	(286)	(292)
Purchase of water	(10)	(16)
Purchase of fuel	-	(37)
Purchase of good	(31,869)	(40,385)
Incidental expenses	(19)	(33)
Purchases of raw materials, goods and supplies	**(48,041)**	**(52,379)**
Change in inventories of raw materials	(38)	(17)
Change in inventories of goods	(35)	1
Change in inventories	**73**	**(16)**
Purchases consumed	**(47,968)**	**(52,395)**

Note 16 - Increase and reversal of operating provisions

Reversal of operating provisions (€'000)	31/12/2021	31/12/2022
Reversal of operating provisions on fixed assets	-	-
Reversal of operating on inventories	71	1
Reversal of operating provisions on current assets	329	-
Reversal of provisions for operating risks and expenses	793	580
REVERSAL OF OPERATING PROVISIONS	**1,193**	**582**

Increase in operating provisions (€'000)	31/12/2021	31/12/2022
Operating provisions on fixed assets	-	-
Operating provisions on inventories	-	(153)
Operating provisions on current assets	(24)	(33)
Operating provisions for operating risks and expenses	(580)	(1,582)
ALLOCATIONS TO OPERATING PROVISIONS	**(605)**	**(1,769)**

Note 17 - Workforce

	31/12/2021	31/12/2022
Design and manufacturing	5	6
Commercial	13	9
Administrative	46	51
Number of employees to date	**64**	**66**

Average number of employees	62	66

Note 18 – Financial income

Financial income (€'000)	31/12/2021	31/12/2022
Dividends from consolidated companies	3,251	2,001
Income from securities	1,287	1,647
Reversal of financial provisions	34	3
Provisional financial write-backs of consolidated securities	–	4,068
Positive foreign exchange differences on financial transactions	677	1,962
Other financial income		
Merger premium to income		
Merger bonus in income		
Transfer of financial expenses		
Financial income	5,250	9,681
Interest and similar expenses	(3,921)	(2,520)
Net expenses on disposal of marketable securities		
Allocation to financial provisions	–	(175)
Financial provisions on consolidated securities		(4,467)
Exchange loss on financial transactions	(41)	88
Other financial income		
Exceptional expenses on capital transactions		
Merger loss to income		
Financial expenses	(3,962)	(7,074)
FINANCIAL RESULTS	**1,287**	**2,606**

Note 19 – Extraordinary result

Extraordinary results (€'000)	31/12/2021	31/12/2022
Extraordinary income from management operations	9	1
Proceeds from the disposal of fixed assets	240	73
Reversal of exceptional provisions	5,037	
Transfers of exceptional expenses		–
Transfers of exceptional personnel expenses		562
Extraordinary income	**5,287**	**636**
Exceptional expenses on management operations	(70)	(1,525)
Net book value fixed assets	(5,058)	(2,093)
Allocation to exceptional provisions		
Extraordinary expenses	(5,128)	(3,618)
EXCEPTIONAL RESULT	**159**	**(2,982)**

The dividends paid in 2021 by Quantel Medical (in respect of its 2020 results) were erroneously recorded in Lumibird SA, instead of Lumibird Medical. For the year 2022, this error has been corrected, taking into account the retroactive effect on the interest on Lumibird Medical's debt to Lumibird SA.

The impact of this error correction, recorded under exceptional expenses, amounts to €1,517,545.

Note 20 – Tax breakdown

Tax breakdown (€'000)	Income before tax and after profit sharing	Reintegration	Deductions	Tax result breakdown	Tax payable	Net income
Operating income	(884)	1,628	(785)	(41)	10	**(873)**
Financial income	2,606	5,395	(7,817)	185	(46)	**2,560**
Current income before exceptional income and tax	**1,723**	**7,023**	**(8,602)**	**144**	**(36)**	**1,687**
Exceptional income	(2,982)	8,645	(1)	5,663	(1,416)	(4,398)
Tax consolidation deficits			(3,403)	(3,403)	851	851
Income tax – tax consolidation				–	2,330	2,330
TOTAL	**(1,259)**	**15,668**	**(12,006)**	**2,403**	**1,729**	**470**

Note 21 - Fiscal integration

Lumibird, head of the group, integrates fiscally all the French companies directly or indirectly owned by more than 95% on 1 January 2022. The Group's tax position for fiscal year 2022 is as follows:

Losses to carry forward	Opening	Change	Closing
Loss carry-forwards basis	7,698	(3,403)	4,294
Tax rate	26.5%		25.0%
Tax credit related to losses carried forward	**2,040**		**1,074**

As at 31 December 2022, the Group had €4,294,000 of tax loss carried forwards and used up €3,403,330 of them during the year. Excluding tax consolidation, Lumibird SA incurred a corporate tax charge of €9,000.

Note 22 – Executive compensation

The compensation paid by Lumibird SA to its executives during the 2022 financial year breaks down as follows:
Executives who are not corporate officers: €34,000
Executives who are corporate officers: €872,000
Non-corporate officer employees: €642,000
For the compensation of non-corporate officer employees, account was taken of the gross compensation paid in 2022 to the persons in charge of the functions represented on the Executive Committee.

Note 23 – Post balance-sheet events

We are not aware of any events occurring after the balance sheet date that could have a material impact on the Group's assets, financial position and operating results.

The Lumibird Group is little affected by the geopolitical tensions in Ukraine and Russia, whether in terms of its sales (less than 2% of the Group's turnover), its purchases or its customer risk.

4.8 Other information

Note 24 - Foreign exchange risk exposure

Lumibird is exposed to foreign exchange risk in its commercial activities and in its holding activities.

Commercial activities

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 fiscal year 2022:

- 28% of sales were made in foreign currency (exclusively dollars), i.e 26.2 million euros equivalent,
- 26% of purchases were made in foreign currency corresponding to 19.5 million euros equivalent. 94% of these purchases were made in dollars,
- Net exposure amounted to 4.2 million euros. Foreign exchange gains and losses amounted to 2.4 million euros for the year, recognised in operating income 0.4 million euros and in financial income for 2.0 million euros.

Holding activity

Lumibird is required to advance amounts in foreign currencies to its subsidiaries as part of its cash management services. The amounts lent in foreign currencies are mainly in dollars. The foreign exchange gains and losses on these transactions are recorded in financial income and expense.

Note 25 – Off balance-sheet commitments

Commitments arising from debt

Off-balance sheet commitments given or received in connection with debt	2021	2022
Business receivables assigned		-
Bonds or letters of intent	500	900
-Pledges of intangible and tangible assets		-
-Pledges and collateral of securities	144,000	140,000
-Lenders' privileges		-
Security interests	144,000	140,000
TOTAL	**144,500**	**140,900**

As part of the 2019 acquisition debt issue, the company has put in place a nominal 10.5 million euros CAP running on a declining basisfrom 1 June 2021 to 1 June 2024. As of December 31, 2022, the nominal amount of the CAP is 6.3 million euros.

Commitments arising in the ordinary course of business

Off-balance sheet commitments arising from current operations	2021	2022
Receivables assigned but not yet due	-	-
Guarantees given on contracts	66	-
- Pledges of intangible and tangible assets	-	-
- Pledges of securities	-	-
Security interests	-	-
TOTAL	**66**	**-**

Post-employment benefits

Commitments and expenses related to defined benefit plans are valued each year based on the following conditions:

Assumption used for calculating retirement benefits	2021	2022
Generational mortality tables	85	85
Collective labor agreement	French metal industrie	French metal industrie
Change in compensation	2.00%	3.00%
Turnover		
<41 years	3.95%	4.06%
>41 years and <50 years	2.37%	2.44%
>50 years	-	-
Discounting rate	0.67%	3.680%

The French Accounting Standards Authority (ANC) amended recommendation 2013-02 of 7 November 2013 on the rules for measuring and recording pension commitments. The method of calculating retirement commitments for the portion of defined benefit plans has been reviewed for the 2021 financial year: the corresponding commitment is now spread over the period of distribution of the rights and not over the duration of the employee's presence.

The amount of off-balance sheet commitments in respect of retirement benefits to be paid is estimated, at the balance sheet date, at €736,000. At 31 December 2021, the amount of these commitments was €835,000.

STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2022

This is a translation into English of the statutory auditors' report on the annual 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, 2022.

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, 2021 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 specialised 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, 2022 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.

In addition, the services other than the certification of the financial statements that we provided during the financial year to your company and to the entities that it controls and which are not mentioned in the management report or the notes to the annual financial statements include services provided at the request of the audited entity or entities (services provided as part of due diligence on the acquisition of entities, the mission of the independent third-party body relating to the consolidated declaration of extra-financial performance provided for in Article L.225-102-1 of the French Commercial Code).

Observation

Without questionning the opinion expressed above, we draw your attention to the following point set out in note 1.1.2 to the financial statements concerning the correction of an error relating to dividends paid in 2021 by Quantel Médical S.A.S.

Justification of Assessments - Key Audit Matters

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 1.3.3 and 1.6.2 to the financial statements)

Risk description

Equity securities were recorded on the Lumibird S.A. balance sheet as of December 31, 2022 for a net amount of €149,115 thousand.

As stated in Note 1.3.3 to the financial statements, equity securities are recognised 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.

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 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 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 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

In accordance with the professional standard on the due diligence of statutory auditors in relation to the annual and consolidated financial statements presented in accordance with the European Single Electronic Format (ESEF), we have also verified compliance with this format defined by the European Delegated Regulation No. 2019/815 of 17 December 2018 in 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), which have been prepared under the responsibility of the Chief Executive Officer.

On the basis of our work, we conclude that the presentation of the financial statements to be included in the annual financial report complies, in all material respects, with the European single electronic format.

It is not our responsibility to verify that the financial statements that will be included by your company in the annual financial report filed with the AMF correspond to those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Lumibird S.A. by the Shareholders' Meetings held on 17 May 2018 for KPMG and by the Shareholders' Meetings held on 4 May 2021 for Mazars.

As of December 31, 2022, KPMG and Mazars were in the 5th year and 2nd 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 specialised 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 specialised 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 specialised 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 specialised 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 specialised 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 specialised 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, 6 April 2023

The statutory auditors

KPMG S.A.	**Mazars**
Vincent Broyé *Partner*	Ludovic Sevestre *Partner*

CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31/12/2022

1. CONSOLIDATED STATEMENT OF FINANCIAL POSITION (€'000)

Assets	Notes	2021	2022
Goodwill	6.3.1	70,263	69,941
Intangible fixed assets	6.3.1	47,321	53,414
Tangible fixed assets	6.3.2	28,166	39,687
Other non-current financial assets	6.3.3.2	10,356	10,956
Non current taxes receivable	6.3.4.1	7,617	8,477
Other non-current non-financial assets	6.3.4.1	-	-
Deferred tax assets	6.3.8	1,028	2,442
Total non-current assets		**164,751**	**184,917**
Inventories	6.3.5	45,848	65,403
Other current financial assets	6.3.3.2	30,778	47,904
Current tax receivables	6.3.4.1	189	354
Other current non-financial assets	6.3.4.1	8,929	11,789
Cash and equivalents	6.3.3.3	97,128	61,677
Total current assets		**182,872**	**187,127**
TOTAL ASSETS		**347,622**	**372,044**

Liabilities	Notes	2021	2022
Share capital	6.3.6	22,467	22,467
Consolidated retained earnings	4	143,544	158,550
Foreign Exchange translation differences	4	1,458	1,068
Net income (Group share)	2	13,858	11,353
Shareholders' equity (Group share)		**181,327**	**193,438**
Non-controlling interests		-	-
Long term financial liabilities	6.3.3.4.1	97,860	48,618
Retirement benefits	6.3.7	3,113	2,666
Long-term provisions	6.3.7	34	34
Other long-term financial liabilities	6.3.3.4.2	1,071	-
Other long-term non-financial liabilities	6.3.4.2	5,409	4,866
Deferred tax liabilities	6.3.8	869	2,576
Total long-term liabilities		**108,356**	**58,760**
Short term financial liabilities	6.3.3.4.1	14,172	65,562
Provisions	6.3.7	1,258	1,573
Tax payable	6.3.4.2	883	859
Other current financial liabilities	6.3.3.4.2	19,093	29,272
Other current non-financial liabilities	6.3.4.2	22,532	22,579
Total current liabilities		**57,938**	**119,845**
TOTAL LIABILITIES		**347,622**	**372,044**

2. CONSOLIDATED INCOME STATEMENT (€'000)

Income statement	Notes	2021	2022
Revenues	**6.4.1**	**162,468**	**190,959**
Other revenues from ordinary activities	6.4.1	3,918	3,335
Purchases for Production		(59,190)	(73,038)
Salaries and payroll taxes	6.4.4	(53,594)	(63,758)
External expenses		(19,157)	(24,498)
Taxes and duties		(1,802)	(1,662)
EBITDA		**32,643**	**31,337**
Depreciation & amortisation	6.4.5	(12,033)	(14,305)
Provisions & impairments	6.4.5	(1,709)	(1,590)
Other current operating income/expenses	6.4.5	876	931
Current operating income		**19,777**	**16,373**
Income from asset disposals		(10)	3,894
Acquisition costs of business combinations	(1)	(527)	(2,969)
Other non-current operating income/expenses	(2)	(110)	(37)
Impairment of goodwill		-	-
Operating income	**6.4.6**	**19,130**	**17,261**
Income from cash and cash equivalents	6.4.7	(5)	126
Gross cost of financial debt	6.4.7	(2,261)	(3,344)
Net cost of financial debt		**(2,266)**	**(3,218)**
Other financial income / expenses	6.4.7	739	393
Financial income		**(1,527)**	**(2,825)**
Income tax	6.4.8	(3,745)	(3,084)
CONSOLIDATED NET INCOME		**13,858**	**11,353**
Of which attributable to non-controlling interests		-	-
Of which attributable to equity holders of Group parent		*13,858*	*11,353*
Earnings per share		0.62	0.51
Fully diluted earnings per share	6.1.22	0.62	0.51

3. COMPREHENSIVE INCOME STATEMENT (€'000)

	2020	2021
Net income for the period	**13,858**	**11 353**
Items that will not be restated in profit or loss subsequently (A)	-	-
Changes in fair value of financial assets measured through other comprehensive income	-	-
Actuarial gains or losses	(264)	704
Tax effect	71	(174)
Sub-total (A)	**(193)**	**530**
Items that will be restated in profit or loss subsequently (B)	-	-
Foreign exchange translation differences	1,981	(390)
Changes in fair value of hedging financial instruments	12	233
Tax effect	(3)	(58)
Sub-total (B)	**1,989**	**(216)**
Sub-total Gains and losses recognised directly in equity	**1,796**	**314**
COMPREHENSIVE INCOME FOR THE PERIOD	**15,654**	**11,667**
Of which attributable to non-controlling interests	-	-
Of which attributable to equity holders of Group parent	15,654	11,667

4. CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY (€'000)

	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
31/12/2020	**22,467**	**86,103**	**(2,858)**	**60,121**	**(521)**	**(280)**	**(949)**	**164,084**	**-**	**164,084**
Other items of compr. income	-	-	-	-	1,981	(193)	8	1,796	-	1,796
Net income	-	-	-	13,858	-	-	-	13,858	-	13,858
Comprehensive income	**-**	**-**	**-**	**13,858**	**1,981**	**(193)**	**8**	**15,654**	**-**	**15,654**
Free shares	-	-	-	1,334	-	-	-	1,334		1,334
Treasury shares	-	-	263	-	-	-	-	263	-	263
Capital increase	0	-	-	-	-	-	-	0	-	0
Other	0	(0)	0	(1)	(2)	(4)	-	(7)	-	(7)
31/12/2021	**22,467**	**86,103**	**(2,595)**	**75,312**	**1,458**	**(477)**	**(940)**	**181,327**	**-**	**181,327**
Other items of compr. income	-	-	-	-	(390)	530	174	314	-	314
Net income	-	-	-	11,353	-	-	-	11,353	-	11,353
Comprehensive income	**-**	**-**	**-**	**11,353**	**(390)**	**530**	**174**	**11,667**	**-**	**11,667**
Free shares	-	-	-	1,323	-	-	-	1,323	-	1,323
Treasury shares	-	-	(879)	0	-	-	-	(879)	-	(879)
Capital increase	0	-	-	-	-	-	-	0	-	0
Other	0	(0)	(129)	157	0	(29)	-	(0)	-	(0)
31/12/2022	**22,467**	**86,103**	**(3,603)**	**88,144**	**1,068**	**24**	**(766)**	**193,438**	**-**	**193,438**

5. CONSOLIDATED CASH FLOW STATEMENT (€'000)

	2021	2022
Group's consolidated net income	**13,858**	**11,353**
Amortisation, depreciation and provisions	12,381	14,883
Capital gain/loss on assets disposals	10	(3,894)
Financing cost	2,261	3,344
Other calculated income and expenses	1,324	1,323
Tax	3,745	3,084
Cash flow before taxes and financial expenses	**33,579**	**30,091**
Change in operating working capital requirements	(8,834)	(29,176)
Taxes (paid)/received	1,830	512
NET CASH FLOW FROM OPERATIONS (I)	**26,575**	**1,427**
Tangible and intangible assets investments	(20,106)	(29,445)
Disposal of tangible and intangible assets	1,890	8,750
Disbursements on financial investments	(8,325)	(745)
Cash-in on financial investments	27	174
Net cash from acquisition / disposal of subsidiaries	(2,119)	(8,071)
NET CASH FLOW FROM INVESTING ACTIVITIES (II)	**(28,633)**	**(29,338)**
Tangible and intangible assets investments	38,287	15,210
Disposal of tangible and intangible assets	(18,082)	(18,767)
Disbursements on financial investments	(2,207)	(2,926)
Cash-in on financial investments	-	-
Net cash from acquisition / disposal of subsidiaries	0	-
Capital increase/reduction	0	-
Change in other shareholders' equity	207	(1,407)
NET CASH FLOW FROM FINANCING ACTIVITIES (III)	**18,205**	**(7,889)**
IMPACT OF EXCHANGE RATE VARIATION (IV)	**640**	**173**
CASH FLOW (I + II + III + IV)	**16,787**	**(35,628)**
Cash: opening	79,138	95,925
Cash: closing	95,925	60,297

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 in France, at 2 rue Paul Sabatier - 22300 LANNION. Lumibird shares are listed on Euronext Paris.

Lumibird manufactures lasers for scientific, industrial, and medical applications.

6.1. Accounting principles and practices

6.1.1. Framework for preparation and presentation of financial statements

The consolidated financial statements have been prepared in accordance with IFRS. They were approved by Lumibird's Board of Directors on 14 March 2023, 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 6.3.7.).

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 2021 and currently applicable.

New standards and interpretations that are not mandatory and cannot be anticipated as of 1 January 2022

The Group has applied the following standards for the first time with effect from 1 January 2022 and applicable from this date, with no impact on its financial statements:

- Amendment to IAS 16: proceeds before Intended Use
- Amendment to IFRS3: update to the reference to the Conceptual Framework
- Amendement to IAS37: costs a company should include when assessing whether a contract is onerous
- Annual improvements (2018-2020 cycle): annual standards improvements process

6.1.2. Change in accounting methods

There has been no changes in accounting methods for 2022.

6.1.3. Major transactions and comparability

On May 31, 2022, the Group has finalized the acquisition of the defense laser rangefinder business from Saab Sweden. The new subsidiary, named Lumibird Photonics Sweden and created in 2021, is based in Gothenburg (Sweden) and had sales of over 10 million euros in 2021.

On September 22, 2022, the Group acquired Innoptics, a designer and manufacturer of optoelectronic components and subsystems. This transaction was carried out for an acquisition price of €300,000 and resulted in the recognition of €252,000 of goodwill. Future share-based payments are also planned and subject to presence and performance conditions. They are accounted for in accordance with the provisions of IFRS 2.

As these two transactions are not major at the Group level, they did not give rise to the preparation of pro forma accounts.

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. Business combinations

On first consolidation of an exclusively controlled company, the assets, liabilities and contingent liabilities of the acquired company are measured at fair value in accordance with IFRS.

Valuation differences arising on this occasion are recognized in the assets and liabilities concerned, including the minority share and not just the share of the shares acquired. The difference between the acquisition cost and the acquirer's share of the net assets measured at fair value is recognized as goodwill.

6.1.6. Transactions expressed in foreign currency

6.1.6.1. 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.

6.1.6.2. 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

In order to manage its exposure to interest rate risk on its acquisition bank debt, the Group may enter into listed financial instruments on organised or over-the-counter markets, with leading counterparties.

At 31 December 2022, the Group uses a CAP to manage its financing interest rate risk. They limit the risk of an upward variation in the rate of its variable-rate bank debt.

For these cash flow hedging transactions, the Group measures the fair value of the derivative instruments. Their effectiveness is proven if there is an economic relationship between the base transaction and the hedging transaction and if they counterbalance each other, in part or in full.

- Only the effective portion of a hedging relationship qualifies for hedge accounting and is therefore recognised in other comprehensive income items. Ineffectiveness is recognised in the income statement, on the line "cost of gross financial debt". The recognition of the time value of options is recorded in other comprehensive income,
- Gains and losses accumulated in equity related to hedging instruments are recycled to the income statement under "cost of gross debt" as a cost of the hedged transaction when it is exercised.

6.1.8. Intangible fixed assets

6.1.8.1. 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.

6.1.8.2. Other intangible assets

In conformity with IAS 38 "Intangible assets", only the items 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.

6.1.8.3. Impairment

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” 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 2022, the Group used the following assumptions:

- 9.15% discount rate, compared with 10.02% the previous year,
- 2% perpetuity growth rate (which reflects analysts’ projections according to value), stable compared with 2021.

6.1.9 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).

6.1.9.1. Amortizations

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 furnitures	10 years	Straight line

6.1.9.2. Impairment

See note 6.1.8.3.

6.1.10. 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.”

6.1.11. 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.

6.1.12. 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 recognises 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.

6.1.13. 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.

6.1.14. 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.

6.1.15. 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 2022, no plan is currently in place.

6.1.16. 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).

6.1.17. 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.

6.1.17.1. 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.

6.1.17.2. 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.

6.1.17.3. 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 and include 2021 IFRIC guidelines. 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 3.680% in 2022 compared to 0.660 % in 2021.
- actuarial differences are recorded under other comprehensive income, in application of IAS 19.

6.1.18. 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:

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.

6.1.19. 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 granted to income, less taxes and assimilated payments and personnel expenses. Value added includes production for the financial year (sold, booked to inventories or fixed assets) net of purchases consumed and other external charges.

6.1.20. 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.

6.1.21. Segment information

The Group distinguishes its medical activity from its industrial and scientific activity. The segment information is presented under Note 6.4.2.

6.1.22. 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 2022, 22,449,913 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 2022, there were no ordinary shares subject to dilution.

6.1.23. Financial items in the income statement

6.1.23.1. 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.

6.1.23.2. 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.

6.1.23.3. 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, France

6.2.2. Consolidated subsidiaries

Company	Registered office	Consolidation method	Closing date	%ownership
Quantel Médical	Cournon d'Auvergne	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	Cologne (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 01/12/2017	31/12	100%
Quantel Médical Polska	Varsovie (Poland)	Full consolidation since 01/03/2018	31/12	100%
Lumibird China	Shanghai (China)	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%
Lumibird LTD	Ottawa (Canada)	Full consolidation since 31/01/2019	31/12	100%
Optotek	Ljubljana (Slovenia)	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	Full consolidation since 23/12/2019	31/12	100%
Lumibird Medical Australia Pty Ltd	Sydney (Australia)	Full consolidation since 30/06/2020	31/12	100%
Adele Ellex SPV Pty Ltd	Mawson Lakes (Australia)	Full consolidation since 30/06/2020	31/12	100%
Ellex Japan Corporation	Tokyo (Japan)	Full consolidation since 30/06/2020	31/12	100%
Ellex Medical Pty Limited	Mawson Lakes (Australia)	Full consolidation since 30/06/2020	31/12	100%
Ellex Machine Shop Pty Ltd	Mawson Lakes (Australia)	Full consolidation since 30/06/2020	31/12	100%
Lumibird Medical Inc	Minneapolis (USA)	Full consolidation since 30/06/2020	31/12	100%
Lumibird Medical Nordics AB	Mölnlycke (Sweden)	Full consolidation since 31/07/2020	31/12	100%
Lumibird Medical Nordics AS	Drammen (Norway)	Full consolidation since 31/07/2020	31/12	100%
Lumibird Medical Nordics OY	Borga (Finland)	Full consolidation since 31/07/2020	31/12	100%
Lumibird Transport	Lannion (France)	Full consolidation since 02/04/2021	31/12	100%
Lumibird Photonics Sweden AB	Mölnlycke (Sweden)	Full consolidation since 15/01/2021	31/12	100%
Lumibird Medical India	Mumbai (India)	Full consolidation since 19/04/2022	31/12	100%

6.3. Information relating to line items of the balance sheet

6.3.1. Intangible fixed assets

GROSS VALUE	2021	Acquisitions during the year	Disposals during the year	Change in consolidation scope	Other movements	2022
Goodwill	70,263			252	(574)	69,941
Total Goodwill	70,263	-	-	252	(574)	69,941
Development costs	74,809	10,506	(19,294)		779	66,799
Brand	5,393		-	-	(18)	5,375
Defence contracts	1,750					1,750
Other intangible assets	8,942	867	(13)	17	407	10,220
Total intangible fixed assets	90,894	11,373	(19,307)	17	1,168	84,144
Rights of use (IFRS16)	11,665	5,159	(3,669)	-	10	13,164
Total rights of use	11,665	5,159	(3,669)	-	10	13,164
TOTAL GROSS VALUE INTANG. ASSET	**172,822**	**16,531**	**(22,976)**	**269**	**603**	**167,249**

AMORTISATION OR IMPAIRMENT	2021	Acquisitions during the year	Disposals during the year	Change in consolidation scope	Other movements	2022
Total Goodwill	-	-	-	-	-	-
Development costs	(46,404)	(6,940)	19,293	-	(763)	(34,814)
Brand	(0)	40	-	0	(0)	39
Defence contracts	(824)	(194)	-	-	-	(1,018)
Other intangible assets	(2,729)	(681)	13	(17)	7	(3,407)
Total intangible fixed assets	(49,956)	(7,775)	19,305	(17)	(757)	(39,200)
Rights of use (IFRS16)	(5,281)	(2,375)	3,316	0	(354)	(4,694)
Total rights of use	(5,281)	(2,375)	3,316	0	(354)	(4,694)
TOTAL GROSS VALUE INTANG. ASSET	**(55237)**	**(10,150)**	**22,621**	**(17)**	**(1,111)**	**(43,894)**

NET VALUE	2021	Acquisitions during the year	Disposals during the year	Change in consolidation scope	Other movements	2022
Goodwill	70,263	-	-	252	(574)	69,941
Total Goodwill	70,263	-	-	252	(574)	69,941
Development costs	28,405	3,566	(2)	-	15	31,985
Brand	5,393	40	-	0	(18)	5,414
Defence contracts	926	(194)	-	-	-	732
Other intagible assets	6,214	185	0	0	414	6,813
Total intangible fixed assets	40,938	3,597	(2)	0	411	44,944
Rights of use (IFRS16)	6,383	2,784	(354)	0	(344)	8,470
Total rights of use	6,383	2,784	(354)	0	(344)	8,470
TOTAL GROSS VALUE INTANG. ASSET	**117,585**	**6,381**	**(355)**	**252**	**(507)**	**123,355**

The other entries correspond mainly to translation differences on fixed assets held in foreign currencies.

6.3.1.1. Development costs

Development costs correspond to development costs capitalised by the Group. For the 2022 financial year, the acquisition of development costs includes those incurred during the financial year and capitalised, for €10,506 thousand, net of grants received on those projects.

In addition, during fiscal year 2022, the Group reviewed the development costs previously capitalized and amortized at 100%. And the Group has scrapped projects that were no longer in use for a gross value of 19.3 million euros.

6.3.1.2. 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 3.6 million euros.

6.3.1.3. Goodwill

The change in the amount of goodwill on the balance sheet is due to:

- The Innoptics acquisition
- The exchange rate effect on the value of the goodwill created at the time of the Ellex acquisition and the Halo-Photonics acquisition.

When there is no sign of impairment, impairment tests are conducted once a year, on 31 December. The impairment test performed in 2022 (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%
Photonics CGU	258,433	132,105	(35,888)	(26,418)	(25,843)
Medical CGU	251,281	118,242	(34,729)	(25,613)	(25,128)

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	2021	Acquisitions during the year	Disposals during the year	Change in consolidation scope	Other movements	2022
Land	3,795	47	-		(14)	3,828
Buildings	9,602	5,565	(1,983)		(59)	13,124
Technical facilities, equipment and tools	19,278	3,965	(1,151)	934	(611)	22,415
Other tangible fixed assets	14,112	1,398	(4,499)	8	348	11,368
Assets under construction	499	9,337	0	230	(272)	9,793
TOTAL GROSS VALUE TANGIBLE ASSETS	**47,286**	**20,312**	**(7,633)**	**1,172**	**(608)**	**60,529**

AMORTISATION OR IMPAIRMENT	2021	Acquisitions during the year	Disposals during the year	Change in consolidation scope	Other movements	2022
Land	-	-	-	-	-	-
Buildings	(1,768)	(777)	731	-	355	(1,459)
Technical facilities, equipment and tools	(13,102)	(2,148)	1,139	(671)	275	(14,508)
Other tangible fixed assets	(4,250)	(1,229)	865	(6)	(254)	(4,874)
Assets under construction	(0)	0	0	(0)	(0)	0
TOTAL GROSS VALUE TANGIBLE ASSETS	**(19,121)**	**(4,154)**	**2,736**	**(678)**	**376**	**(20,841)**

NET VALUE	2021	Acquisitions during the year	Disposals during the year	Change in consolidation scope	Other movements	2022
Land	3,795	47	-	-	(14)	3,828
Buildings	7,834	4,788	(1,252)	-	296	11,665
Technical facilities, equipment and tools	6,176	1,817	(13)	263	(336)	7,907
Other tangible fixed assets	9,862	169	(3,633)	2	94	6,494
Assets under construction	499	9,337	0	230	(272)	9,793
TOTAL GROSS VALUE TANGIBLE ASSETS	**28,166**	**16,157**	**(4,897)**	**494**	**(233)**	**39,687**

6.3.3. Financial instruments

	2021			2022		
	Non-current	Current	Total	Non-current	Current	Total
Financial assets at fair value through OCI	7,500	-	7,500	7,500	-	7,500
Other non-current financial assets	2,856		2,856	3,455		3,455
Other current financial assets		30,778	30,778		47,904	47,904
Other financial assets	**10,356**	**30,778**	**41,133**	**10,956**	**47,904**	**58,859**
Cash and cash equivalent		**97,128**	**97,128**		**61,677**	**61,677**
Financial debt	97,860	14,172	112,032	48,618	65,562	114,180
Other financial liabilities	1,071	19,093	20,164	-	29,272	29,272
FINANCIAL LIABILITIES	**98,931**	**33,266**	**132,196**	**48,618**	**94,835**	**143,453**

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 2022 unconsolidated shares of Cilas, acquired by Lumibird on 23 July 2021 for 7.5 million euros and representing 37% of the company's capital (the Group does not exercise significant influence over this company). They are valued at their minimum expected recoverable amount in the context of ongoing discussions on a possible disposal.

	2021	Acquisitions	Disposals during the year	Other movements	2022
Medsurge shares	-	-	-	-	-
CILAS shares	-	7,500	-	-	7,500
UNCONSOLIDATED SHARES	**-**	**7,500**	**-**	**-**	**7,500**

6.3.3.2. Other financial assets

	2021			2022		
	Non-current	Current	Total	Non-current	Current	Total
Deposits and guarantees	2,418	-	2,418	2,733	184	2,917
Loans	417	-	417	462	-	462
Other financial assets	21	-	21	261	-	261
Trade receivables	-	30,486	30,486	-	46,623	46,623
Advances and deposit paid on orders		291	291		1,097	1,097
Receivables on fixed assets	-	-	-	-	-	-
OTHER FINANCIAL ASSETS	**2,856**	**30,778**	**33,633**	**3,455**	**47,904**	**51,359**

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 (€2,241,000), and to a lesser extent, the security deposits on the Ulis building totalling €184,000 and on Villejust totalling €116,000. The increase in the items is linked to the setting up of 2 additional tranches of the BPI loan and a new guarantee deposit linked to the lease signed for the new Villejust site, which has been operational since early 2023.

Other current financial assets mainly concern trade receivables, the change in which is attributable to the optimisation of trade receivables and the change in activity during the year.

The breakdown of other financial assets, excluding cash, according to gross and net value, is presented below:

	2021			2022		
	Gross	Impairment	Net	Gross	Impairment	Net
Financial loans and receivables	12,388	(2,032)	10,356	13,166	(2,026)	11,139
Operating receivables	31,265	(488)	30,778	48,407	(686)	47,720
OTHER FINANCIAL ASSETS	**43,653**	**(2,519)**	**41,133**	**61,572**	**(2,713)**	**58,859**

6.3.3.3. Cash and cash equivalents

The Group's cash and cash equivalents includes the following items:

	2021	2022
Marketable securities	65	25,074
Bank accounts	97,063	36,603
Cash and cash equivalents in the statement of financial position	97,128	61,677
Short-term bank borrowings	(1,203)	(1,380)
CASH AND CASH EQUIVALENTS IN THE CASH FLOW STATEMENT	**95,925**	**60,297**

6.3.3.4. Financial liabilities

6.3.3.4.1. Financial debt

	2021			2022		
	Non-current	Currentt	Total	Non-current	Current	Total
Debts from credit institutions	52,980	10,080	63,061	41,438	21,536	62,974
Bonds	39,510	-	39,510	-	39,570	39,570
Financial lease and lease debt	4,757	2,428	7,184	7,180	2,328	9,508
Aid/ Repayable advance	613	272	884	-	514	514
Tax credits financing	-	-	-	-	-	-
Other loans and financial debts	-	190	190	-	234	234
Short-term bank borrowings and overdrafts		1,203	1,203		1,380	1,380
TOTAL FINANCIAL DEBT	**97,860**	**14,172**	**112,032**	**48,618**	**65,562**	**114,180**

Change in financial debt over the fiscal year:

	2021	Acquisitions during the year	Disposals during the year	Change in scope	Other movements	2022
Debts from credit institutions	6,061	15,210	(15,676)	58	322	62,974
Bonds	39,510	-	-	-	60	39,570
Financial lease and lease debt	7,184	5,405	(3,091)	(0)	10	9,508
Aid/ Repayable advance	884	-	(398)	20	8	514
Tax credits financing	-	-	-	-	-	-
Other loans and financial debts (D&C)	190	44	0	0	(0)	234
Total (excluding bank overdrafts)	110,829	20,659	(19,165)	78	398	112,800
Short-term bank borrowings and overdrafts	1,203	(42)	-	220	-	1,380
TOTAL FINANCIAL DEBT	**112,032**	**20,617**	**(19,165)**	**298**	**398**	**114,180**

The increases for the financial year are primarily composed of the following:

- +€10 million: establishment of two lines of credit from BPI
- +€1.7 million: setting up of a dedicated financing line for the new building at Optotek,
- +€3.5 million: establishment of a financing line backed by a dedicated asset,
- + €5.4 million: new leases (including renewals).

The Group's acquisition debt, both bank debt (17.5 million euros) and bonds (40.0 million euros), 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, and for which:
  - Consolidated net debt means, on a consolidated basis the difference between:
    - Consolidated cash, representing the active position of cash and cash equivalents accounts,
    - Consolidated indebtedness, the latter designating all borrowings and similar debts excluding all subordinated debts, plus, within the same scope of consolidation, the passive positions of bank accounts, bills discounted and not due, off-balance sheet commitments (excluding pension commitments, guarantees and sureties granted in the context of current operations and interest rate and exchange rate hedges) and assignments of receivables or discounting with recourse or any factoring operation with recourse,
  - Consolidated EBITDA is the consolidated current operating income:
    - Increased by net depreciation and provisions,
    - Decreased by other current income and increased by other current expenses.

At 31 December, the Group's leverage ratio was 1.7.

- 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, and for which:
  - The consolidated cash flow consists of the Group's consolidated EBITDA:

    less:
    - corporate taxes actually paid,
    - investments disbursed,
    - change in consolidated net working capital,
    - any income not expected to be received or paid and included in consolidated EBITDA,
    - any exceptional or extraordinary item (including net proceeds from the sale of assets, shares, company rights or business goodwill) which is not part of current operations and which has been the subject of a receipt or disbursement,

    increased by:
    - any drawdown of medium-term loans,
    - the sum of other interest and financial income from investments and cash and cash equivalents and net income from the disposal of investment securities,
  - debt service means the Group's consolidated financial expense:
    - increased by the principal repayment amount of financial debts maturing during the test period under consideration,
    - less any repayment in 2021 of bank loans subject to PGE (state-guaranteed loan) regulations entered into prior to the date of signing the agreement.

Given the record level of activity in the fourth quarter of 2022 (and in particular in December 2022), the Group's working capital requirement at 31 December 2022 is occasionally high. As a result, taking into account the methods of calculating the coverage ratio, at 31 December 2022, the Group had a ratio of -0.2 and did not meet the threshold of 1. At that date, the Group is therefore in a situation of early repayment of its acquisition debt (bank and bond). In application of the provisions of IAS1, all of the Group's acquisition debt (bank and bond), i.e. €49.9 million (including the calculation of the Effective Interest Rate), has been classified as current financial debt.

Subsequent to the balance sheet date, and prior to the closing of the 2022 financial statements, the Group obtained the agreement of its lenders to waive compliance with the coverage ratio at 31 December 2022, which consequently does not give the €49.9 million reclassified as current financial liabilities an immediate collectability or a maturity of less than 12 months. Furthermore, given the Group's cash flow forecasts, its available cash and additional financing capacities, the Group's liquidity is not in question as at 31 December 2022 and for the next 12 months.

Financial debts by maturity break down as follows:

	2022	Less than 1 year	From 1 to 5 years	More than 5 years
Debts from credit institutions	62,974	21,536	21,873	19,565
Bonds	39,570	39,570	-	-
Financial lease and lease debt	9,508	2,328	4,732	2,447
Aid/ Repayable advance	514	514	-	-
Tax credits financing	-	-		
Other loans and financial debts (D&C)	234	234	-	-
Total (excluding bank overdrafts)	112,800	64,182	26,606	22,013
Short-term bank borrowings and overdrafts	1,380	1,380		
TOTAL FINANCIAL DEBT	**114,180**	**65,562**	**26,606**	**22,013**

6.3.3.4.2. Other financial liabilities

	2021			2022		
	Non-Current	Current	Total	Non-Current	Current	Total
Trade payables		13,185	13,185		18,115	18,115
Customer prepayments		2,630	2,630		7,729	7,729
Liabilities on fixed assets	1,071	3,278	4,349	-	3,428	3,428
OTHER FINANCIAL LIABILITIES	**1,071**	**19,093**	**20,164**	**-**	**29,272**	**29,272**

Change in other financial liabilities mainly concerns trade payables. Its increase is explained by the evolution of the business at the end of the year 2022.

6.3.4. Other non-financial assets and liabilities

6.3.4.1. Other non-financial assets

Other non-financial assets	2021			2022		
	Non-Current	Current	Total	Non-Current	Current	Total
Research tax credit	7,617	105	7,722	8,477	–	8,477
Other tax receivables	–	84	84	–	354	354
Total tax receivables	7,617	189	7,806	8,477	354	8,831
Social security receivables	–	176	176	–	118	118
Tax receivables	–	4,853	4,853	–	6,194	6,194
Other receivables	–	3,900	3,900	0	5,477	5,477
Other assets	–	8,929	8,929	0	11,789	11,789
TOTAL OTHER NON-FINANCIAL ASSETS	**7,617**	**9,118**	**16,735**	**8,477**	**12,143**	**20,621**

6.3.4.2. Other non-financial liabilities

Other non-financial liabilities	2021			2022		
	Non-Current	Current	Total	Non-Current	Current	Total
Tax liabilities		883	883		859	859
Social liabilities	404	11,349	11,753	436	12,526	12,963
Tax liabilities (excluding income tax)		3,877	3,877		4,975	4,975
Subsidies (including research tax credit spread out)	3,789	1,017	4,807	3,742	1,350	5,092
Prepaid income on contracts	1,216	3,002	4,218	688	3,261	3,949
Other current liabilities	–	3,286	3,286	0	467	467
Other liabilities	5,409	22,532	27,941	4,866	22,579	27,446
TOTAL OTHER NON-FINANCIAL LIABILITIES	**5,409**	**23,415**	**28,824**	**4,866**	**23,438**	**28,305**

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 amortisation 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

	2021			2022		
	Gross	Impairmt	Net	Gross	Impairmt	Net
Raw material and consumables	20,379	(3,503)	16,875	34,675	(3,934)	30,741
WIP	14,887	(515)	14,372	16,117	(879)	15,238
Finished goods	8,772	(1,106)	7,667	12,021	(1,679)	10,342
Parts	8,216	(1,282)	6,934	10,262	(1,181)	9,081
TOTAL INVENTORIES	**52,254**	**(6,406)**	**45,848**	**73,076**	**(7,673)**	**65,403**

6.3.6. Shareholders 'equity

6.3.6.1. Capital structure

Number of shares	
Number of shares as of 01/01/2022	22,466,882
Capital increase	–
Number of shares as of 31/12/2022	22,466,882

As at 31 December 2022, these 22,466,882 shares of €1 each are fully paid-up, and represent a capital of €22,466,882. They are held at this date by:

	Nb of shares	% of capital	Nb voting rights(1)	% voting rights(2)
ESIRA(3)	11,667,290	51,93%	17,777,747	62,12%
Group executives	4,209	0,02%	8,418	0,03%
Treasury shares	260,536	1,16%	NA	NA
7 Industries Holding B.V (4)	1,706,649	7,60%	1,706,649	5,96%
Amira Gestion (5)	1,048,188	4,67%	1,048,188	3,66%
Other incl. public	7,780,010	34,63%	8,079,388	28,23%
TOTAL	**22,466,882**	**100%**	**28,620,390**	**100%**

(1) Voting rights able to be exercised at the General Shareholder's 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.22-210 of the French commercial code, representing a total number of actual voting rights of 28,620,390 at 31 december 2021
(3) ESIRA is a French-law simplified joint-stock company (société par actions simplifiée) held in majority by Mr Marc Le Flohic, CEO of the Company.
(4) 7Industries Holding B.V. is a company controlled by Ms Ruthi Wertheimer.
(5) Asset management company acting on behalf of funds which it manages.

6.3.6.2. Free shares

At its meeting of September 21, 2021, the Board of Directors decided to adopt a new allocation plan for several categories of Group employees, representing a total of 84 employees and 291,000 shares. The final vesting date for the bonus shares was set at the date of closing of the 2023 financial statements, i.e. a vesting period of 2 years and 5 months, 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 with the Company or an affiliated company within the meaning of article L.225-197-2 of the French Commercial Code, and
- the performance conditions set by the Board of Directors are met.

As of December 31, 2022, taking into account:

- beneficiaries who have already left the Group, those who have refused the plan, 228,000 of the 291,000 bonus shares offered are considered to be in force.
- the revision of the operating plan, which takes into account current and projected economic uncertainties, the achievement of the plan's performance conditions has been reviewed and has led to a provision (pro rata temporis) of 80% of the plan.

In addition, the Innoptics acquisition contract dated 22 September 2002 stipulates that the two individual shareholders of this company, who are now employees of the Group, will benefit from share allocations that will vest at the end of each financial year from 2022 to 2026 included, subject to :

- their presence within the Group at the end of each year, and
- the achievement of the objectives detailed in the acquisition contract.

In total, each of the two shareholders will be entitled to receive 20,000 shares within this framework.

Finally, at its meeting of December 9, 2022, the Board of Directors decided to adopt a plan to grant 60,000 shares to a category of employees. The vesting date for the bonus shares was set at the date of closing of the 2024 financial statements for 20% of the shares and 2026 for 80% of the shares, i.e. a vesting period of 4 years and 3 months, 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 with the Company or an affiliated company within the meaning of Article L.225-197-2 of the French Commercial Code, and
- the performance conditions set by the Board of Directors are met

The value of the allocation plans was determined as follows

Free shares plan	Plan dated 21/09/2021	Plan dated 22/09/2022	Plan dated 09/12/2022
Total number of free shares originally allocated	291,000	40,000	60,000
Board meeting date for allocation decision	21/09/2021	n/a	09/12/2022
End of the vesting period	closing 2023	31/12/2026	Closing 2024 (20%) and 2026 (80%)
Stock price at the date of allocation (B)	17.0	20.0	15.4
Corporate social contribution (« Forfait social ») (C)	20%		20%
Plan value at the end of the vesting period (A*B* (1+C))	€3,590,400	€799,600	€1,105,920
Number of free shares cancelled/refused	71,000		
Number of free shares pending			
Number of shares remaining at the vesting date	220,000	40,000	60,000
Remaining free shares at 31/12/2021 (A)	176,000	40 000	60,000

6.3.7. Provisions

	2021	Increase	Used reversal	Unused reversal	Change in scope	Other movements	2022
Non-current employee benefits [1]	3,113	299	(8)			(739)	2,666
provisions for litigation	-						
provisions for warranties given to customers	-						
Other non-current provisions	34	(0)	-	-	-	0	34
Non-current provisions	3,147	299	(8)	-	-	(739)	2,700
Current employee benefits	48					35	83
Current provisions for litigation	-	263					263
Current provisions for warranties given to customers	932	282	(36)			(7)	1,172
Other current provisions	278	55	(278)	-	-	-	55
Current provisions	1,258	600	(314)	-	-	29	1,573
TOTAL PROVISIONS	**4,406**	**899**	**(321)**	**-**	**-**	**(710)**	**4,273**

Employee benefits – End-of-career indemnities

The provisions for employee benefits mainly concern the French companies.

Employee benefits	2021	2022
Employee benefits France	2,978	2,564
Employee benefits outside of France	183	185
TOTAL EMPLOYEE BENEFITS	**3,161**	**2,749**

The employee benefits for the Group's French employees are end-of-career indemnities. The Group's commitment has evolved as follows:

Commitment	2022
Commitment restated at the beginning of the year	2,978
Interest received duringthe year	19
Costs of services rendered during the year	282
Benefits paid during the year	(21)
Actuarial differences	(694)
Scope integration	-
Other (including translation difference)	-
COMMITMENT AT THE END OF THE YEAR	**2,564**

For companies outside France, post-employment benefits concern Optotek for €185,000.

Disputes and exceptional events

There is no governmental, judicial, or arbitration 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:

	2021	Change on income	Change/ OCI	Translation differences	Change in scope	Other changes	2022
Capitalised losses – deferred tax	4,247	(865)		59	(4)	(0)	3,436
Temporary differences – deferred tax	1,740	789		68	(28)	0	2,569
Capitalised losses and temporary differences	**5,987**	**(76)**	**-**	**126**	**(33)**	**0**	**6,005**
Retirement benefits	791	25	(174)	(0)		0	642
Elimination of internal provisions	(142)	281		-	124	0	263
Capitalisation of development costs	(7,129)	(834)		0		(0)	(7,963)
Cost-based contracts	(546)	249		(16)		0	(313)
QUANTEL Brand	(450)						(450)
Leases	106	71		(1)	(0)	(0)	176
Margin on inventories	303	235		(7)	(0)	0	531
Other	1,240	(483)	327	(4)	(105)	(0)	975
NET TOTAL DEFERRED TAX	**159**	**(531)**	**153**	**98**	**(13)**	**(0)**	**(134)**
Deferred tax assets	1,028						2,442
Deferred tax liabilities	869						2,576

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	2021	2022
Transferred receivables not due	-	-
Guarantees given on contracts	66	-
- Pledging of intangible and tangible assets	-	-
- Pledging of securities	-	-
Actual surety	-	-
TOTAL	**66**	**-**

6.3.9.2. Off-balance sheet commitments given or received related to debt

Off-balance sheet commitments given or received related to debt	2021	2022
Trade receivables transferred	-	-
Guarantees and letters of intent	900	900
- Collaterals and pledges on tangible and intangible assets	8,869	21,144
- Collaterals and pledges on securities	144,000	140,000
- Privilege to money lenders	3,783	8,042
Actual surety	156,652	169,186
TOTAL	**157,552**	**170,086**

All of the guarantees mentioned above cover the debts carried in the balance sheet.

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 2021, €60,434 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 (i) 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.

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	2021	2022
Sales in France	23,692	30,670
Sales outside France	138,777	160,289
Other revenues from ordinary activities	3,918	3,335
TOTAL	**166,386**	**194,293**
Of which revenues recognised on an on-going basis (1)	10,352	13,826

(1) in conformity with the principles presented in the note 6.1.18

The distribution of sales outside of France by recipient country is presented below:

Distribution by recipient country	2021	% sales outside France	2022	% sales outside France
USA	30,332	22%	36,789	23%
China	14,297	10%	13,298	8%
Germany	7,007	5%	9,185	6%
Switzerland	5,251	4%	6,120	4%
Other	81,889	59%	94,897	59%
TOTAL	**138,777**	**100%**	**160,289**	**100%**

6.4.2. Segment information

The Group distinguishes its Medical activity from its Photonics (formerly Laser) activity, as specified in Note 6.1.21. For the 2022 fiscal year, the segment data was as follows:

Segment information	2021			2022		
Activity:	Photonics	Medical	Global	Photonics	Medical	Global
Revenues	76,363	86,105	162,468	93,512	97,447	190,959
EBITDA	16,131	16,513	32,643	14,192	17,145	31,337
Net amortisation	(7,510)	(4,524)	(12,033)	(9,380)	(4,924)	(14,305)
Current operating income	8,665	11,111	19,777	4,729	11,644	16,373
NET INCOME AFTER INCOME FROM DISCONTINUED OPERATIONS	**6,694**	**7,165**	**13,858**	**1,291**	**10,062**	**11,353**

The Photonics division manufactures a portion of the medical lasers. A portion of the medical margin is thus found within the Photonics 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 €17 million. The capitalised portion amounts to €11 million and the portion retained as expenses amounts to €6 million.

The capitalised developments, deducted from the corresponding expenses, break down as follows:

Capitalised development costs by type of expenses	2021	2022
Purchases	890	1,737
Labor	9,145	8,642
Other	1,026	600
TOTAL	**11,060**	**10,979**
Subsidies	(374)	(659)
TOTAL	**10,686**	**10,320**

6.4.4. Personnel

The personnel expenses line item breaks down as follows:

Breakdown of personnel expenses	2021	2022
Salaries and payroll taxes	51,544	61,743
Employee profit-sharing	717	692
Post-employment benefits expenses		
Share-based payments paid in equity instruments	1,334	1,323
TOTAL	**53,594**	**63,758**

The charge relating to share-based payments paid in equity instruments reflects the deferral of the cost of the free share plan described in note 6.3.6.2.

In France, an equity participation agreement was negotiated in 2020 with the representative bodies of the French companies of the Group. It provides for the distribution of each company's shareholding among all the employees of the Group's French companies, half on an equal basis and half in proportion to salaries.

The Group's headcount was as follows:

Workforce	2021	2022
Europe	602	706
USA	143	141
Asia	34	34
Australia	135	125
TOTAL	**914**	**1,006**

6.4.5. Composition of the current operating income

Composition of the current operating income	2021	2022
EBITDA	32,643	31,337
Intangible assets depreciation (1)	(8,833)	(10,150)
Tangible assets depreciation	(3,200)	(4,155)
Depreciation reversal	-	
Net depreciation	(12,033)	(14,305)
Operating provisions	(2,283)	(2,996)
Operating provisions reversal	574	1,406
Net provisions	(1,709)	(1,590)
Other operating income (2)	1,052	1,265
Other operating expenses (3)	(176)	(334)
Other operating income/expenses	876	931
CURRENT OPERATING INCOME	**19,777**	**16,373**

(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 fiscal 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 reversal 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	2021	2022
Provisions on inventories	(1,478)	(1,877)
Provisions on other current assets	(185)	(240)
Provisions for employee benefits	(236)	(269)
Provisions for risks and expenses	(384)	(611)
Operating provisions	(2,283)	(2,996)
Provision reversal on inventories	262	1,041
Provision reversal on other current assets	25	44
Provision reversal for employee benefits	-	2
Provision reversal for risks and expenses	288	319
Operating provision reversal	574	1,406
NET ALLOCATIONS TO PROVISIONS	**(1,709)**	**(1,590)**

6.4.6. Breakdown of operating income

Operating income	2021	2022
Current operating income	19,777	16,373
Income on assets disposals	(10)	3,894
Acquisition costs for business combinations	(527)	(2,969)
Other non-current operating income/expenses	(110)	(37)
Impairment of goodwill	-	
OPERATING INCOME	**19,130**	**17,261**

The line item “Acquisition costs for business combinations” records all direct costs incurred by Lumibird for its external growth transactions. In fiscal year 2021, they are related to the "SAAB rangefinder business in Sweden" and Cilas. For fiscal year 2022, they concern the acquisition of SAAB's rangefinder business in Sweden, the acquisition of Innoptics, and external growth operations that were planned but not pursued.

6.4.7. Financial income

Financial income	2021	2022
Income from cash and cash equivalents	(5)	126
Cost of gross financial debt	(2,261)	(3,344)
Other financial income and expenses	739	393
FINANCIAL INCOME	**(1,527)**	**(2,825)**

Other financial income and expenses break down as follows:

Other financial income and expenses	2021	2022
Foreign exchange translation differences	924	761
Net allocations to financial provisions for employee benefits	(15)	(19)
Other net allocations to financial provisions	1	1
Capital gain/losses on disposal of financial assets	0	–
Other financial income and expenses	(173)	(349)
OTHER FINANCIAL INCOME AND EXPENSES	**739**	**393**

6.4.8. Tax

Tax	2021	2022
Tax due	(2,316)	(2,411)
Deferred tax	(1,429)	(673)
TOTAL TAX EXPENSES	**(3,745)**	**(3,084)**

The reconciliation between the Group's theoretical tax charge and the tax charge actually recorded is explained as follows:

Tax proof	2021	2022
Income before tax	17,603	14,436
Tax rate of consolidating entity	26.50%	25.00%
Theoretical tax at the consolidating entity tax rate	(4,665)	(3,609)
Impact on theoretical tax of:	–	
Rate change over the period	32	232
Rate differences for subsidiaries	(68)	133
Unrecorded tax / tax assets	(166)	(251)
Previous years tax losses unused	333	101
Tax / other permanent differences	789	311
ACTUAL TAX EXPENSES	**(3,745)**	**(3,084)**
Effective tax rate	21.27%	21.36%

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 2022, there was a €519,000 tax savings.

The main losses of the Lumibird Group as at 31 December 2022 are presented herewith:

	2022	Of which used	Of which unused
Tax consolidation losses	4,294	4,294	0
Tax loss France	1,768	1,768	(0)
Tax loss Europe (excl. France)	4,723	1,151	3,572
Tax loss America	8,041	5,721	2,320
Tax loss Asia	2,930	427	2,503
Tax loss Other	4	–	4
TOTAL	**21,760**	**13,360**	**8,400**

For the record, the main losses of the Lumibird Group as at 31 December 2021 were as follows:

	2021	Of which used	Of which unused
Tax consolidation losses	7,698	7,698	0
Tax loss France	2,118	2,118	0
Tax loss Europe (excl. France)	4,051	7	4,044
Tax loss America	7,684	6,228	1,456
Tax loss Asia	3,450	430	3,020
Tax loss Other	-	(0)	0
TOTAL	**25,000**	**16,481**	**8,519**

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, i.e. 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 foreign exchange gain for 2022 recorded under operating income (for the portion concerning commercial transactions) and under financial results (for the portion concerning financial transactions) breaks down as follow:

	2022
Foreign exchange gain Europe	1,085
Foreign exchange gain USA	(0)
Foreign exchange gain Asia	(79)
Foreign exchange gain other	(244)
TOTAL	**761**

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 2.96%, compared to 2.55% as at 31 December 2021.

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 2022, residual contractual maturity dates on financial liabilities were analysed as follows:

	Book value	Contractual flow	Less than 1 year	From 1 to 5 years	More than 5 years
Debts from credit institutions	62,974	67,639	15,745	31,320	20,574
Bonds	39,570	46,551	1,320	45,231	-
Financial lease and lease debt	9,508	10,731	2,452	5,352	2,927
Aid/ repayable advances	514	514	514	(0)	-
Tax credits financing	-	-	-	-	-
Other borrowings and financial debts	234	234	234	0	0
Short-term bank borrowings and overdrafts	1,380	1,380	1,380	-	-
Total financial debt	114,180	127,049	21,645	81,903	23,501
Tax liability (income tax)	859	859	859	-	-
Other liabilities (trade, tax and social debts)	56,718	56,718	51,852	4,866	-
Total other financial liabilities	**171,758**	**184,626**	**74,356**	**86,769**	**23,501**

The schedule of contractual flows of financial liabilities presented in this note has not been restated for the impact of the classification of the Group's acquisition debt (bank and bond) as current financial liabilities as of December 31, 2022, in accordance with the provisions of IAS1 detailed in note 6.3.3.4.1 - financial liabilities.

Future minimum lease payments under leases break down as follows:

Future minimum lease payments	Book value	Less than 1 year	From 1 to 5 years	More than 5 years
Other intangible assets	10,262	2,232	5,103	2,927
Technical installations, equipment and tools	296	179	117	-
Other tangible assets	173	41	132	-
TOTAL MINIMUM FUTURE PAYMENTS	**10,731**	**2,452**	**5,352**	**2,927**

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 0-4 mths	Due +4 mths
Other current financial receivables	184	184	-	-
Trade receivables	46,623	41,326	4,743	700
Advances and prepayments	1,097	1,097	-	-
TOTAL LOANS AND RECEIVABLE AT AMORTISED COST	**47,904**	**42,607**	**4,743**	**700**

6.6. Dividends

Over the course of fiscal year 2022, 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 opposite.

6.8. Executive compensation

The compensation allotted in 2022 by Lumibird SA (or its subsidiaries) for the fiscal year to its executives are distributed as follows:

- Non-corporate officer directors: €34,000
- Corporate officer directors: €1,213,000
- Employee officers who are not corporate officers (members of the executive committee): €1,268,000

For the compensation of non-executive directors employees, account has been taken of the gross compensation paid in 2022 to the persons in charge of the functions represented on the Management Committee.

6.9. Post balance-sheet events

We have not learned of any event occurring after the closing of the financial statements 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 financial statements 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.

The Lumibird Group is little affected by the geopolitical tensions in Ukraine and Russia, whether in terms of its sales (less than 2% of the Group's revenues), its purchases (supplies secured for the year 2022) or its customer risk.

6.10. Statutory auditor fees

Audit	2021		2022	
	KPMG	MAZARS	KPMG	MAZARS
Statutory auditing, certification, review of individual and consolidated financial statements				
-Lumibird SA	148.0	140.0	161.5	161.5
-Fully-consolidated subsidiaries	109.0		104.0	18.0
Other audits and services linked directly to statutory auditing assignment				
-Lumibird SA		11.0	4.0	11.0
-Fully-consolidated subsidiaries				
Sub-total	257.0	151.0	269.5	190.5
Other services provided by networks to fully-consolidated subsidiaries				
-Legal, tax, social			53.0	100.0
-Other (to be specified if >10% of audit fees)				
Sub-total			53.0	100.0
TOTAL	**257.0**	**151.0**	**370.0**	**243.0**

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022, as attached to this report.

In our opinion, the consolidated financial statements give a true and fair view of the results of operations for the year and of the financial position and assets and liabilities of the group of persons and entities included in the consolidation, 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 specialised 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 2022 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.

In addition, the services other than the certification of the financial statements that we provided during the financial year to your company and to the entities that it controls and which are not mentioned in the management report or the notes to the annual financial statements include services provided at the request of the audited entity or entities (services provided as part of due diligence on the acquisition of entities, mission of the independent third-party body relating to the consolidated declaration of extra-financial performance provided for in Article L.225-102-1 of the French Commercial Code).

Justification of Assessments – Key Audit Matters

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.

Measurement of goodwil
(notes 6.1.8 and 6.3.1 to the consolidated financial statements)

Risk identified

Recognised goodwill amounted to €69.9 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 9.15% 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 carried out

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 capitalised development costs

(Notes 6.1.8 and 6.3.1 to the consolidated financial statements)

Risk identified

A net amount of €32.0 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 Group 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 carried out

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 Notes 6.1.8 and 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 the professional practice standard on the due diligence of statutory auditors in relation to the annual and consolidated financial statements presented in accordance with the European single electronic format, we have also verified compliance with this format defined by the European Delegated Regulation No. 2019/815 of 17 December 2018 in the presentation of the consolidated financial statements intended for inclusion in the annual financial report referred to in I of Article L.451-1-2 of the French Monetary and Financial Code, which have been drawn up under the responsibility of the Chief Executive Officer. As these are consolidated financial statements, our work includes verifying that the tagging of these financial statements complies with the format defined by the aforementioned regulation.

Based on our work, we conclude that the presentation of the consolidated financial statements for inclusion in the annual financial report complies, in all material respects, with the European single electronic format.

Due to technical limitations inherent in the macro-tagging of the consolidated accounts in the Single European Electronic Reporting Format, the content of some of the tags in the notes may not be rendered identically to the consolidated accounts attached to this report.

It is not our responsibility to verify that the consolidated financial statements that will be included by your company in the annual financial report filed with the AMF correspond to those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Lumibird S.A. by the annual general meetings held on 17 May 2018 for KPMG and on 4 May 2021 for Mazars.

As at 31 December 2022, KPMG was in the 5th year and Mazars in the 1st 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 specialised 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 specialised 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 specialised 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 specialised 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 specialised 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, performing the duties of the specialised committee referred to in Article L.823-19 of the Commercial Code, the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Rennes, 6 April 2023

The Statutory Auditors

KPMG S.A.	**Mazars**
Vincent Broyé *Partner*	Ludovic Sevestre *Partner*

HISTORICAL FINANCIAL INFORMATION

1. CONSOLIDATED FINANCIAL STATEMENTS

1.1. Consolidated financial statements of Lumibird for the year 2020

This information is presented in chapter 4 – section 5, pages 128 to 132 of the 2020 Lumibird Universal Registration Document which was filed with the French Financial Markets Authority on 2 April 2021 under the reference number D.21-0252.

1.2. Consolidated financial statements of Lumibird for the year 2021

This information is presented in chapter 4 – section 4, pages 134 to 156 of the 2021 Lumibird Universal Registration Document which was filed with the French Financial Markets Authority on 1 April 2022 under the reference number D.22-0231.

2. MANAGEMENT REPORTS

2.1. Management report of Lumibird for the financial year 2020

This information is presented in chapter 4 – section 1, pages 72 to 101 of the 2020 Lumibird Universal Registration Document which was filed with the French Financial Markets Authority on 2 April 2021 under the reference number D.21-0252.

2.2. Management report of Lumibird for the financial year 2021

This information is presented in chapter 4 – section 1, pages 85 to 101 of the 2021 Lumibird Universal Registration Document which was filed with the French Financial Markets Authority on 1 April 2022 under the reference number D.22-0231.

3. STATUTORY AUDITORS' REPORTS

3.1. Statutory auditors' reports on the consolidated financial statement for 2020

This information is presented in chapter 4 – section 6, pages 153 to 157 of the 2020 Lumibird Universal Registration Document which was filed with the French Financial Markets Authority on 2 April 2021 under the reference number D.21-0252.

3.2. Statutory auditors' reports on the consolidated financial statement for 2021

This information is presented in chapter 4 – section 5, pages 157 to 160 of the 2021 Lumibird Universal Registration Document which was filed with the French Financial Markets Authority on 1 April 2022 under the reference number D.22-0231.

3.3. Statutory Auditors' report on the annual financial statements for 2020

This information is presented in chapter 4 – section 4, pages 124 to 127 of the 2020 Lumibird Universal Registration Document which was filed with the French Financial Markets Authority on 2 April 2021 under the reference number D.21-0252.

3.4. Statutory Auditors' report on the annual financial statements for 2021

This information is presented in chapter 4 – section 4, pages 126 to 129 of the 2021 Lumibird Universal Registration Document which was filed with the French Financial Markets Authority on 1 April 2022 under the reference number D.22-0231.

4. STATUTORY AUDITORS' SPECIAL REPORTS

4.1. Statutory Auditors' special report on regulated agreements and commitments for 2020

This information is presented in chapter 2 – section 2, page 56 of the 2020 Lumibird Universal Registration Document which was filed with the French Financial Markets Authority on 2 April 2021 under the reference number D.21-0252.

4.2. Statutory Auditors' special report on regulated agreements and commitments for 2021

This information is presented in chapter 2 – section 2, page 67 of the 2021 Lumibird Universal Registration Document which was filed with the French Financial Markets Authority on 1 April 2022 under the reference number D.22-0231.

Chapter 5

EXTRA-FINANCIAL INFORMATION

EXTRA-FINANCIAL PERFORMANCE STATEMENT

This Declaration of Extra-Financial Performance, prepared for the 2022 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.

Unless indicated otherwise, the majority of the data presented hereafter concern the Group's consolidated scope. When its scope is reduced, in rare exceptional cases resulting from various constraints or obligations, this is systematically indicated so that readers can assess the relevance of the information with full knowledge of the facts involved. Nevertheless, in these circumstances, to avoid any misleading comparisons with the previous year's data, the Group has endeavored, where possible, to provide additional information for an equivalent scope.

1. Business model

1.1. Functioning of the Group

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.

The Group's headcount at 31 December 2022 was 1,001, for a reported sales of 191.0 million euros in published data. As a midsised groupe, Lumibird is very active in terms of external growth, it is nimbler than a large, diversified group and more powerful than a company built on a single-application. A high-tech company with an international scale, in 2022 the Group made 40% of its sales in Europe (+23% vs 2021), 26% in the Canada, United States, and Latin America zone (+29% vs 2021), 22% in the Asia-Pacific (+5% vs 2021) and 12% in the rest of the world (+8% vs 2021), confirming year after year an even distribution of its revenues across its different geographical markets.

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 based on:

- A strengthened position in its ophthalmology market (diagnostics and treatment) through a stronger global presence,
- The consolidation of its original equipment supply (OEM) strategy in all its markets,
- The development of its LIDAR activity to meet the needs of all markets impacted by this revolution, including wind energy and 3D mapping,
- A strengthened positioning in the space and defence sectors, in order to support the development of these markets in Europe and North America.

To achieve this, it relies on its capacity for innovation, the continued automation of its industrial tool and the continued verticalization of its value chain.
Thus :

- its R&D strategy remains a major source of added value, thanks to complete control, particularly through the patents it registers, the limited use of subcontracting, and the in-house manufacturing of the most critical components.
- the increasing automation of its production tool gives it the capacity to adjust its manufacturing to high demands and to produce at an ever more competitive cost thanks to a high degree of industrialisation of its lasers and an advanced "lean manufacturing" logic.
- The strong verticalization of its value chain gives it the autonomy and sovereignty essential to the design and production of lasers that are ever more efficient and better adapted to the needs of end-users, in terms of characteristics and price.

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 most appropriate technical expertise.

Its operating and legal areas are implementing this strategic direction. It is characterised by:

- The rollout of 2 divisions, Medical and Photonics, representing respectively, 51% and 49% of the 2022 revenues, connected to the legal entities led by a common management team, which implements the Group' strategy,
- Production plants that are located:
  - For the Medical division in France (Cournon-d'Auvergne), in Slovenia (Ljubljana) and in Australia (Adelaide),
  - For the Photonics division in France (Lannion, Villejust*, Le Barp, Cesson-Sévigné), in the United States (Bozeman), in Sweden (Göteborg), in Ca,ada (Ottawa) and in the UK (Worcester),

** Since end-December 2022*

- Sales subsidiaries located in France, in Europe (Poland, Sweden, Finland, Norway, Germany), in China, in Japan, in the United States, in Canada, in Australia, and for the past few months in India.

In regions where the Group does not have a commercial establishment, it has over 150 distributors of which 90% are part of the Medical Division's activities.

In brief, the Group's business model may be outlined as follows:

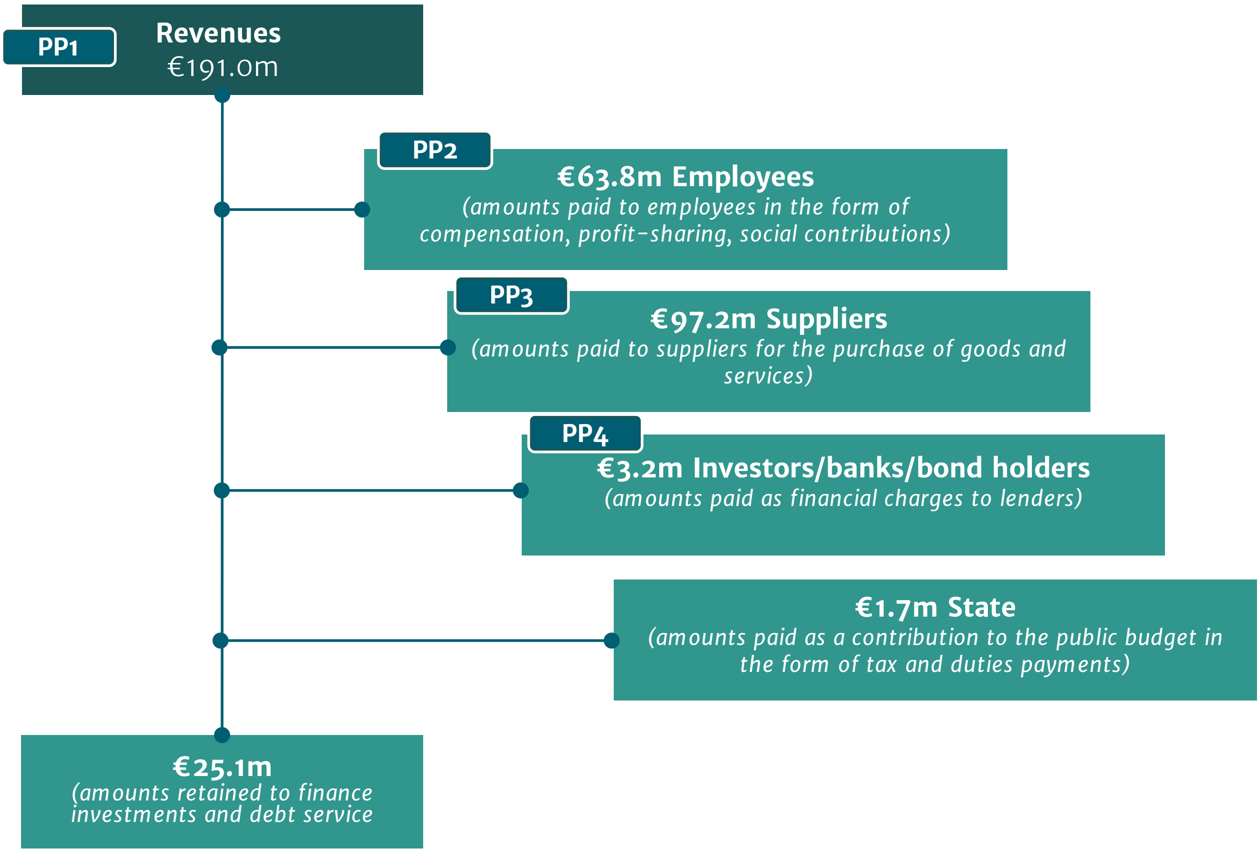
Purpose : Propose innovative laser solutions		
Ressources	**Strategy**	**Added-value**
Human 1,001 employees in 14 countries (headcount as at 31 December 2022)	Capitalising on the skills and know-how within the Group	A loyal team committed to strong values - 5.4% growth in headcount on a like-for-like basis - 10.0% departure rate of people working under open-ended contracts [*CDI*]
Intellectual 11 R&D sites 184 R&D employees	Designing products in line with target market expectations	Intellectual property: - €17.0 million in development expenses, 65% of which have been activated
Industrial 11 production plans 510 production employees	Manufacturing products in line with target market expectations	Constant financial stability: - EBITDA : €31.3 million - COI : €17.4 million
Commercial 19 sales subsidiaries 120 employees	Selling products in line with target market expectations	A growing business: - Revenues : €191.0 million (+18%)
Financial Gross cash: €61.7 million Financial debt: €114.2 million Acquisition debts able to be drawn: €82.5 million	Supporting the activity and investment required to develop our organic growth and having resources available to ensure our external growth.	Ressources in accordance with our mixed growth strategy: - €36.8m of investment in 2022
Ethics: CSR commitments CSR Policy Purchasing Policy	Selling, distributing and installing our laser solutions while offering an after-sales service that ensures the sustainability of the products and purchasing services, components by establishing sustainable partnerships with our suppliers.	Limited environmental footprint: - GHG Issuance (scope 1 & 2): 979 $T_{eq}CO_2$, down 17% vs 2021 - Moderate energy consumption: 6 269 MWh (of which 75% electricity) - 14% of the electricity consumed is of green origin A shared added value - Purchases of goods and services: €97.2 million

1.2 Stakeholders

The sustainability of the model relies on the soundness of the interactions that the Group aims to build with its stakeholders. This solidity relies on properly identifying the latter and having a good understanding of their expectations with regard the Group. The work conducted in 2022 and updated in 2021 allowed their confirmation and the update of the following mapping:

Main stakeholders	Expectations	Methods of action
Shareholders (PP4)	Long-term visibility of strategy Regular communications, discussions with executive manager Sustainable financial balance and profitability Client satisfaction Risk management (industrial, financial, non-financial risks) GHG issuance reduction	Analysis, rating, *comply or explain* Amount of insurance premiums and coverage fields Evolution of shares held Extent of financing proposed
Employees (PP2)	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	Turnover (or attrition) Employer-employee dialogue Reputation on social networks
Clients (PP1)	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	Indexing of the Group as providers (audit, commitment to responsible purchasing) Non-renewal of agreements/contracts Non-payment of invoices
Suppliers and Providers (PP3)	Clear definition of technical specificities Contracts for price, quantity, and term that provide sufficient financial visibility Fighting corruption Maintaining confidentiality	Price Supply term Average invoice payment term Signature of framework agreements

In 2022, the value created by the Group was shared with its stakeholders as follows:



2. CSR approach

2.1. 2022 key developments

The momentum generated by the adoption in 2021 of new ambitions concerning the Group's Corporate Social Responsibility (CSR) strategy was maintained over the last 12 months, with its sustainability performance policy continuing to be rolled out across the Group.

In 2022, the risks and stakes involved with the business model were updated again by the Executive Leadership Team, confirming the nature and criticality of the sustainability risks that the Lumibird Group is still exposed to. Over the same period, the Group rolled out a new process, structured around its CSR stakes. It is now based on a continuous improvement mechanism and a series of new key indicators, aligned with the Group's current organization and the effective steering of upcoming transformation actions.

Alongside this, to help it formalize the first version of its materiality matrix, the Group launched a new large-scale survey with its stakeholders (shareholders, clients, suppliers and employees) in order to update their respective expectations again.

Lumibird has also set up two new CSR committees, in addition to the existing steering group. The first committee, which is more strategic and an integral part of the Board of Directors, has a mission to assist it with the supervision of the social, societal and environmental aspects of the Group's activities. The second committee, set up at Management Committee level, has a mission to approve or even redirect the operational actions of the steering group created in 2021, with a view to ensuring the effective implementation of Lumibird's CSR policy.

In addition, at the end of the year, the Group adopted a plan for the next two years to reduce its water and energy consumption with a view to contributing, on its scale and in line with its commitments, to preserving water resources and limiting global warming.

Lastly, the comprehensive review of all the policies governing the Group's effective operations continued moving forward over the past year. However, the delay sustained in 2021 was still not recovered. This action will therefore continue in 2023.

2.2. CSR strategy

2.2.1. CSR stakes

Lumibird's CSR strategy aims to promote and consolidate its business model, specifically by incorporating the expectations of all of its stakeholders. Its construction, deployment and implementation represent an essential lever for improving its performance by making it possible to meet the following four core stakes:

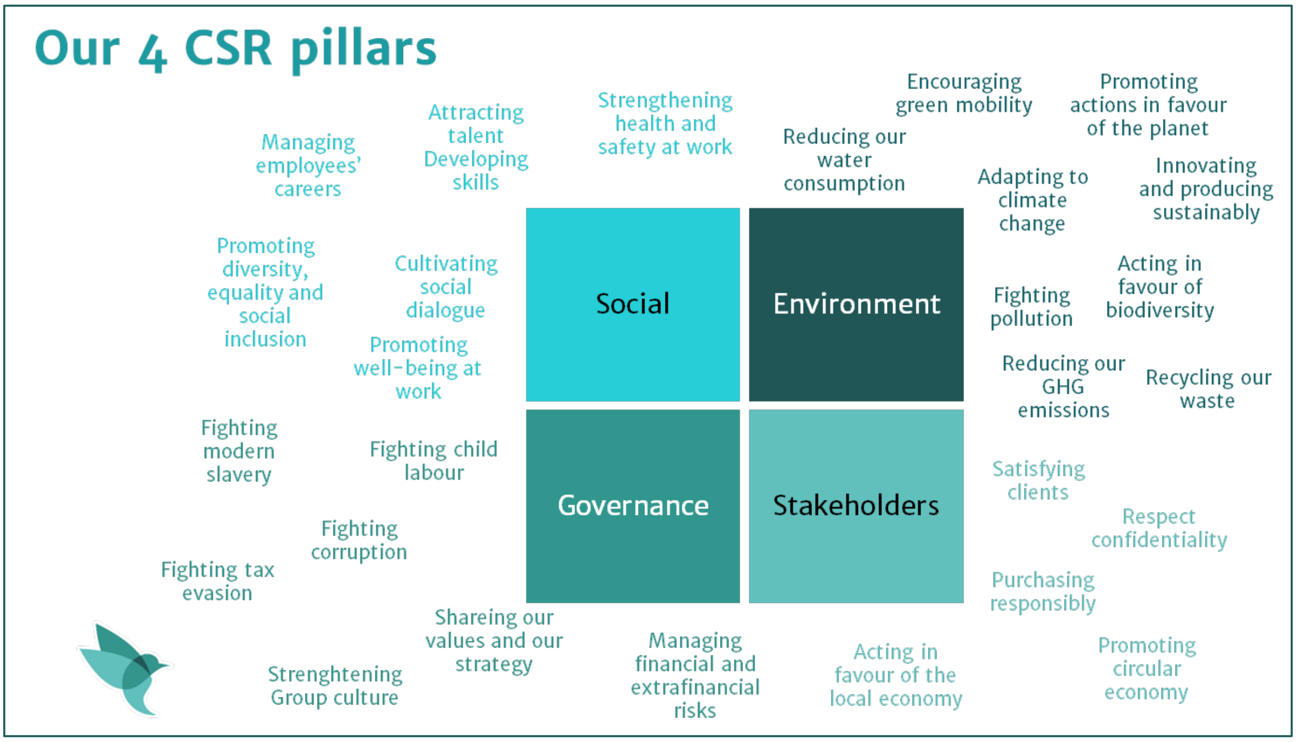
- **Stake n°1: Providing long-term support for our clients and ensuring the sustainability of our ecosystem while promoting responsible innovation:** Meeting its clients' requirements in terms of pricing, quality, responsiveness and timeframes is part of the fundamental rules that govern the Group's operations. However, to fully satisfy their needs, Lumibird is committed to offering increasingly innovative products, developed in line with its convictions and strategy.

- **Stake n°2: Retaining, motivating and contributing to the development of our staff around a virtuous strategy:** Lumibird is convinced that its teams represent an endless source of rich capabilities. Its human resources strategy, built around strong values such as wellbeing, workplace health and safety, skills development and social cohesion, is therefore focused on motivating them and empowering them to fulfill their potential. The Group's commitment to this strategy is still the best way of meeting its clients' expectations in terms of quality, innovation and sustainable solutions.
- **Stake n°3: Establishing robust and sustainable partnerships with suppliers who share our values:** The products manufactured by the Group call on a number of external suppliers, who contribute to creating the added value that is essential for its growth. In the future, setting up long-term partnerships in line with the values of Lumibird will condition working exclusively with suppliers that can make commitments alongside it in terms of respecting human rights and the environment.
- **Stake n°4: Becoming a fully socially responsible and environmentally responsible company**: Integrity, honesty and fairness are key components for sustainable performance, and represent the pillars for the policy deployed by Lumibird in terms of business ethics. The Group does not tolerate any form of corruption, misappropriation or extortion of funds. Moreover, although it has a moderate carbon footprint due to the nature of its industrial activity, the Group clearly sets out its commitment to reducing its greenhouse gas (GHG) emissions and its water consumption through a series of concrete actions.

For more details on the links between the CSR stakes and the extra-financial risks incurred by the Group, the reader may refer to the table in § 2.2.2.3.

To meet these stakes, Lumibird has decided to structure its CSR approach around 4 pillars:

- the "Social" pillar
- the "Environment" pillar
- the "Stakeholder" pillar
- the "Governance" pillar.



2.2.2. CSR policy 2022

With regard to these 4 issues, the Lumibird Group has, for several years, been firmly committed to sustainable development, looking to reconcile environmental protection with a virtuous social model on the one hand, and on the other hand, economic performance, which is vital to the sustainability of its activity.

In 2021, a new CSR roadmap covering the period from 2022 to 2024 was definitively approved by the Executive Leadership Team, focused in priority on drawing up and putting in place an agile process that will be able to meet its current and future challenges. This led to the adoption of a charter that is built around 12 commitments in line with the values advocated by the United Nations Sustainable Development Goals (SDGs), which is now directly accessible on its website, as well as a dashboard of key indicators, designed to measure the impacts of the actions taken. Following on from the work already carried out, these actions continued to move forward in 2022.

During the year, the Group focused specifically on:

- improving the steering bodies for the Group's CSR policy, by setting up two new committees,

- structuring its process, by formalizing a first version of its CSR procedure,
- adapting its steering indicators to the internal operating constraints,
- deploying new tools for managing its CSR policy, such as the new materiality matrix,
- rolling out new concrete actions, illustrated by the plan to reduce its water and energy consumption.

2.2.2.1. CSR committees

As part of an initiative by Lumibird's Executive Leadership Team, two new CSR committees were set up in 2022. They supplement the Steering Committee that was created in 2021 and is responsible for the deployment of the CSR policy adopted by the Group. Their area of responsibility, scope for action and way of operating are respectively as follows:

- For the Strategic Committee:

The Strategic Committee directs the CSR policy in accordance with the Group's interests. By default, it comprises two directors (see chapter 2, section 1 of the URD), the Chairman-CEO, the Secretary General and the CSR Director. It meets four times a year.

- For the Managerial Committee:

The Managerial Committee oversees the Steering Committee's actions, ensures their consistency with the Group's CSR strategy and measures its impact on its operational performance. It comprises the Executive Committee members and the CSR Director. It meets four times a year.

- For the Steering Committee:

The Steering Committee organizes, plans and controls the implementation of the directives issued by the Strategic and Managerial Committees, in the departments or divisions concerned. It comprises the Secretary General, Human Resources Director, Chief Financial Officer and CSR Director. It meets four times a year.

With these three bodies, the Group now has governance structures that are essential for putting in place an effective CSR policy.

2.2.2.2. CSR procedure

The first version of the procedure, published in July last year, details the framework for the Group policy, the operating principle for the continuous improvement process PDCA (Plan, Do, Check, Act), which has been rolled out, as well as the mechanism for collecting and interconnecting the essential data for monitoring changes in key indicators from the CSR dashboard and drawing up the Sustainability Performance Report.

It was definitively adopted by the Executive Committee in October 2022, then gradually rolled out. Since February 2023, it has been available to the Group's French staff on a dedicated page on its new Intranet. The English version is expected to be available for all employees shortly.

2.2.2.3. Dashboard

The 2022 CSR dashboard changed slightly compared with the previous year. It now includes 11 key indicators based on the risk analysis (nine indicators) and the Group's ambitions to exceed the regulatory requirements (two additional indicators), in line with the commitments set out in its charter. It aims to measure the efficiency and effectiveness of the CSR policy applied by Lumibird, and help it to progress through the changes in its indicators. With the exception of the gender equality index and the equity ratio, their respective scope covers all of Lumibird's activities.

All of the indicators in force are detailed in the following table:

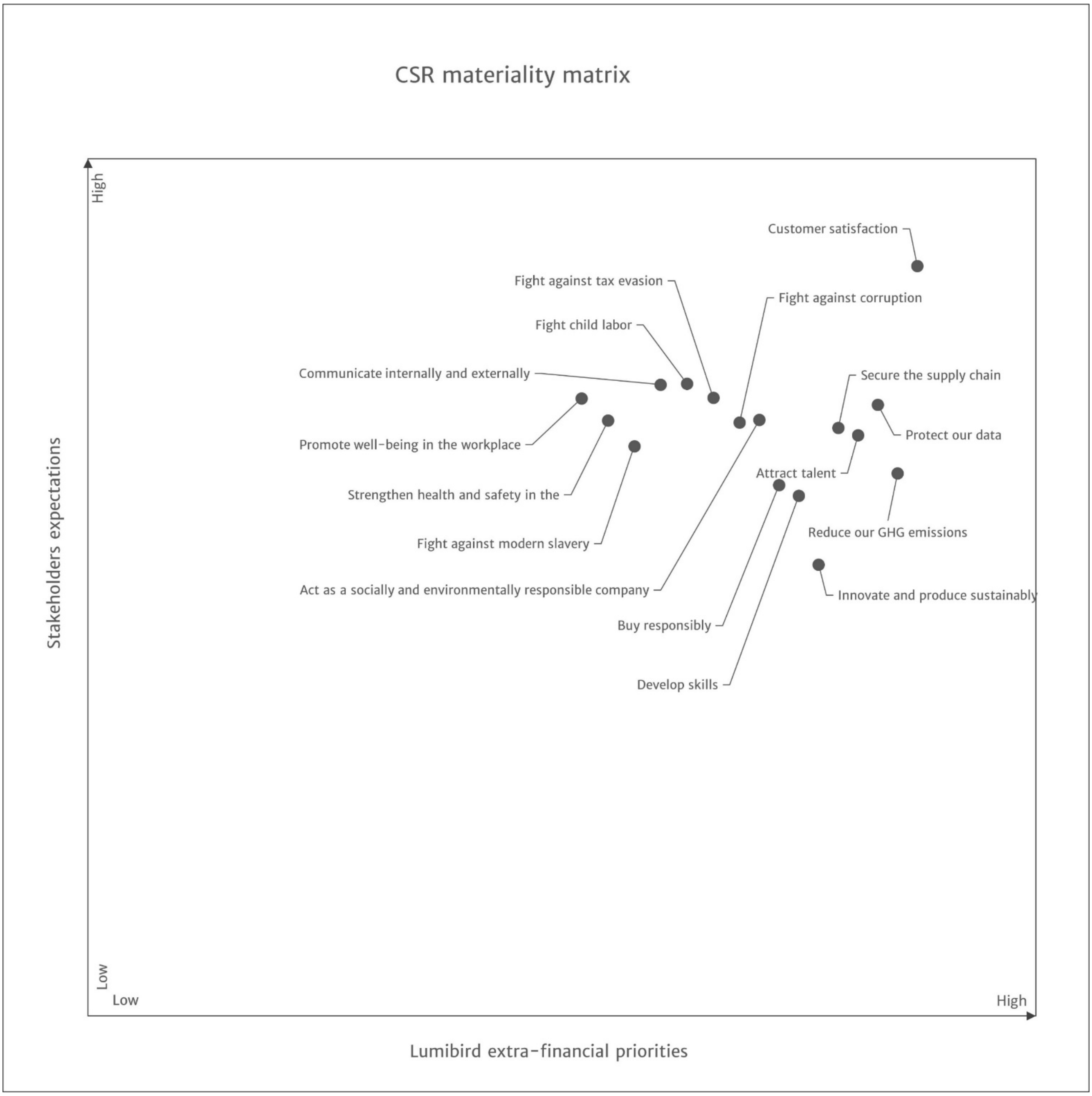
Risk coverage indicators							
CSR indicator	**Stake**	**Scope**	**Unit**	**2021**	**2022**	**Change**	**Trend**
% of gross R&D expenditure / revenues	No.1	Group @100%	%	10.1	8.9	- 12%	↘
B to B client satisfaction index	No.1	Group @100% (B to B)	/5	-	3.6	na	na
External training costs / employee	No.1	Group @100%	€	175	147	- 16%	↘
% of employees made aware of phishing	No.1	Group @100%	%	-	69	na	na
Attrition rate	No.2	Group @100%	%	8.00	10.0	25%	↗
Workplace gender equality index		France @ 100%	/100	82	86	5%	↗
Equity ratio (minimum wage)	No.4	France @100%	-	26.4	36.5	38%	↗
% of CSR suppliers	No.3	Group @100%	%	59	72	22%	↗
Scope 1 & 2 GHGs / revenues	No.4	Group @100%	T CO2e / €m	7.3	5.1	- 30%	↘
Other CSR indicators							
CSR indicator	**Stake**	**Scope**	**Unit**	**2021**	**2022**	**Change**	**Trend**
Water consumption / revenues	No.4	Group @100%	m^3 / €m	42.9	43.0	0.2%	↗
% of employees made aware of the code of conduct	No.4	Group @100%	%	-	11%	na	na

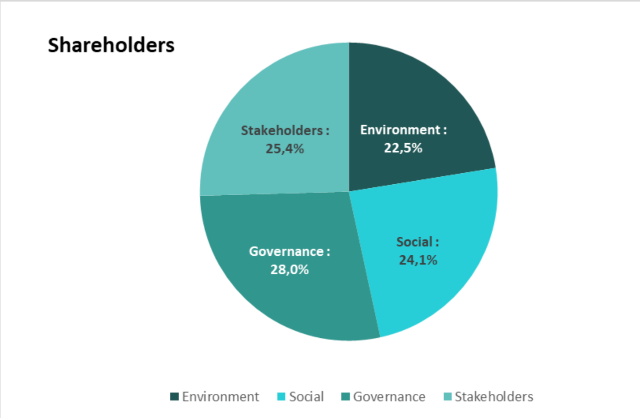
For further details on the conditions for calculating the various indicators, readers are invited to refer to §8: "Methodology".

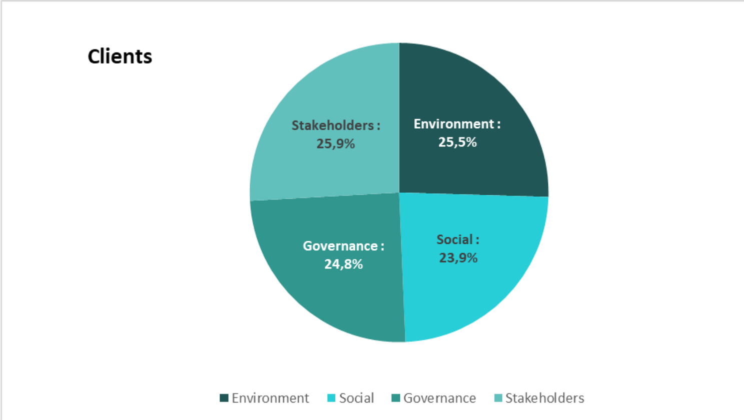
2.2.2.4. Materiality matrix

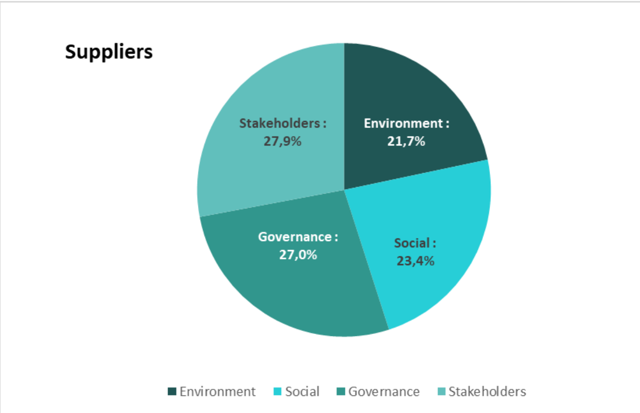
The first version of the materiality matrix, presented in the chart below, sets out the Group's ESG priorities depending on the corresponding expectations of its main stakeholders (shareholders, clients, suppliers and employees).

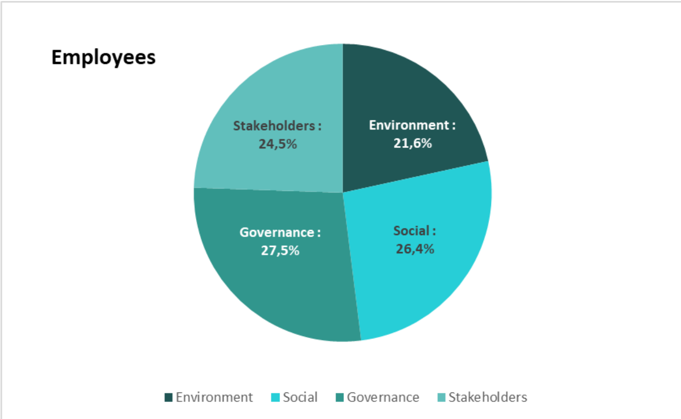
It was drawn up following a survey carried out at the end of 2022, which made it possible to identify a list of 16 shared priorities out of the 36 topics covered in the questionnaire that was sent out. The relative importance for each CSR pillar, covering each of our stakeholders, is presented below:











Over the coming months, an in-depth analysis of the respective results will enable the Group to anticipate the efforts required to maintain the levels of expectations of the various stakeholders. This approach, supplementing the continuous improvement process in place, will help ramp up the impacts of the policy deployed on Lumibird's operational performance.

2.2.2.5. Plan to reduce drinking water and energy consumption

In December 2022, Lumibird launched a Group-wide plan to reduce its drinking water, gas and electricity consumption. Following an in-house survey conducted beforehand on the forms of consumption and energy performance levels across the various sites, the Group set itself an objective to reduce drinking water and energy consumption (scope 1 and 2) over the next two years, based on an equivalent scope, by 12% and 10% respectively compared with the levels for 2021.

During the second quarter of 2023, a detailed investment plan will be drawn up and will enable the Group to quantify the specific cost of the actions needed to achieve the objectives.

Over the period from 2023 to 2024, the initiatives resulting from this reduction plan are expected to account for the majority of the concrete actions taken within the Group. Combined with the increase in our consumption of "green" electricity, it will help reduce our greenhouse gas emissions over these two years by 146.7 t CO2e.

2.3. Limitations of the current approach

In 2022, the internal processes for collecting data reached their limit faced with the growing demand for the number of information items required to draw up an accurate and exhaustive Sustainability Performance Report. Under these conditions, to meet the new sustainability reporting requirements (CSRD, extension of the Taxonomy for Sustainable Activities scope), Lumibird will need to put in place new more efficient and less time-consuming tools in order to limit the workload currently involved with managing the process. Over time, the automation being considered will make it possible to better focus on the Group's CSR strategy.

2.4. CSR priorities for 2023

Faced with the limitations of the reporting mechanisms, the need to increase the strategic dimension of the process and the importance of continuing to move forward with the actions already rolled out, the Group's CSR priorities for 2023 are as follows:

- Increasing the level of automation for the tools to collect and interconnect the data used as part of the process,
- Optimizing the areas of responsibility for the various bodies involved in managing the CSR process,
- Improving its overall performance, supported by the strategic use of the indicators from the tracking dashboard and the priorities identified in the materiality matrix,
- Following up on and monitoring the plan to reduce water and energy consumption.

3. Main ESG risks

3.1 Risk identification

In 2022, the Group updated the map of the global risks that it faces, based systematically on an assessment of the severity of the risk considered and the probability of it occurring. In a second stage, the ESG risks, in accordance with French Decree 2017-1265, which sets out the regulatory conditions applicable for sustainability performance reports (DPEF), were analysed in considering its business model and its stakeholders' expectations. This new analysis led the Group to confirm the existence of 6 initial extra-financial risks (i.e. prior to deployment of preventive actions):

- Risks of technological obsolescence and innovation of its products,
- Risks of defective or non-performing products,
- Risks to talent and skills,
- Risks of piracy, intrusion or cyber-attack of its information systems,
- Risks of economic dependence on certain suppliers,
- Risks related to climate change.

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

Issues	Extra-financial risks	Impacts	Policy / Strategy / Approach	SUSTAINABLE DEVELOPMENT GOALS
Supporting our customers in the long term and sustain our ecosystem by promoting responsible innovation.	¬ Risks of technological and innovation obsolescence of the Group's products ¬ Risks of defective or non-performing of the Group products ¬ Risks of hacking, intrusion or cyberattack on the Group's information systems	¬ On client relationship ¬ On products ¬ On talents and expertise ¬ On IT systems	¬ Quality policy ¬ R&D Roadmap ¬ HR Policy ¬ IT strategy	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	¬ Risks on talents and expertise	¬ On talents and expertise	¬ HR strategy	3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES
Establish solid and long-term partnerships with suppliers that share our values.	¬ Risks of economic dependence on certain Group suppliers	¬ On the products	¬ Procurement policy	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Become a fully citizen and eco-responsible company.	¬ Risks linked to climate change	¬ On customer relationship ¬ On talents and expertise ¬ On insufficient consideration of the consequences of climate change	¬ CSR approach ¬ Ethical policy	6 CLEAN WATER AND SANITATION 7 AFFORDABLE AND CLEAN ENERGY 8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 10 REDUCED INEQUALITIES 15 LIFE ON LAND 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

3.2 Risk of technological obsolescence and 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), 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 be unable to deploy its innovative approach, it might lose its leading position in fibre lasers, might not anticipate technological turning points in the future, and consequently would be less able to position itself in future markets.

In order to cover this risk, the Group strives to deploy a medium to long-term "Development" roadmap, specific to both divisions, allowing it to maintain its technological progress, all while allocating some of its resources to more upstream collaborative projects, which are key to future success.

3.3. Risks of defects or lack of performance of its products

The lasers produced by the Group are particularly complex and require extremely rigorous manufacturing processes to achieve the required level of performance. Lumibird's competitive position in its extremely technological markets relies on the reliability and robustness of the products it designs. In order to maintain or increase its market share, it is therefore imperative for the Group to reconcile these two challenges, which guarantee the interests of its customers, its reputation and the excellence of its equipment.

Lumibird's customers' requirements for this type of high value-added product are not only high in terms of quality, but also in terms of responsiveness, service and respect for deadlines. Particular attention must be paid to their expectations, at the risk of tarnishing the Group's brand image and deteriorating its position in its markets.

3.4 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,
- To have very specialised technical expertise in the fields of optics and optoelectronics, and, more broadly, in all the trades required to design, manufacture and maintain its lasers,
- To have cross-disciplinary skills, essential for the smooth running of support functions: Purchasing, Supply Chain, IT, Quality, Finance, Human Resources, etc.
- To design high-quality products that address the technological challenges present and future,
- To manufacture these products with the level of quality and safety required.

To achieve this, the Group must constantly attract, motivate, train and retain highly qualified personnel in fields as varied as R&D, industrialisation, production, after-sales, marketing and sales.

The combined effects of new forms of personal aspiration on the one hand, and a continued high level of activity in its markets on the other, has continued to exacerbate the 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 penalising its ability to quickly generate new revenues.

3.5. Risks of hacking, intrusion or cyberattack on its information systems

Lumibird relies on an evolving information system, which in the short term aims to facilitate efficient and consistent reporting of information from its various entities. It 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. In some cases, such as within the context of its work for defence players, specific security measures have been taken to ensure that data is fully leakproof.

The risk of a cyber attack aimed at hacking into the information contained in its system, which would lead to a momentary or permanent loss of data, is considered critical by the Group. Such an event would probably have a severe impact on the continuity of its business. In particular, it could have financial consequences in the event of ransomware that could alter Lumibird's brand image. Finally, in the event of theft of technical or confidential data, its credibility in some of its markets would probably be affected.

3.6. Risks of economic dependence on some of its suppliers

In order to be able to manufacture its equipments, Lumibird calls on third-party suppliers, in particular so that it can procure specific components, such as laser rods or certain specific optical fibres. To protect itself against a risk of dependency for those critical components the Group uses, to the extent possible, at least two suppliers, in order to be able to negotiate prices and deal with any default by either supplier.

In addition, the shortage of certain electronic or mechanical components since 2021 has further strengthened the need to have open technological bricks that can be easily adapted to the uncertainties of the supply chain in order to honour all contracts.

The main challenges for the Group, linked to the choice of its suppliers, are therefore:

- Preventing a single-source supply from making the Group dependant on the financial health of a supplier, the quality of its products, or the political or health stability of the country where that supplier is located,
- Designing modular products, able to work with different critical components of various origins, while maintaining the required level of excellence,
- Ensuring a responsible purchasing policy under which suppliers commit to complying with respecting human rights and environment, in accordance with the sustainable development goals n° 5, 6, 8, 9, 10, 12, 13, 15 and 16 of the United Nations

https://www.un.org/sustainabledevelopment/fr/objectifs-de-developpement-durable/

To achieve this, the Group requires its suppliers to provide certificates of compliance with REACH, RoHS, CMRT (restricting the use of toxic, hazardous or rare substances) and to commit to respecting human rights and fighting against modern slavery.

3.7. Risks linked to climate change

Climate change will inexorably affect Lumibird's business. The effects of climate change will continue to directly and indirectly affect the Lumibird Group's business. As the effects on its environment rapidly increase, the Group will be forced to adapt to the multiplication and intensification of extreme climatic events, and will eventually be forced to reduce its carbon footprint voluntarily or by regulation in an attempt to limit the extent of its impact.

Although its ecological impact is reduced thanks to production processes that use little energy, the Group's activity generates greenhouse gas (GHG) emissions mainly through :

- the manufacture of its lasers,
- the purchase of components produced by remote suppliers
- the worldwide marketing of its equipment, which may involve long-distance deliveries or the use of less environmentally friendly modes of transport for the delivery of its lasers
- the majority of travel by its employees despite the increasing use of modern communication tools.

4. Policies implemented to mitigate risks

The structuring work initiated in 2019 within the Group around CSR stakes led to the implementation of a formalised CSR process in 2022, operating on a principle of continuous improvement. In practice, this has resulted in particular in the deployment or adaptation of key indicators capable of measuring the effects of the risks identified and in the updating or finalisation of policies designed to protect against them.

4.1. Innovation and quality policies

The innovation and quality policies applied by Lumibird are intended to address:

- the risks of technological obsolescence and innovation for its products,
- the risk of defects or performance issues with its products

Lumibird designs and manufactures lasers for the medical, LIDAR sensor, defence, space, scientific and industrial markets. Ensuring effective control over technological performance levels, reliability and costs is therefore essential to establish and guarantee the sustainability of its leadership.

The Group's Quality policy covers in particular the design and manufacture of its lasers. In this context, it has a double objective, on the one hand, to guarantee a level of performance and reliability that meets the expectations of its clients and, on the other hand, to anticipate the renewal of its product range in order to perpetuate and even increase its markets. To achieve this, Lumibird relies on :

- its capacity for innovation as a driving force for its R&D, by developing new products or new applications that are increasingly competitive,
- improving the productivity of its manufacturing processes, which is essential to maintain its competitiveness,
- its ability to develop reliable products by carrying out controls throughout the manufacturing process and on components sourced from its suppliers,
- increasing the skills of its employees, at every level of the organisation, by systematically implementing an appropriate training policy.

4.1.1. Innovation

The R&D departments of the two divisions draw up and regularly update multi-year innovation plans, as well as a list of development projects in progress, ranked in order of priority. In 2022, the R&D teams were mobilised on 131 projects, 47% of which were deemed to be priorities for the Group's activities.

The financial indicators used to monitor the activity of the R&D departments are as follows:

	2021	2022	Change
R&D headcount (to date)	170	184	+14
% of total workforce	*19%*	*18%*	*8%*
Gross R&D expenditure	€16.4m	€17.0m	€0.6m
% of revenues	*10.1%*	*8.9%*	*-12%*
Of which, capitalised expenditure	*€11.1m*	*€11.0m*	*€ - 0.1m*
Research tax credit generated (France)	€3.14m	€3.2m	ns

4.1.2. Quality

The efficiency and effectiveness of the quality processes implemented in the Group are measured, directly or indirectly, based on the level of client satisfaction using:

- satisfaction surveys,
- the rate for repeat orders or requests in connection with R&D tenders,
- the client return rate,
- the tracking of payment incidents and their characteristics.

4.1.2.1. Consumer safety

The products manufactured and sold by the Group are intended to be used by professionals from the medical, industrial or defence sectors. They are not in any way intended to be used directly by consumers. However, in accordance with the standards applicable, the information intended for users concerning the risks involved and the appropriate protection measures to prevent them is marked on each product.

In 2022, no claims or applications for proceedings were recorded concerning the products manufactured by the Group.

4.1.2.2. Quality of the products

Prior to shipping, each product is subject to a final quality control carried out by dedicated teams. This makes it possible to ensure:

- compliance with the performance levels expected by the client,
- compliance with the standards applicable.

Post delivery, an after-sales service department, deployed in each Group plant and each commercial subsidiary, ensuring close links with clients, resolves possible technical defects with products that are under guarantee or outside of their warranty period.

The standardisation of the Quality policy across the Group, underway for several years, continued to move forward in 2022. Once it has been rolled out in the various departments (R&D, Production, Procurement, HR), it aims to define the specific indicators needed to measure its efficiency and effectiveness.

In 2022, Lumibird's Quality policy was reflected in:

- a strengthening of process control, duly noted by the auditors in charge of ISO 9001 certification renewal, on the 7 sites concerned in the Group,
- the standardisation of indicators relating to the measurement of returns in the Medical Division,
- better management of environmental requirements,
- obtaining AS 9100 certification (Quality system for aviation, space and defence) at the Bozeman site in the United States in June 2022,
- significant progress in the integration of AS 9100 requirements at the Lannion site,
- the finalisation of the ISO 9001 and ISO 14001 certification processes at the Göteborg site, six months after its integration into the Group,
- on all of the Group's R&D sites, systematic participation in meetings to monitor R&D projects by local quality managers.

The details of valid certifications at 31.12.2022 are as follows:

Certifications	2021	2022
Number of production centers	9	11
Of which ISO 9001 certified	6	7
Of which ISO 14001 certified	0	1
Of which ISO 13485 certified	3	3
Of which MDSAP certified	2	2
Other certifications	1	1
Nb of certified production centers	7	9
% of certified production centers	**78%**	**82%**

4.1.3 Indicators for monitoring innovation and quality risks

To measure the efficiency and effectiveness of its product innovation and quality policy, Lumibird has chosen the following key indicators: its gross R&D expenditure, its new B to B client satisfaction rating and the amount of external training per employee.

In 2022, in absolute terms, the amount allocated by the Group to its gross R&D expenditure increased by €580k (+4%). However, in relation to its revenues, this value is 12% lower than the previous year, i.e. 8.9% of the revenues generated over the same period. The difference compared to 2021 is justified by the priority given to major production investments at the Lannion, Villejust and Gothenburg sites.

To free itself of the multiple customer satisfaction measures inherent in the scope of application of the ISO 9001 standard and to simplify the management of its RES scorecard, the Group has decided to replace them with a single indicator. It is now applicable to the entire Group, and focuses on measuring its B to B activities (3/4 of Lumibird's activities). Based on the feedback received from the survey of its clients, the 2022 score is 3.6 /5.

In 2022, based on 100% of the workforce present on 31 December, the amount of external training per employee was €147, which is a variation of -16% compared to the previous year. Nevertheless, although it has fallen significantly, this value remains above the average for the last five years.

4.2. Human resources policy

4.2.1. Group HR strategy

Within Lumibird, the Human Resources Department notably aims to respond to the risks concerning talents and skills by promoting strong values each day that are reflected in the reality on the ground, with the ambition for a constant search for the best response to the expectations of clients, with secure, competitive, innovative, reliable, robust and as such, sustainable, industrial solutions.

Lumibird intends to cover this risk by drawing up and rolling out an adapted HR policy in line with the following United Nations Sustainable Development Goals:

- **SDG 3:** Ensure healthy lives and promote well-being for all at all ages,
- **SDG 4:** Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all,
- **SDG 5:** Achieve gender equality and empower all women and girls,
- **SDG 8:** Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all,
- **SDG 10:** Reduce inequality within and among countries.

In order to support the commitment and expertise of its employees, which are among the Group's main strengths, Lumibird continually strives to maintain their motivation and improve their skills. Thanks to the diversity of its professions and activities, the Group has a valuable lever arm, able to respond to the aspirations of its employees by giving each of them a meaning to their missions.

However, the current environment is still characterised by a scarcity of human resources and hyper-competition between companies, which encourages the Group to improving:

- its attractiveness through social, human and motivating management, such as recruitment on permanent contracts, onboarding programmes, an incentive compensation policy and geographical mobility within the organisation,

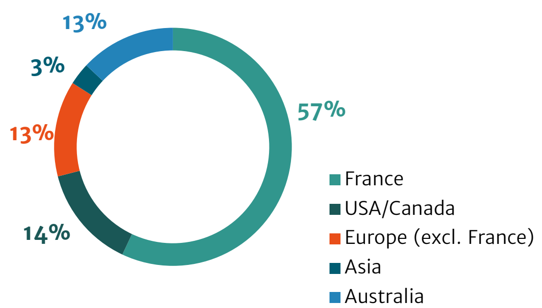
- the occupational wellbeing, health and safety of its employees, thanks in particular to:
  - workplaces that are suited to the activities carried out,
  - development of new ways of working, in a multi-site and multi-country environment: remote work, modern means of communication (videoconferencing, Group messaging system, etc.),
  - medical monitoring adapted to the activities carried out (specific and regular eye tests for employees working directly on laser products).
- The development of skills, through:
  - a recruitment strategy that is open to diverse skills, talents and career paths, and promotes internal mobility,
  - support for internal and external training requirements throughout careers,
  - the mapping of professions, which defines a reference framework of skills, identical for the whole Group, facilitating bridges between functions thanks to predefined training needs,
  - the creation of an annual review of the workforce and organisations with a view to measuring the performance levels of the organisations, identifying gaps depending on future development, and drawing up action plans for staff recognised as high-performers and/or high-potential.
- its social cohesion, through:
  - the matrix-based hierarchical organisation put in place, combining scopes for responsibilities and geographical scopes, enabling the teams from various sites to work together in their area of expertise and developing a sense of belonging to the Group,
  - the coordination of effective social dialogue, which has been in place for several years, built around respect and discussions,
  - the continued rollout of the approach for a single Economic and Social Unity (UES) for the French scope, paving the way for an integrated social organisation and active social dialogue.
- its visibility, thanks to its participation in various trade fairs, its communication on social networks, and the hosting of trainees at various levels to raise awareness of the Group and its professions.

4.2.2. Workforce

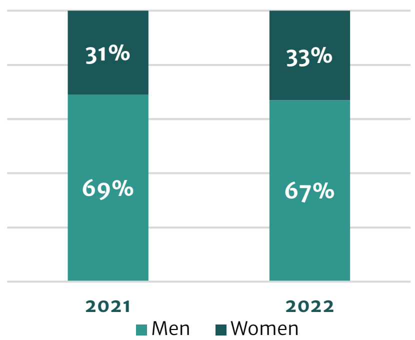
4.2.2.1. Workforce to date

To date (i.e. at 31.12)	2021	2022	Change %
TOTAL GROUP WORKFORCE	**913**	**1,001**	**10%**
Number of permanent contracts	834	916	10%
% / Group workforce	*91%*	*92%*	-
Attrition rate (permanent contracts)	8.0%	10.0%	25%
Number of fixed-termed contracts	79	85	26%
% / Group workforce	9%	8%	-

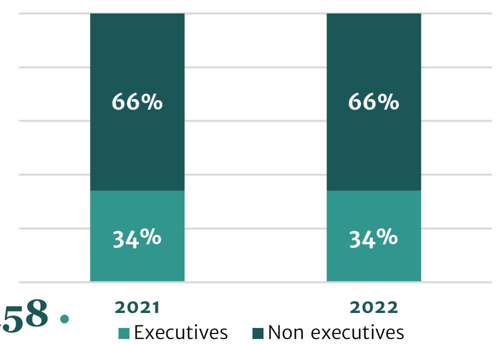
Workforce breakdown by geographic area



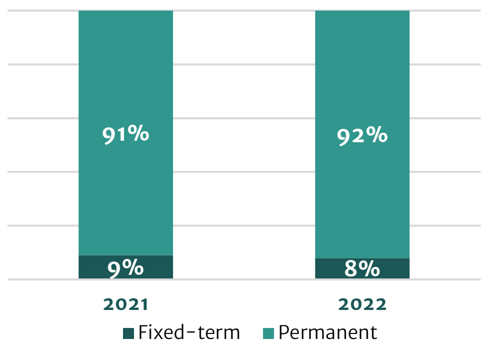
Workforce breakdown by gender



Workforce breakdown by activity



Workforce breakdown by contract type



4.2.2.2. Average workforce

Average workforce	2021	2022	Change
TOTAL GROUP AVERAGE WORKFORCE	891	1,006	13%
Of which men	603	681	13%
% men / Group workforce	68%	68%	
Of which women	288	325	13%
% women / Group workforce	32%	32%	
Of which executives	304	341	12%
% executives / Group workforce	34%	34%	
Of which non-executives	580	665	13%
% / Group workforce	66%	66%	
Pay equity index women/men	82 / 100	86 / 100	5%

4.2.2.3. Other HR data

HR data	2021	2022	Change
PERSONNEL COSTS (€m)	53.6	63.8	19%
Wages and social contribution	51.6	61.6	19.6%
Profit sharing	0.7	0.7	0%
Free shares	1.0	1.5	50%
Pay equity ratio (minimum wage)	26.4	36.5	38%

The Group strives to:

- given its business model, maintain a preponderant part of the staff in R&D and in manufacturing,
- ensure the maintenance of a predominant part of open-ended contracts, which ensures the long-term efficacy of the talent management policy,
- maintain a balanced age range, ensuring a harmonious transfer of knowledge between generations,
- continue its policy of access to the Group for people with disabilities: at December 31, 2022, the Group employed 3.6% of people with disabilities (including 4.6% in France), compared with 2.6% one year earlier.

4.2.3. Training

Increasing overall performance and managing the structure as efficiently as possible, by relying on a qualified, well-trained, and professional staff, is among the Group's commitments. It is therefore important to mobilise resources and mechanisms to promote increased expertise of associates, and help them develop their business and technologies. The ongoing training plays a fundamental role in Lumibird's ability to meet future challenges. It is reflected in:

- sharing skills internally, particularly through on-the-job training,
- a training plan that adapts to the needs of each entity.

The training plan is built on the basis of annual progress interviews and the suitability of each employee's skills for his or her position. It enables the Group to define priorities precisely in order to offer them the appropriate training for the missions they are or will be entrusted with. In 2022, this principle was applied to more than 74% of the Group's permanent employees.

4.2.4. Respect for people

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

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

4.2.5. Ensuring equal treatment

Mixity and diversity in all its forms represents a real driving force for efficiency and modernity within Lumibird. The Group believes that workplace equality must enable men and women, regardless of their origin, to benefit from equal treatment in terms of access to employment, access to professional training and remuneration.

This is based on 3 principles:

- equal rights for candidates applying for a job within the Group, regardless of their gender or origin,
- equal rights for men and women, with non-discrimination between employees due to their gender, either directly or indirectly,
- equal opportunities, aiming to address, through concrete measures, any inequalities that men or women may face in the workplace.

In terms of recruitment, the Group is committed to ensuring that its recruitment process, whether it is external or part of internal mobility, takes place under the same conditions independently from the candidates profile. Applications from candidates are assessed exclusively based on the skills required, their level of education and training, their type of qualifications and their previous experience.

In addition, for the same work or work of equivalent value, the Group applies a proactive pay policy in order to ensure equal pay for men and women.

The Group also ensures equal access in terms of professional training for all of its staff. This principle is identified as an essential factor for gender equality in terms of career development.

More generally, Lumibird is committed to creating a workplace environment that is free from any discrimination relating to gender, age, origins, religious beliefs, ethnicity, disability or any other criteria.

4.2.6. Health and safety

Personal safety is a priority for Lumibird. The health, safety and environment (HSE) teams have a mission to understand, anticipate and address risky situations. This is reflected in:

- the deployment of health, safety and environment correspondents at the Group's industrial sites,
- a global, permanent and constructive reflection with all the actors concerned in the company, ensuring that this dimension is incorporated into each decision,
- the deployment of regulatory monitoring,
- monitoring of compliance with the regulations in force and coordinated communication with the State authorities.

In France, all facilities or changes to facilities ensure strict compliance with regulations, liaising with the HSE correspondents. Although no workplace health and safety agreements have been entered into with the unions or employee representatives, these aspects are handled by the Social and Economic Committee (CSE), which meets every quarter in accordance with the regulatory provisions laid down by law.

In the US, facilities are compliant with the standards set by the Occupational Safety and Health Administration (OSHA).

In Australia, the Work Health and Safety (WHS) rules are applied, working with the employees who form the WHS Committee.

The levels of qualifications of staff working on site are particularly high. The on-the-job training program is also supplemented with regular training sessions targeted according to the risks involved.

The amounts committed to risk prevention and environmental protection concern:

- Investment expenditure on new installations, new or existing equipment. Expenditure relating to the latter category is, however, more difficult to quantify.
- Purchases dedicated to health, safety and the environment, which are difficult to identify among all the current expenditure carried out at industrial sites.

As it is, in order to respond specifically to the various regulations, the publication of reliable information based on identifiable and verifiable criteria is therefore particularly difficult.

To protect against the risks inherent in Lumibird's main activities, particular attention is paid to the operation and constraints applicable to the R&D laboratories and production areas, which must be specifically adapted to the nature and conformation of the premises, to the compulsory wearing of laser safety glasses during the emission phase and to compliance with the principles of prevention of electrical risks. These measures are supplemented by periodic consultations with an ophthalmologist.

The total number of accidents that occurred in the Group in 2022 is detailed in the table below:

Work accidents	2021	2022	Chge.
Number of accidents with more than one day off work:	-	8	-
Number of accidents with less than one day off work:	-	9	-
Total :	**18**	**17**	**- 6%**
Of which, number of accidents occurring on the way to and from work:	6	6	-
Number of days off work prescribed	-	110	-

4.2.7. Indicators for monitoring HR risks

To monitor the efficiency and effectiveness of its human resources strategy, Lumibird has chosen its attrition rate, its gender equality index and its pay equity ratio as its main indicators.

The Group's attrition rate is calculated on the basis of employees on permanent contracts. Over the last two years, the evolution is as follows:

Scope	2021	2022	Change
Group excl Lumibird Photonics Sweden	8.0%	10.0%	25%

On a like-for-like basis, the attrition rate for 2022 is 10.0%, an increase of 25% compared to the previous year. This sharp deterioration is due to the 20% increase in departures from the Group's facilities outside France (45% of the workforce), whereas in France (55% of the workforce), the attrition rate fell by 24%.

The increase observed outside France is mainly due to the Group's Anglo-Saxon facilities, which are particularly affected by the "big quit" phenomenon, with the exception of the Bozeman facilities.

To protect itself from the risks to talent and skills, the Group has chosen to add its gender equality index. In 2022, it was 86/100, an increase of 5% compared to 2021.

The pay equity ratio completes this set. However, in order to broaden its scope and facilitate comparison, the calculation methods used as a basis for the CSR scorecard indicator have changed in 2022. This value is now related to the minimum growth wage (SMIC) and its scope has been extended to all income received by the Group's CEO. For the current year, this ratio is 36.5, an exceptional increase of 38% compared to 2021. This corresponds to a significant increase in the Group CEO's target bonus obtained in view of the very good results for 2022.

4.3. Policy to prevent intrusions or cyberattacks on its information systems.

4.3.1. Current policy

The impact of a cyberattack, a ransomware attack or more simply an intrusion affecting the information system could have multiple consequences for the Group. Aware of this risk, Lumibird continuously reinforces its anti-hacking strategy.

In 2021, in conjunction with the Data Protection Officer (DPO), who was supporting Lumibird with its strategy to further strengthen its cyber security, the Group set up a regular security review in order to ensure the effective follow-up on and monitoring of the actions approved.

In 2022, a cybersecurity director for the entire Group was recruited with the aim of further strengthening the level of security.

In practice, over the past year, the main advances have been

- the performance of several security audits on the various components of its IT infrastructure, both on components directly hosted and administered by the Group and on services stored in the cloud,
- the implementation of security action plans designed to correct the vulnerabilities identified in these components,
- the deployment of an outsourced security supervision service on its French infrastructure,
- the deployment of a security awareness programme for all employees. This programme consists of regular phishing campaigns and initial or quarterly training sessions that each employee is required to attend.

4.3.2. IT risk monitoring indicator

To measure the effectiveness of the dispositions put in place to prevent intrusions or cyberattacks on its information systems, Lumibird chose the rate of employees trained in phishing risks, based on the use of tools provided by its security awareness partner (Knowbe4). Operational for the first time in 2022, it amounts to 69%.

4.4. Procurement – sourcing security policy

4.4.1. Current policy

The Group's procurement policy is based on a multifaceted approach, aimed at not only securing its supplies, but also reducing its costs, in line with ethical and sustainable practices. To ensure reliable sourcing, in line with the technical features expected, it has set itself objectives to:

- further strengthen its sourcing strategy for sensitive components,
- promote and encourage the optimisation of purchases through open, wide-ranging and impartial competitive tendering
- promote the development of a high-performing and reliable supplier base, capable of delivering technically compliant products and services, with a good value for money,
- reduce procurement costs by leveraging Lumibird's buying power with volume orders for the entire Group,
- contribute to the achievement of Lumibird's strategic objectives relating to the improvement and alignment of management processes,
- establish sound and ethical buying practices by applying the principles of full lifecycle costs and minimising adverse environmental and social impacts through the selection of sustainable goods and services,
- deploy a responsible approach over the long term, choosing committed suppliers who share our values.

It has been in force throughout the group since January 2022.

4.4.2. Procurement risks monitoring indicator

To monitor the effectiveness of its purchasing / security of supply policy, Lumibird has chosen as its main indicator the rate of CSR critical suppliers exceeding a score of 50/100.

The CSR survey was repeated in 2022, using the same methodology as in 2021. It was launched with critical suppliers, who represented 44% of the total amount of purchases. Through a progressive questionnaire with more than 70 questions looking at ethics, governance, the environment, social policy and stakeholder relations, it has made it possible to draw up, based on a weighted scoring framework, a first distribution of the ESG profiles of the panel surveyed. The analysis carried out on all the completed questionnaires showed an average rating of 62/100, however, with the presence of a strong disparity in the exploitable sample. 72% of the population surveyed achieved a rating of over 50, with 22% rated between 20 and 50/100, and 5% under 20/100. Compared to 2021, the Group has seen a shift in population from the intermediate category (i.e.: 20-50) to those mastering the fundamentals of CSR (i.e.: >50). However, this positive development needs to be confirmed over several years. The lower category (i.e. < 20) remains globally stable and if it doesn't show any sign of improvement, could in the medium term lead to the exclusion of a certain number of suppliers who are not able to share our values.

4.5. Environmental policy

In order to contribute on its own scale to the mitigation of the effects of climate change and to help protect the environment, the Group intends to increase its consumption of decarbonised energy and to reduce its consumption of gas, electricity and water.

4.5.1. Greenhouse gas emission (scope 1 and 2)

Optimising energy consumption is in line with the Lumibird Group's policy for preventing risks relating to climate change.

The Group's environmental impact is still limited and is measured primarily in terms of electricity consumption (75% in 2022). The Group therefore intends to set an objective for reducing its greenhouse gas emissions after identifying all of its emission sources. It wanted to maintain its travel-related best practices, put in place during the various lockdown periods, encouraging the use of videoconferencing.

In practice, its energy consumption is linked primarily to its industrial sites (95.6%). Insofar as possible, the Group controls its energy consumption, particularly in terms of controls for the clean rooms (i.e. dust-controlled), which represent one of the main areas of consumption. Investments that are likely to reduce the overall energy consumption level are carefully reviewed, and the departments directly concerned by them adopt a proactive approach to submit proposals in this area.

In 2022, the Group's energy consumption (scope 1 and 2) was as follows:

Energy consumption	2021	2022 (Equivalent scope)	Change 2022/2021 (%)	2022 (Global scope)
Scope 1 (direct emissions)				
Natural gas (MWh)				
French sites	772	792	+3%	792
Other sites	335	680	+10%	680
TOTAL GAS	**1,107**	**1,472**	**+6%**	**1,472**
Gasoline (MWh)				
French sites	43	57	+33%	57
Other sites	5	11	+120%%	11
TOTAL GASOLINE	**48**	**68**	**+42%**	**68**
Scope 2 (indirect energy-related emissions)				
Electricity (MWh)				
French sites	3,247	2,938	-10%	2,938
Other sites	1,578	1,666	+6%	1,791
TOTAL Electricity	**4,825**	**4,604**	**-5%**	**4,729**
Scope 1 & 2				
Total Energy (MWh)	**6,266**	**6,143**	**-2%**	**6,269**
Total Energy (MWh / €m)	**38.6**	**-**	**-**	**32.8**

Concerning the GHG emission, the 2022 Group's energy consumption was as follow:

GHG	2021	2022 (Equivalent scope)	Change 2022/2021 (%)	2022 (Global scope)
French sites (in Teq CO2)	336	357	+6%	357
Other sites (in Teq CO2)	843	622	-26%	622
TOTAL GHG EMITTED (in Teq CO2)	**1,179**	**979**	**-17%**	**979**
TOTAL GHG EMITTED (in Teq CO2 / M€)	**7.3**	**-**	**-**	**5.1**

Notes:

- The 2022 equivalent scope excludes the contribution of Lumibird Photonics Sweden (Gothenburg).
- The updating of the various conversion factors into Teq CO2 (ADEME 2014 / IEA 2022) contributes to an artificial decrease in our emissions. Based on the 2014 coefficients, the Group's emissions would have been 8.6 and 6.1 Teq CO2 / million euros, for 2021 and 2022 respectively. For 2021, this variation resulting from the change of reference system is equivalent to a decrease of 15%.

In addition, there has been a strong increase in the consumption of "green" electricity. In 2022, it represented 14% of our total electricity consumption, whereas it was only 5% in 2021.

4.5.2. Risk monitoring indicators

To ensure the efficiency and effectiveness of its environmental impact, Lumibird has chosen its greenhouse gas emissions as its primary indicator (GES scope 1 and 2).

In 2022, in relation to its revenues, the Group's GHG emissions represented 5.1 tons of CO2 equivalent / €m. Compared to 2021, the Lumibird Group's emissions have decreased by 30%. This spectacular decrease is explained by the overall reduction of its emissions (-17%) combined with the increase in its turnover (+18%).

4.5.3. Use of water resources

The impact on water resources is one of the other CSR monitoring indicators. For more details, the reader may refer to § 5: "Other CSR indicators".

4.5.4. Waste management.

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 order to rationalise its consumption of raw materials, the Group strives to :

- set up technological platforms or bricks, common to different products, which allow the use of components to be optimised,
- contribute to the democratisation of lasers, which in the longer term will lead to the development of cheaper lasers through volume effects.

Furthermore, in the coming years, Lumibird intends to make more systematic the use of the eco-design approach. In this context, the consideration of environmental impact from the earliest stages of development will strengthen its approach to this issue.

4.5.5. Combatting pollutions

The sites in charge of manufacturing assemble the various lasers from optical, mechanical or electronic components purchased from specialised suppliers. These activities nevertheless generate a very small quantity of waste that is not particularly dangerous. It is treated in accordance with the relevant legal provisions, wherever the Group is established. The impact on the environment is therefore low. In consequence, the Lumibird Group is not subject to ICPE and SEVESO regulations, or their equivalent for sites located outside of France.

In addition, the activities of the Group's companies do not specifically give rise to nuisance in terms of noise and odor.

Finally, to our knowledge, Lumibird's activity has no specific impact on soil pollution, aquatic and marine resources, or biodiversity.

Nevertheless, in order to contribute to the preservation of the environment, the Group installed beehives on its Cournon site in 2022.

5. Other CSR indicators

To go above and beyond the regulatory requirements and firmly commit to a strategy that is aligned with its CSR commitments, the Group decided to adopt two additional indicators. They are calculated with the same level of requirements as the indicators dedicated to risk mitigation and are included in the scope for approval by the independent third-party organisation in charge of the report's compliance and accuracy. They are an integral part of the CSR scorecard.

The performance levels measured in 2022 for these two additional indicators are presented in the table below:

CSR stakes	Indicator	Unit	2021 performance	2022 performance
Become a fully socially responsible and environmentally responsible company.	Water consumption in relation to revenues	m^3 / €m	42.9	43.0
	Proportion of employees made aware of the new code of conduct (*)	%	-	11%

(*) in local versions.

5.1. Drinking water consumption.

To date, with the exception of a proven risk, the monitoring of water consumption reflects the Group's ambitions in terms of environmental protection and is fully aligned with its objective to become a socially responsible and environmentally responsible company. In 2022, the Group consumed 43 m3 per million euros generated, recording a very slight increase of 0.2% compared with the previous year. Globally, over the same period, Lumibird used 8,210 m3 of drinking water in connection with its activities, up 18% from its consumption in 2021 (6,970 m3), perfectly consistent with an identical increase in its revenues.

Over the next two years, the Group is expected to record an improvement in its performance in this area, thanks to the adoption in December last year of a plan to reduce its drinking water consumption.

5.2. Proportion of employees made aware of the new code of conduct

The monitoring of the proportion of employees made aware of the new code of conduct is in line with Lumibird's aspirations to become a fully socially responsible company. Specifically, it makes it possible to ensure that the employees who have signed it share the Group's values in terms of corruption, tax evasion and the fight against modern slavery.

At the end of 2022, 11% of employees had formally signed up to these values. With one dedicated code of conduct to be adopted soon, rolled out across the Group, this percentage is expected to increase significantly in 2023.

5.3. Number of new eco-designed products launched

While the Group intends to continue to promote eco-design in its R&D centers, the adoption of a representative indicator, as previously considered, does not appear to be effectively suited to the type of research and development contracts honored by Lumibird. The frequency of launching new programs that would be likely to benefit from this type of approach is significantly lower than the level that would be needed to justify monitoring on a quarterly or even an annual basis. Under these conditions, the Group decided in the end to not implement this indicator and, at this stage, to not replace it with a new indicator.

6. Ethics policy

Acting with integrity, honesty and fairness is a key component for sustainable performance and an absolute value for the Group. The health crisis that has affected the world since 2020 and the internationalisation resulting from its economic development and its external growth operations have undeniably led to a certain fragmentation of the teams (widespread rollout of measures for working from home, reduction in the number of in-person meetings or events). Under these conditions, the Executive Leadership Team decided to update its code of conduct, highlighting the Group's ethical commitments. In 2022, a new version applicable to the entire Group was drafted. It is currently being validated and should gradually be distributed to all employees from the second quarter of 2023.

6.1. Actions promoting respect for human rights

6.1.1. General Data Protection Regulation (GDPR)

In accordance with the European Union's General Data Protection Regulation (EU 2016/679) of April 27, 2016, the Group is committed to deploying the technical solutions and the best practices making it possible to ensure compliance with the legal provisions in force. Taking these requirements into account is an integral part of its strategy to prevent intrusions or cyberattacks on its information systems.

6.1.2. Other actions promoting respect for human rights

The Group complies with all national and international legislation concerning human rights, regardless of the countries where it operates. In view of its activities, it does not intend to develop other specific actions.

6.2. Anti-corruption

The Group does not tolerate any forms of corruption or bribery, including extortion and payoffs, aimed at obtaining a commercial advantage for its business, and is committed to ensuring compliance with the laws in force in all the countries where it operates. The procedures implemented since its ERP IT tool was rolled out make it possible to control signatures covering all orders. They set out a specific framework for the pricing, scales and commissions intended for distributors.

In 2022, the sections presenting how to behave to prevent corruption in the new version of the code of conduct were revised.

6.3. Anti-tax evasion

The Lumibird Group has always adopted a reasonable tax policy, aimed at guaranteeing its interests, while preserving its trust-based relations with the public authorities where it operates. Its financial teams, whichever country they operate in, undertake, with support from a Group tax advisor and, if applicable, local advisors, to comply with national and international tax requirements. Since 2020 and the overhauling of its transfer pricing policy, the Group takes particular care to ensure compliance with specific national and international tax requirements, as well as the location of profits with regard to the value-added generated, without adopting a tax optimisation approach. However, technical differences may arise during inspections, which could potentially lead to tax disputes linked primarily to the interpretation of legislation and the Group's fulfillment of its tax obligations. If applicable, provisions are recorded in the financial statements to reflect the consequences of such differences.

In 2020, a tax inspection was carried out concerning FY 2016 to FY 2018, but no tax adjustments were required. In 2022, the Group was not subject to any tax inspections.

7. Other CSR actions

7.1. Promotion of participation in exercise and sport

Participation in exercise and sport is encouraged at the Group's main sites on a voluntary basis. It relies on various local initiatives:

- In Ljubljana, Molnlycke, Gothenburg and Lannion, this type of activity is promoted by covering the cost of memberships or access to private gyms or, more broadly, a contribution to the costs incurred by the practice of any sporting activity.
- In Cournon-d'Auvergne, the premises inaugurated in 2021 have their own facilities, which are available to all of the site's staff. In addition, in 2022, the partnership signed with the ASM led to the possibility of carrying out physical tests in order to evaluate one's own sporting performance. Finally, the site supports the association Sport féminin & Co, which aims to innovate locally to promote women's sports.
- In Bozeman and Minneapolis, Lumibird's employees benefit from a wellness program and discounted access to a local gym.

To date, the other Group sites do not have such programs in place. The opportunity for setting up such programs will be assessed again during 2023.

7.2. Professional partnership

The Group is a member of or involved in - through some of its employees - a number of industry or academic bodies, including the Bordeaux competitiveness cluster with Alpha Route des Lasers / Aquitaine Développement Innovation, GIMRA, supervising the Master's in Medicinal Sciences program, 3AF, the EDEN cluster, the Anticipa technology hub and the Institut d'Optique Graduate School.

7.3. Actions in favour of the community

In line with its CSR commitments, Lumibird intends to invest in associations that work for the good of the community.

In this context, various Group sites contribute to the operation of charitable organisations:

- In Warsaw, Quantel Medical Polska has financially supported the collection of medical equipment for hospitals and paediatric services.
- In Adelaide, Ellex is mainly involved in the Biggest Morning Tea & Daffodil Day organised annually by the Cancer Council.
- In Lannion, Keopsys Industries helps the association "Petits Cadeaux pour Gros Bobos", run by one of its employees, which works for sick or disabled children.
- In Cournon, Quantel Medical provided the association "Vichy Médic'Air" with a set of ophthalmological equipment to enable the teams at the Saint-Louis Hospital in Senegal to carry out earlier screening for glaucoma (one of the main causes of blindness in the world), and to improve patient care whatever the stage of the disease.

8. METHODOLOGICAL NOTE

In order to facilitate the understanding of its CSR indicators, this methodological note details the different calculation methods used by the Group.

Indicator	Coverage	Conditions for calculation	Scope	Comments
Proportion of gross R&D expenditure / revenues	Sustainability risk	Ratio as a % between the Group's total amount of R&D expenditure and 2022 revenues.	Group @ 100%	
B to B client satisfaction index	Sustainability risk	Sum of the scores for 5 of the B to B activities of the Medical and Photonics divisions weighted based on the corresponding revenues	Group @ 100% (B to B)	100% of the Group's B to B revenues, representing 74% of 2022 revenues. The rate of usable responses is 33% and 44% respectively for the Medical division and the Photonics division.
External training costs / employee	Sustainability risk	Ratio expressed in € between the total cost of external training in 2022 and the headcount to date.	Group @ 100%	
Proportion of employees made aware of phishing	Sustainability risk	Ratio expressed as a % between the number of employees who have completed the web training and the number of operational email addresses across the Group at the start of the training session.	Group @ 100%	
Attrition rate	Sustainability risk	Proportion expressed as a % between the number of employees on permanent contracts who left the Group in 2022 and the headcount of employees on permanent contracts at Jan 1, 2022.	Group @ 100%	Only voluntary departures are taken into consideration in the numerator.
Workplace gender equality index	Sustainability risk	Conditions defined by the legal provisions.	France @ 100%	
CSR suppliers rate	Sustainability risk	Proportion expressed as a % of suppliers with a rating of over 50/100.	Group @ 100%	The rating is calculated based on the weighting coefficients for each theme as follows: Social and environment,2. Governance and stakeholders,1. It is calculated based on the usable responses sent by the suppliers called on corresponding to 44% of 2022 purchases in terms of value.
Scope 1 & 2 GHGs / revenues	Sustainability risk	Ratio between the Group's total 2022 emissions expressed in t CO2e, divided by 2022 revenues expressed in million euros.	Group @ 100%	Exclusively scope 1 and scope 2
Water consumption / revenues	Other CSR indicator	Ratio between the Group's total 2022 consumption expressed in m3 divided by 2022 revenues expressed in million euros.	Group @ 100%	8% of the total consumption corresponds to small sites, which do not have an individual meter. It is therefore extrapolated based on an average consumption calculated for sites with equivalent activities
Equity ratio (minimum wage)	Sustainability risk	Ratio between the amount of gross compensation received by the Chairman-CEO in 2022 divided by the average minimum wage over the same period.	France @ 100%	For 2022, the Chairman-CEO's gross compensation comprises 2 salaries received from Lumibird SA and Keopsys Industrie SAS.
Proportion of employees made aware of the code of conduct	Other CSR indicator	Ratio expressed as a % between the number of employees present at Dec 31, 2022 who had signed a code of conduct applicable locally and the Group's headcount to date.	Group @ 100%	

TAXONOMY FOR SUSTAINABLE ACTIVITIES

1. TAXONOMY FOR SUSTAINABLE ACTIVITIES

The Taxonomy for Sustainable Activities or European Taxonomy is a measure that came into force on January 1, 2021, in accordance with the Taxonomy Regulation (EU 2020/852) of June 18, 2020, which aims to promote transparency and a long-term vision for economic activities, while directing capital flows towards sustainable investments.

To achieve this objective, the European Union has created a common classification system (taxonomy) for companies' activities making it possible to identify the economic activities that are considered to be sustainable based on the following criteria:

- Contributing substantially to one or more of the following environmental objectives:
  - Climate change mitigation,
  - Climate change adaptation,
  - Sustainable use and protection of water and marine resources,
  - Transition to a circular economy,
  - Pollution prevention and control,
  - Protection and restoration of biodiversity and ecosystems.
- Comply with the technical screening criteria set by the Commission,
- Do not cause significant harm to any of the environmental objectives,
- Be carried out in alignment with the OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights, including the declaration on Fundamental Principles and Rights at Work of the International Labour Organisation (ILO), the eight fundamental conventions of the ILO and the International Bill of Human Rights.

In 2022, for businesses, this is reflected, except for in the event of exemptions, in the creation of a dashboard and the publication of indicators on revenues, operating expenditure (opex) and investments (capex) that contribute, directly or indirectly, through enabling activities, to climate change mitigation or contribute immediately to climate change adaptation.

1.1. Taxonomy eligibility

1.1.1. Revenues

Due to its positioning on its various markets, the Lumibird Group does not directly contribute to mitigating the effects of climate change or climate change adaptation, other than through specific areas of capital expenditure or operating expenditure that contribute to immediately reducing its greenhouse gas emissions. Nevertheless, some of its products play a crucial role in the decarbonization of the economy by strengthening the environmental performance levels of other industrial sectors, such as electricity production with wind power. Unfortunately, under the Taxonomy for Sustainable Activities, the concept of enabling activities does not apply to this sector and, as a result, the €191m of revenues recorded in 2022, in accordance with the notes to the consolidated financial statements, does not meet the eligibility criteria in force.

1.1.2. Capex

The eligible capex has been identified based on a detailed review of capital expenditure, whether carried out directly or under finance leases as defined by IFRS 16 under the European standards. In 2022, the gross value of the Group's property, plant and equipment and intangible assets increased by €36.8m in accordance with the column "Acquisition for the year" in the notes to the consolidated financial statements.

Under the Taxonomy for Sustainable Activities, the checks carried out focused on the Group's legal entities that made large-scale investments during the previous year.

With regard to the property, plant and equipment and intangible assets (i.e. excluding reintegration of opex classed as investments under IFRS 16 applied to consolidate the Group's accounts with IFRS) granted by Lumibird SA, Quantel Technologies SAS, Keopsys Industries SAS, Lumibird Photonics Sweden AB and Optotek d.o.o, representing a total of €30.8m, they were analyzed line by line based on the criteria defined in the delegated documents which set out the conditions applicable for the taxonomy. Out of this amount, just €6.1m were compliant with the eligibility criteria based on two different activities:

- 6.5: transport by motorbikes, passenger cars and light commercial vehicles,
- 7.7: acquisition and ownership of buildings.

Over the same period, expenses incurred under finance leases as defined by IFRS 16 and classed as investments represented €5.2m, with 87% eligible for activity 7.7.

Lastly, for the past year, the total amount analyzed came to €36.0m, representing 98% of the €36.8m invested over the same period, with €11.3m eligible for the Taxonomy for Sustainable Activities.

1.1.3. Opex

Considering Lumibird's core business, the amount of its operating expenditure eligible for the Taxonomy for Sustainable Activities is considered by Lumibird to be negligible in relation to the €97.2m of opex recorded in 2022. In addition, the IT tools available within the Group for carrying out such an analysis do not yet make it possible to produce data with a satisfactory level of precision. Under these conditions, Lumibird decided to benefit from the materiality exception still offered to companies. As such, no opex-related indicators are published for 2022.

1.2. Alignment

The alignment of the eligible activities is reviewed based on technical criteria, the proven existence or not of significant harm (DNSH), and compliance or not with minimum safeguards.

1.2.1. Technical criteria

To define the aligned amount of capex and opex (as defined by IFRS 16) eligible for the "Transport by motorbikes, passenger cars and light commercial vehicles" activity, a criterion for emissions of less than 50g of CO_2/km has been applied. Across a fleet of around 100 vehicles adapted for our various activities, three passenger cars respect this threshold.

With regard to the compliant buildings for the "Acquisition and ownership of buildings" activity, a criterion of 5% below the thresholds for the best energy performance levels in force in the countries concerned (France, Slovenia, Canada, Japan and Sweden) was used. However, in 2022, none of the buildings occupied by the Group passed this extremely selective threshold.

Note: The calculation report drawn up prior to the construction of the new facility that is currently being built at the Lannion site shows that, once completed, the building is expected to be 4% below the threshold for the best category under the RT 2012 standards, applicable when the work started, and therefore very close to the Taxonomy for Sustainable Activities criteria.

1.2.2. Other criteria

According to the Group's analysis, the eligible acquisitions, made during the year and satisfying the technical criteria, do not have any impact on the other five environmental objectives covered by the Taxonomy for Sustainable Activities. Furthermore, in accordance with its commitments, policies and internal processes, Lumibird considers that the purchasing and leasing of aligned goods follow the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

1.2.3. Aligned amount

In practice, out of the €11.3m that are eligible, only €104.3k meet the alignment criteria, representing 0.3% of the acquisitions for the year.

1.3. Taxonomy for sustainable activities indicators

1.3.1. Revenues

Revenues

				Substantial contribution criteria						Absence of important harm criteria									
Economic activities	Code	Revenues	Share of total revenues	Climate change mitigation	Climate change adaptation	Sustainable use and protection of water and marine resources	Transition to a circular economy	Pollution prevention and control	Protection and restoration of biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Sustainable use and protection of water and marine resources	Transition to a circular economy	Pollution prevention and control	Protection and restoration of biodiversity and ecosystems	Minimum safeguards	**Share of revenues aligned with 2022 taxonomy**	Enabling activity	Transitional activity
		€	%	%	%	%	%	%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	E	T
A - Eligible activities to taxonomy																			
A1 - Sustainable eligible activities to taxonomy																			
Total revenues of sustainable eligible activities to taxonomy (A1)		- €	0,0%																
A2 - Non-sustainable eligible activities to taxonomy																			
Total revenues of non-sustainable eligible activities to taxonomy (A2)		- €	0,0%																
Total revenues of eligible activities to taxonomy (A) = (A1) + (A2)		- €	0,0%																
B - Non-eligible activities to taxonomy																			
Revenues of non-eligible activities to taxonomy (B)		€190,958,690.95	100,0%																
Total activities (A)+(B)		€190,958,690.95	100,0%																

1.3.2. Capex

CAPEX

Economic activities	Code	Capex	Share of total capex	Substantial contribution criteria: Climate change mitigation	Climate change adaptation	Sustainable use and protection of water and marine resources	Transition to a circular economy	Pollution prevention and control	Protection and restoration of biodiversity and ecosystems	Absence of important harm criteria: Climate change mitigation	Climate change adaptation	Sustainable use and protection of water and marine resources	Transition to a circular economy	Pollution prevention and control	Protection and restoration of biodiversity and ecosystems	Minimum safeguards	**Share of Capex aligned with 2022 taxonomy**	Enabling activity	Transitional activity
		€	%	%	%	%	%	%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	E	T
A -Eligible activities to taxonomy																			
A1 - Sustainable eligible activities to taxonomy																			
Group vehicles long-term rental / finance lease contracts (6.5)	N77.11	€20,131.57	0.1%	100%	0%	0%	0%	0%	0%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0,1%		
Optotek electric vehicle acquisition (6.5)	H49.39	€84,180.00	0.2%	100%	0%	0%	0%	0%	0%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0,2%		
Total Capex of sustainable eligible activities to taxonomy (A1)		€104,311.57	0.3%														0,3%		
A2 - Non-sustainable eligible activities to taxonomy																			
Keopsys Industries SAS - New building construction (7.7)	L68.10	€2,209,179.04	6.0%																
Lumibird SA - Vehicle buy-back (6.5)	H49.39	€2,719.19	0.0%																
Optotek - New building acquisition (7.7)	L68.10	€3,799,653.00	10.3%																
Long term lease contracts / Group buildings finance lease (7.7)	L68.20	€4,505,270.53	12.2%																
Long term lease contracts / Group vehicles finance lease (6.5)	N77.11	€641,004.23	1.7%																
Total capex of non-sustainable eligible activities to taxonomy (A2)		€11,157,825.99	30.3%																
Total Capex of eligible activities to taxonomy (A) = (A1) + (A2)		€11,262,137.56	30.6%																
B - Non-eligible activities to taxonomy																			
Capex of non-eligible activities to taxonomy (B)		€25,580,784.50	69.4%																
Total activities (A)+(B)		€36,842,922.06	100.0%																

1.3.3. Opex

OPEX

	Economic activities	Code	Opex	Share of total opex	Substantial contribution criteria: Climate change mitigation	Substantial contribution criteria: Climate change adaptation	Substantial contribution criteria: Sustainable use and protection of water and marine resources	Substantial contribution criteria: Transition to a circular economy	Substantial contribution criteria: Pollution prevention and control	Substantial contribution criteria: Protection and restoration of biodiversity and ecosystems	Absence of important harm criteria: Climate change mitigation	Absence of important harm criteria: Climate change adaptation	Absence of important harm criteria: Sustainable use and protection of water and marine resources	Absence of important harm criteria: Transition to a circular economy	Absence of important harm criteria: Pollution prevention and control	Absence of important harm criteria: Protection and restoration of biodiversity and ecosystems	Minimum safeguards	**Share of Opex aligned with 2022 taxonomy**	Enabling activity	Transitional activity
			€	%	%	%	%	%	%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	E	T
A -Eligible activities to taxonomy	A1 - Sustainable eligible activities to taxonomy																			
	Total Opex of sustainable eligible activities to taxonomy (A1)																			
	A2 - Non-sustainable eligible activities to taxonomy																			
	Total Opex of non-sustainable eligible activities to taxonomy (A2)																			
	Total Opex of eligible activities to taxonomy (A) = (A1) + (A2)																			
B - Non-eligible activities to taxonomy																				
	Opex of non-eligible activities to taxonomy (B)																			
Total activities (A)+(B)			€97,207,981.52																	

REPORT OF THE INDEPENDENT THIRD-PARTY BODY ON THE EXTRA-FINANCIAL PERFORMANCE STATEMENT

Dear Shareholders,

As an independent third-party body, and a member of the Mazars network, statutory auditor of Lumibird, accredited by COFRAC Inspection under number 3-1058 (scope of accreditation available at www.cofrac.fr), we conducted work designed to provide a reasoned opinion expressing a moderate level of assurance on the historical information (observed or extrapolated) of the consolidated extra-financial performance statement, prepared in accordance with the entity's procedures (hereinafter the "Reporting Criteria"), for the year ended 31 December 2022 (hereinafter the "Information" and the "Statement", respectively), presented in the Group's integrated report, in accordance with the provisions of Articles L. 225-105-1, R. 225-105 and R. 225-105-1 of the French commercial code.

1. Conclusion

Based on the procedures we performed, as described in the "Nature and scope of the work" section, and on the information we obtained, nothing has come to our attention that causes us to believe that the extra-financial performance statement is not in compliance with the applicable regulatory requirements and that the information, taken as a whole, is presented fairly in accordance with the Reporting Standards.

2. Comments

Without calling into question the conclusion expression above, and in conformity with the provisions of Article A. 225-3 of the Commercial Code, we have made the following comment:

- For a portion of the main risks relating to “talents and expertise” and “hacking, intrusion or cyberattack on its information systems”, the Group does not have formalised policies.

3. Preparation of the extra-financial performance statement

The absence of a generally accepted and commonly used framework or established practice on which to base the assessment and measurement of information allows for the use of different, but acceptable, measurement techniques that may affect comparability between entities and over time.

Therefore, the Information should be read and understood with reference to the Standards, the significant elements of which are presented in the Statement.

4. Limitations inherent in the preparation of the Information

As set out in the statement, the Information may be subject to uncertainty inherent in the state of scientific or economic knowledge and in the quality of external data used. Some information is sensitive to the methodological choices, assumptions and/or estimates made in preparing it and presented in the Statement.

5. Responsibility of the Company

The Board of Directors is responsible for:

- selecting or establishing appropriate criteria for the preparation of information,
- preparing a Statement in conformity with the legal and regulatory provisions, including a presentation of the business model, a description of the main extra-financial risks, a presentation of the policies applied with regard to these risks, as well as the results of these policies, including key performance indicators.
- and to implement such internal control as it determines is necessary to enable the preparation of information that is free from material misstatement, whether due to fraud or error.

The Declaration was prepared by applying the company’s Standards as mentioned above.

6. Responsibility of the Independent Third-Party Body

We are tasked with, based on our work, formulating a reasoned opinion expressing a conclusion of moderate assurance on:

- the Declaration’s compliance with the provisions of Article R. 225-105 of the Commercial Code,
- the accuracy of the historical information (recorded or extrapolated) provided in application of No. 3 (I and II) of Article R. 225 105 of the Commercial Code, namely the results of the policies, including key performance indicators, and actions relating to the main risks.

As it is our responsibility to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information as this could compromise our independence.

We are not responsible for deciding on

- the company’s compliance with the other applicable regulatory and legal provisions (notably as concerns the plan to combat corruption and tax evasion),
- the products and services’ compliance with the applicable regulations.

7. Regulatory provisions and applicable professional doctrine

Our work, as described below, was performed in conformity with the provisions of Articles A. 225 1 et seq. of the Commercial Code, the professional standards of the Compagnie nationale des Commissaires aux Comptes [national auditing body] relating to this intervention in lieu of an audit programme, and international standard ISAE 3000 (revised).

8. Independence and quality control

Our independence is defined by the provisions of Article L. 822-11-3 of the Commercial Code, and of the Code of Ethics for the auditing profession. We have also established a quality control system which includes documented policies and procedures aimed at ensuring compliance with the applicable legal and regulatory texts, ethical rules, and the professional standards of the Compagnie nationale des Commissaires aux Comptes relating to this intervention.

9. Means and resources

Our work mobilised the skills of two people and took place between January 2023 and March 2023 over a total intervention period of two weeks.

We conducted interviews with the people in charge of preparing the Statement, representing in particular the CSR, finance and Secretary general departments.

10. Nature and scope of the work

We planned and performed our work taking into account the risks of material misstatement of the Information.

In our opinion, the procedures we have carried out in the exercise of our professional judgment enable us to provide a moderate level of assurance:

- We have reviewed the activity of all of the entities included within the consolidation scope and their exposure to the main risks,
- We have assessed the appropriate nature of the Standards as concerns their pertinence, completeness, reliability, neutrality, and clarity, taking into consideration, where appropriate, the best practices of the sector,
- We have verified that the Declaration covers each category of information provided for under Article L. 225-102-1 (III) concerning social and environmental matters,
- We have verified that the Declaration presents the information provided for in Article R. 225-105 (II) where pertinent with regard to the main risks and includes, where appropriate, an explanation of the reasons justifying the lack of information required by paragraph 2 of Article L. 225-102-1 (III),
- We have verified that the Statement presents the business model and a description of the main risks linked to the activity of all of the entities included under the scope of consolidation, including, when this proves to be pertinent and proportionate, the risks created by its business relationships, its products, or its services, as well as the policies, actions, and results, including the key performance indicators relating to the main risks,
- We have consulted the documentary sources and conducted interviews in order to:
    - Evaluate the process of selecting and validating the main risks, as well as the coherence of the results, including the key performance indicators used, regarding the main risks and policies presented, and
    - Corroborate the qualitative information (actions and results) that we considered to be most important, presented in the Appendix 1. For all risks, our work was carried out at the level of the consolidating entity,
- We have verified that the Declaration covers the consolidated scope, namely all of the entities included under the scope of consolidation in conformity with Article L. 233-16, with the limits specified in the Declaration,
- We have reviewed the internal control and risk management procedures put in place by the entity and have determined the collection process, targeting the completeness and accuracy of the information,
- For key performance indicators and other quantitative results that we considered most important presented in the Appendix, we implemented:
    - analytical procedures which consist of verifying that the data collected was properly consolidated, and that it evolved consistently,
    - detailed tests based on sampling or other selection means, consisting of verifying the proper application of the definitions and procedures, and reconciling the data with the supporting documents. This work covers 100% of the consolidated data selected for these tests,
- We assessed how consistent the Declaration was on the whole in comparison to our knowledge of all of the entities included under the scope or consolidation.

The procedures performed for a moderate assurance engagement are less extensive than those required for a reasonable assurance engagement performed in accordance with the professional doctrine of the Compagnie Nationale des Commissaires aux Comptes; a higher level of assurance would have required more extensive audit work.

The independent third-party body,

MAZARS SAS

Paris La Défense, Thursday 9 March 2023

Ludovic SEVESTRE	Emmanuel THIERRY
Associé	Associé RSE & Développement Durable

Appendix: Information considered most important

Qualitative information on the main risks

- Technological obsolescence and innovation of its products,
- Defects or lack of performance of its products,
- Talent and skills,
- Hacking, intrusion or cyber attack on its information systems,
- Economic dependence on certain suppliers,
- Climate change.

Quantitative indicators including key performance indicators

- Gross R&D expenditure,
- B-to-B customer satisfaction index,
- External training expenditure/employee (EAD),
- Number of employees trained on phishing risks,
- Attrition rate,
- CSR supplier rate (Suppliers with a Lumibird questionnaire index >50),
- GHG (scope 1 & 2) / revenues,
- Pay equity ratio (median salary),
- Gender equality index,
- Water consumption,
- Proportion of employees aware of the code of conduct.

Chapter 6

ANNUAL GENERAL MEETING ON 28 APRIL 2022

AGENDA AND DRAFT RESOLUTIONS

1. TO BE SUBMITTED TO THE ORDINARY GENERAL MEETING

- Board of Directors' report on the proposed resolutions,
- Board of Directors' report on the management and operations of the Company and the Group during the year ended 31 December 2022,
- Board of Directors' special reports on share subscription or purchase options for the financial year ended December 31, 2022 and on free share allocations for the year ended December 31, 2022,
- 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 2022 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 2022,
- Allocation of earnings for the year ended 31 December 2022,
- Approval of the consolidated financial statements for the year ended 31 December 2022,
- Reappointment of Mr Marc Le Flohic as a member of the Board of Directors,
- Reappointment of ESIRA as a member of the Board of Directors,
- Reappointment of EMZ Partners as censor of the Board of Directors,
- Appointment of Ms Marie-Helene Sergent as a member of the Board
- 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 2022 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, Chairman and Chief Executive Officer, for the year ended 31 December 2022,
- 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, Deputy Chief Executive Officer, for the year ended 31 December 2022,
- Approval of the compensation policy applicable to the members of the Board of Directors for the financial year 2023,
- Approval of the compensation policy applicable to the Chairman and CEO for the financial year 2023,
- Approval of the compensation policy applicable to the Deputy CEO for the financial year 2023,
- 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,

2. 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,
- Powers.

3. DRAFT RESOLUTIONS

3.1. To be submitted to the ordinary general meeting

First resolution

(Approval of the annual financial statements for the year ended 31 December 2022)

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 202, as presented to it, showing a profit of 469,661 euros.

In accordance with the provisions of article 223 quarter 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 16,391 euros, generating a notional additional income tax of 4,098 euros.

Second resolution

(Allocation of earnings for the year ended 31 December 2022)

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 2022 and approved by this meeting show a profit for the financial year of 469,661 euros, **decides** to allocate this profit to retained earnings, the positive balance of which is thus brought from 82,717,020 euros to 83,186,681 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 2022)

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 2022, as presented to it, showing a profit of 11,352,552 euros.

Fourth resolution

(Reappointment of Mr Marc Le Flohic 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 Marc Le Flohic 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 2028.

Fifth resolution

(Reappointment of ESIRA 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 the Company ESIRA 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 2028.

Sixth 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 a censor of the Board of Directors, 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 2024.

Seventh resolution

(Appointment of Ms Marie-Helene Sergent as a member of the Board)

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 appoint Ms Marie-Helene Sergent 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 2028.

Eighth 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 44,000 euros the global compensation package to award to Directors for the current year 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.

Ninth 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.

Tenth resolution

(Approval of the information relating to the compensation of corporate officers for the year ended 31 December 2022 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 2022 presented in the Board of Directors' report on corporate governance, included in Chapter 2 of the Company's 2022 Universal Registration Document, in accordance with section I of Article L.22-10-9 of the Commercial Code.

Eleventh 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 2022)

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 2022, as presented in the Board of Directors' report on corporate governance, included in Chapter 2 of the Company's 2022 Universal Registration Document.

Twelfth 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, Deputy Chief Executive Officer, for the year ended 31 December 2022)

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, Deputy Chief Executive Officer, for the year ended 31 December 2022, as presented in the Board of Directors' report on corporate governance, included in Chapter 2 of the Company's 2022 Universal Registration Document

Thirteenth resolution

(Approval of the compensation policy applicable to the members of the Board of Directors for the financial year 2023)

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 2023 fiscal year, as presented in the Board of Directors' report on corporate governance, included in Chapter 2 of the Company's 2022 Universal Registration Document.

Fourteenth resolution

(Approval of the compensation policy applicable to the Chairman and CEO for the financial year 2023)

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 Chairman and CEO for the 2023 fiscal year, as presented in the Board of Directors' report on corporate governance, included in Chapter 2 of the Company's 2022 Universal Registration Document.

Fifteenth resolution

(Approval of the compensation policy applicable to the deputy CEO for the financial year 2023)

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 deputy CEO for the 2023 fiscal year, as presented in the Board of Directors' report on corporate governance, included in Chapter 2 of the Company's 2022 Universal Registration Document.

Sixteenth 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 2022, 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 3 May 2022 in its 13th resolution, is valid for 18 months from the date of this Meeting.

3.2. To be submitted to the extraordinary general meeting

Seventeenth 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 sub delegate 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 4 May 2021 in its 19th resolution.

Eighteenth 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:

(vii) 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

(viii) 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 19th to 27th 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:

(ix) 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,

(x) 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,

(xi) 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 4 May 2021 in its 20th resolution.

Nineteenth 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 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 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 18th 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 4 May 2021 in its 21st resolution.

Twentieth 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 sub delegate 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 sub delegate 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:

- 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,
- 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 4 May 2021 in its 22th resolution.

Twenty-first 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 18th, 19th and 20th 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 18th resolution, if it records excess demand,

2. **delegates** to the Board of Directors, with an option to sub delegate, 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 4 May 2021 in its 23rd resolution.

Twenty-second 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 19th and 20th 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 4 May 2021 in its 24th resolution, is valid for 26 months from the date of this General Meeting's decision.

Twenty-third 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 sub delegate 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 18th 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.

5. **sets** the validity of the authorization under this resolution for 26 months from the date of this General Meeting's decision.

6. **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 4 May 2021 in its 25th resolution.

Twenty-fourth 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 sub delegate 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 sub delegate 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 18th 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 3 May 2022 in its 14th resolution.

Twenty-fifth 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 4 May 2021 in its 27th resolution.

Twenty-sixth 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 4 May 2021 in its 28th resolution.

Twenty-seventh 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 3 May 2022 under the terms of its 15th resolution, is valid for 26 months from the date of this General Meeting.

Twenty-eight 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 DIRECTORS' 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 2021 and allocation of earnings (1st to 3rd resolutions),
- The reappointment of Mr Marc Le Flohic and ESIRA and the appointment of Ms Marie-Hélène Sergent as members of the Board of Directors, as well as the reappointment of EMZ Partners as censor of the Board of Directors (4th to 7th resolution),
- Setting of the global compensation package awarded to Directors (8th resolution),
- Approval of the statutory auditors' report as provided for in Article L. 225-40 of the French commercial code (9th resolution),
- Approval of the information relating to the compensation of corporate officers for the year ended 31 December 2022 presented in the Board of Directors' report on corporate governance, in accordance with Article L. 22-10-20 of the French commercial code (10th 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, Deputy CEO, for the year ended 31 December 2022 (11th and 12th resolution),
- Approval of the compensation policy applicable to the members of the Board of Directors, to the CEO and to the Deputy CEO for the financial year 2023 (13th to 15th resolutions),
- Authorisation 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 (16th resolution),

Submitted to the extraordinary general meeting:

- Authorization to be granted to the Board of Directors to reduce the Company's share capital by canceling treasury stock (17th resolution),
- Delegation of authority to be granted to 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 (18th resolution),
- Delegation of authority to be granted to 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) (19th resolution),
- Delegation of authority to be granted to 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) (20th resolution),
- Authorization to be granted to 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 (21st resolution),
- Authorization to be granted to 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 (22nd resolution),
- Authorization to be granted to 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 (23rd resolution),
- Authorization to be granted to 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 (24th resolution),
- Authorization to be granted to 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 (25th resolution),
- Authorization to be granted to the Board of Directors to award stock options to some or all of the Group's employees and corporate officers (26th resolution),
- Authorization to be granted to 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 (27th resolution),
- Granting of powers to carry out formalities (28th 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 2022, to which you are invited to refer.

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 2022 and allocation of earnings (1st to 3rd resolutions) (Ordinary General Meeting)

Your meeting is convened firstly to approve the annual and consolidated financial statements for the year ended 31 December 2022 of your Company and to allocate earnings.

You are invited to allocate the profit to the retained earnings account which will thus increase the positive balance from 82,717,020 euros to 83,186,681 euros.

II. Reappointment and appointment of members and censor of the Board of Directors

Reappointment of Mr Marc Le Flohic and ESIRA as members of the Board of Directors (4th and 5th resolutions)

You are invited, as per the 4th and 5th resolutions, to approve the renewal of the term of office of Mr Marc Le Flohic and ESIRA as Directors, expiring after the present General Meeting, 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 2028.

Reappointment of EMZ Partners as a censor of the Board of Directors (6th resolution)

You are invited, as per the 6th resolution, to approve the renewal of the term of office of EMZ Partners as a censor, expiring after the present General Meeting, 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 2024.

Appointment of Ms Marie-Hélène Sergent as a member of the Board of Directors (7th resolution)

You are invited, as per the 7th resolution, to approve the appointment of Ms Marie-Hélène Sergent 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 2028.

The appointment of Ms Marie-Hélène Sergent as a member of the Board of Directors is part of a broadening and diversification of the Group's governance.

All the information referred to in Article R.225-83 of the French Commercial Code, concerning Marie-Hélène Sergent, whose candidacy as director is submitted to the ordinary general meeting of shareholders, is appended to this report (**Appendix 1**).

III. Regulated agreements

Approval of the Statutory Auditor's report referred to in Article L.225-40-1 of the French Commercial Code (9th resolution) (Ordinary General Meeting)

You are invited to approve the Statutory Auditors' special report on agreements subject to the provisions of Articles L.225-38 and L.225-40-1 of the French Commercial Code.

IV. Compensation

Setting of the global compensation package awarded to Directors (8th resolution) (Ordinary General Meeting)

You are asked to set at a total of 44,000 euros the global compensation package to award to Directors for the current 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 2022 presented in the Board of Directors' report on corporate governance, in accordance with Article L. 22-10-9 of the French commercial code (10th resolution) (Ordinary General Meeting)

Under the 10th 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 2022 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 2022 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, Deputy CEO, for the year ended 31 December 2022 (11th and 12th 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, for the year ended 31 December 2022 and Mr Jean-Marc gendre, Deputy CEO, until 6 December 2022.

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 2022 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 2023 (13th resolution) (ordinary)

In accordance with the provisions of Article L.22-10-8 of the French Commercial Code, we propose that you approve the remuneration policy applicable to the members of the Board of Directors for the financial year 2023.

The compensation policy applicable to the members of the Board of Directors for the 2023 financial year that you are asked to approve is presented in the Board of Directors' report on corporate governance provided for in Article L.225-37 of the French Commercial Code, which is included in Chapter 2 of the Company's 2022 Universal Registration Document. We invite you to consult it for more information on these elements of compensation.

Approval of the compensation policy applicable to the CEO and to the Deputy CEO for the financial year 2023 (14th and 15th 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 Deputy CEO for the 2023 fiscal year.

The compensation policy applicable to the CEO and to the Deputy CEO for the 2023 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 2022 Universal Registration Document. You are invited to consult it for more information on these elements of compensation.

V. Draft renewal of the authorisation to be given to the Board of Directors for the purchase by the Company of its own shares, in particular with a view to their cancellation

Authorisation 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 (16th resolution) (Ordinary General Meeting)

The Ordinary General Meeting of 3 May 2022, by the terms of its 13th resolution, and in accordance with Articles L.22-10-62 and L.225-210 et seq. of the French Commercial Code (former wording), authorised 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 authorisation, 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 authorised share buyback programs appears in paragraph 12.4 of the Board of Directors' report on the management and the business of the Company and the Group during the financial year ended December 31, 2022, in Chapter 4 of the Company's 2022 Universal Registration Document

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 authorisation and authorise 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 authorisation to reduce the capital given by your Ordinary General Meeting in its 17th 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) should 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 2022. In addition, 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.

The share purchases under this authorisation 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 authorisation thus granted to the Board of Directors, valid for eighteen (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 authorisation of the same kind and particularly the authorisation granted by the Company's Ordinary General Meeting on 3 May 2022 in its 13th resolution.

Authorization for the Board of Directors to reduce the Company's share capital by cancelling treasury stock (Extraordinary General Meeting) (16th resolution)

In addition to the authorisation within the framework of the programme for the purchase by the Company of its own shares presented above, the Board of Directors is requesting an authorisation from your General Meeting for the purpose of reducing the Company's share capital on one or more occasions, in the proportions and at the times it shall decide, by cancelling any quantity of treasury stocks 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 twenty-four months period, subject to adjustments related to any transactions involving the Company's share capital.

This authorisation would be granted for a period of twenty-six (26) months from the date of the decision of the General Meeting deciding on it and would render ineffective for the future, up to the unused portion, if any, any previous delegation with the same purpose and in particular that granted by the ordinary general meeting of the Company held on 4 May 2021 under the terms of its 19th resolution.

VI. 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 (18th resolution) (Extraordinary General Meeting)

The Extraordinary General Meeting of 4 May 2021 has, pursuant to its 20th 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 expires on 4 July 2023.

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:

(vii) 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

(viii) 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 18th 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 19th to 27th 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 4 May 2021 in its 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 (19th resolution) (Extraordinary General Meeting)

The Extraordinary General Meeting of 4 May 2021 has, pursuant to its 21st 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 18th resolution of your general meeting) 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 twenty-six (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 4 May 2021 in its 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 (20th resolution) (Extraordinary General Meeting)

The Extraordinary General Meeting of 4 May 2021 has, pursuant to its 22nd resolution, delegated to the Board of Directors, for a period of twenty-six (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 18th 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 twenty-six (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 4 May 2021 in its 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 code (21st 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 18th, 19th and 20th 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 18th resolution, if it records excess demand,

The delegation thus granted to the Board of Directors, valid for twenty-six (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 4 May 2021 in its 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 (22nd resolution) (Extraordinary General Meeting)*

The Extraordinary General Meeting of 4 May 2021 has, pursuant to its 24th resolution, and in accordance with Articles L.225-136.1 and L.22-10-52 of the French Commercial Code, authorized the Board of Directors, for an issue with shareholders' preferential subscription rights waived, within the limit of 10% of the share capital per year and for a period of twenty-six (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%,
(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%.

This delegation of power, expiring on 4 July 2023, 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 19th and 20th 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:

- 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%,
- 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 twenty-six (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 4 May 2021 in its 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 (23rd resolution) (Extraordinary General Meeting)

You are invited, under the 23rd 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:

(iv) 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 18th resolution from this General Meeting,
(v) (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
(vi) (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 twenty-six (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 4 May 2021 in its 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 in accordance with Article L.225-138 of the French commercial code (24th resolution) (Extraordinary General Meeting)

The Extraordinary General Meeting of 3 May 2022 has, pursuant to its 14th resolution authorized the Board of

Directors for a period of eighteen (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 3 November 2023, you are invited, under the 24th 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 18th 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 eighteen (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 3 May 2022 in its 14th 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 (25th resolution) (Extraordinary General Meeting)

The Extraordinary General Meeting of 4 May 2021 has, pursuant to its 27th 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 twice by the Board of Directors, which decided:

- during its meeting of 21 September 2021, the implementation of a free share plan and granting of 291,000 free shares to 84 beneficiaries.
- during its meeting of 9 December 2022, the implementation of a free share plan and granting of 60,000 free shares to 1 beneficiary.

The free share allocation plan of 21 September 2021 was 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, that was presented to the General Meeting of Shareholders of the Company called to approve the financial statements for the year ending 31 December 2021. The free share allocation plan of 9 December 2022 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 2022.

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 authorisation, 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 authorisation

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 thirty-eight (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 4 May 2021 in its 27th resolution.

Authorization for the Board of Directors to award stock options to some or all of the Group's employees and corporate officers (26th resolution) (Extraordinary General Meeting)

You are invited to authorize, under the 27th 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 18th 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 thirty-eight (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 4 May 2021 in its 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 (27th 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 18th 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 twenty-six (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 3 May 2022 in its 15th 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.

Appendix 1

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

Ms Marie-Hélène Sergent has significant experience in corporate and crisis communication. She has a very strong network in the French media and a good knowledge of investors. Ms Marie Hélène Sergent has been a member of the SFAF since 2021.

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 Marie-Hélène Sergent Professional address: 30 rue des Mathurins, 75008 Paris	-	Director	Chairman and founder of SHAN	**During FY 2022:** Chairman of the borads of Shan Holding and Erebor **Other previous offices held in the last five years:** N/A

CHAPTER 7

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 organisation 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,

14 Avril 2023

Mr Marc Le Flohic
CEO of Lumibird

3. PARTIES RESPONSIBLE FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Incumbent statutory auditors:

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:
Ordinary General Meeting on 16 June 1997

Date of current appointment renewal:
Ordinary General Meeting on 17 May 2018.

End of current appointment:
Ordinary General Meeting convened to approve the annual financial statements for 2023.

MAZARS [(1)]
represented by Mr Ludovic Sevestre.
61 rue Henri Regnault – 92400 Courbevoie.

Member of the regional company of Versailles.

Date first appointed and date of current appointment:
Ordinary General Meeting on 4 May 2021[1].

End of current appointment:
Ordinary General Meeting convened to approve the annual financial statements for 2026.

Deputy statutory auditors:

N/A[(2)]

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 - 22300 Lannion
Tél. : +33 1 69 29 17 00
Fax : +33 1 69 29 17 29

(1) MAZARS was appointed as the Company's statutory auditor to replace Deloitte et Associés, whose term of office expired at the Company's ordinary general meeting of 4 May 2021 and which was not reappointed.

(2) It is specified that the mandate of BEAS expired and was not renewed at the end of the ordinary general meeting of the Company on 4 May 2021.

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.

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 7, Section 2, § 1 (p. 207)
1.2	Declaration by those responsible	Chapter 7, Section 2, § 2 (p. 207)
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. 2)
2.	**STATUTORY AUDITORS**	
2.1	Names and addresses of the statutory auditors	Chapter 7, Section 2, § 3 (p. 207)
2.2	Changes of statutory auditors	Chapter 7, Section 2, § 3 (p. 207)
3.	**RISK FACTORS**	Chapter 3, Section 1 (p. 60 to 68)
4.	**INFORMATION ABOUT THE ISSUER**	
4.1	Legal and commercial name of the issuer	Chapter 7, Section 1, § 1 (p. 204)
4.2.	Place of registration, registration number and legal entity identifier ('LEI') of the issuer	Chapter 7, Section 1, § 3 (p. 204)
4.3.	Date of incorporation and the length of life of the issuer	Chapter 7, Section 1, § 5 (p. 204)
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 7, Section 1, § 2 and 4 (p. 204)
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, § 6.3 and 6.4 (p. 87)
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. 81)
6.	**ORGANISATIONAL STRUCTURE**	
6.1.	Brief description of the group	Chapter 4, Section 1, § 2.2 (p. 83 to 84)
6.2.	List of the significant subsidiaries	Chapter 4, Section 1, § 2.2 (p. 83 to 84) Chapter 4, Section 4, § 6.2.2 (p. 124)

	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. 76 to 84) Chapter 4, Section 2 (p. 96 to 112) Chapter 4, Section 4 (p. 118 to 143)
7.2.	Operating results	Chapter 4, Section 1, § 1 and 2 (p. 76 to 84) Chapter 4, Section 3 (p. 96 to 113) Chapter 4, Section 5 (p. 116 to 139)
8.	**CAPITAL RESOURCES**	
8.1.	Information concerning the issuer's capital resources	Chapter 4, Section 1, § 1.3.3 (p. 79) Chapter 4, Section 2, § 7 (p. 106) Chapter 4, Section 4, § 4 (p. 118)
8.2.	Sources and amounts of the issuer's cash flows	Chapter 4, Section 1, § 1.4 (p. 81 to 82) Chapter 4, Section 2, § 3 (p. 98) Chapter 4, Section 4, § 5 (p. 118)
8.3.	Information on the borrowing requirements and funding structure of the issuer	Chapter 4, Section 1, § 1.3.3 (p. 79) Chapter 4, Section 2, § 10 (p. 107) Chapter 4, Section 4, § 6.3.3.4 (p. 128 to 129)
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. 81)
9.	**REGULATORY ENVIRONMENT**	Chapter 4, Section 1, § 7 (p. 87 to 88)
10.	**TREND INFORMATION**	Chapter 4, Section 1, § 6.3 and 6.4 (p.87)
11.	**PROFIT FORECASTS OR ESTIMATES**	N/A
12.	**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 to 29)
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, § 3 (p. 36 to 51)
13.2.	Total amounts set aside or accrued by the issuer or its subsidiaries to provide for pension, retirement or similar benefits	Chapter 2, Section 1, § 3.1.3.4 (p. 44)
14.	**BOARD PRACTICES**	
14.1.	Date of expiration of the current term of office	Chapter 2, Section 1, § 1.2.1 (p. 27 to 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)
14.3.	Information about the issuer's audit committee and remuneration committee	Chapter 2, Section 1, § 1.4 (p. 34 to 35)
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

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15.	**EMPLOYEES**	
15.1.	Number of employees	Chapter 5, Section 1, § 4.2.2. (p. 158 to 159)
15.2.	Shareholdings and stock options for directors and managers	Chapter 2, Section 1, § 3.1.3.5 and 3.1.3.6 (p. 44)
15.3.	Description of any arrangements for involving the employees in the capital of the issuer	Chapter 4, Section 1, § 11 (p. 89 to 90)
16.	**MAJOR SHAREHOLDERS**	
16.1.	Shareholders with an interest in the issuer's capital or voting rights above 5%	Chapter 4, Section 1, § 12.8 (p. 91 to 92)
16.2.	Different voting rights for major shareholders	Chapter 4, Section 1, § 12.2 (p. 91) Chapter 4, Section 1, § 12.8.2 (p. 92)
16.3.	Control of the issuer	Chapter 4, Section 1, § 12.8.2 (p. 92)
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, § 4.1 (p. 51) Chapter 2, Section 2 (p. 58) Chapter 4, Section 1, § 3 (p. 84) Chapter 4, Section 4, § 6.7 (P. 138)
18.	**FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES**	
18.1.	Historical financial information	Chapter 4, Section 6 (p. 143)
18.2.	Interim financial information	N/A
18.3.	Auditing of historical annual financial information	Chapter 4, Section 6 (p. 143)
18.4.	Pro forma financial information	N/A
18.5.	Dividend policy	Chapter 4, Section 1, § 8.2 (p. 89)
18.6.	Legal and arbitration proceedings	Chapter 3, Section 1, § 4.6 (p. 68)
18.7.	Significant change in the issuer's financial position	Chapter 4, Section 1, § 6.1 (p. 87)
19.	**ADDITIONAL INFORMATION**	
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19.2.	Memorandum and Articles of Association	Chapter 7, Section 1 (p. 204 to 205)
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2. CROSS REFERENCE TABLE WITH THE ANNUAL FINANCIAL REPORT (ARTICLES L451-1 AND SEQ. OF THE MONETARY AND FINANCIAL CODE)

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3.	**MANAGEMENT REPORT**	Chapter 4, Section 1 (p. 76 to 95)
4.	**PERSONS RESPONSIBLE**	
4.1	Persons responsible for the information in the Universal Registration Document	Chapter 7, Section 2, § 1 (p. 207)
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5.	**STATUTORY AUDITORS' REPORTS**	
5.1	Statutory auditors' report on the annual financial statements	Chapter 4, Section 3 (p. 113 to 116)
5.2	Statutory auditors' report on the consolidated financial statements	Chapter 4, Section 5 (p. 140 to 143)
6.	**STATUTORY AUDITORS' FEES TABLE**	Chapter 4, Section 4, § 6.10 (p. 138)

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