Universal Registration Document

2023

P**hotos** credits**:**
Cover and chapters openings: optical fibre draw tower in Lannion, Agence lalanterne.bzh
Portraits: Pascal Ribes

2023 UNIVERSAL REGISTRATION DOCUMENT

This Universal Registration Document has been filed on 4 April 2024 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 entire document 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.

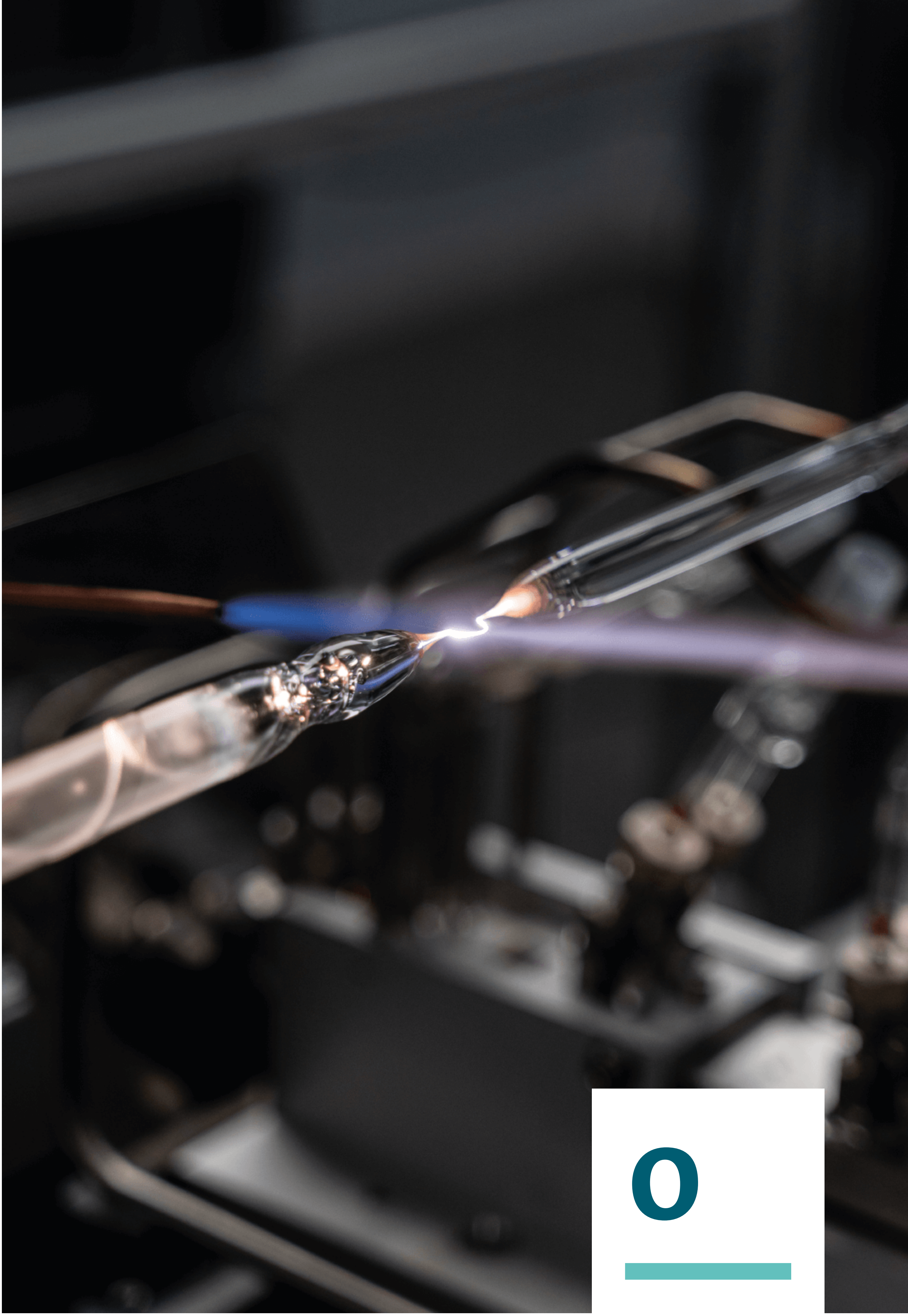
In accordance with Article 19 of European Regulation 2017/1129 dated 14 June 2017, the following elements are incorporated by reference in this Universal Registration Document (hereafter the "Universal Registration Document"):

- For the year ended 31 December 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").
- For the year ended 31 December 2022: the Board of Directors' management report, the Group's consolidated financial statements, the Statutory Auditors' report on the consolidated financial statements at 31 December 2022, 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 2022, as presented in the Universal Registration Document filed with the AMF on 14 April 2023 under number D.23-0282 (the "2022 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 2022 Universal 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).

CONTENTS



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LUMIBIRD HIGHLIGHTS

Company profile

The result of the merger in October 2017 between the Keopsys and Quantel Groups, Lumibird is an ETI (Entreprise de Taille Intermédiaire), with more than 1,000 employees and €203.6m in sales, present in Europe, North America, China, Japan and Australia.

Mission: democratising lasers

Scientific and industrial progress means that lasers can now be used in a wide range of applications for which this technology was previously unavailable. Lumibird is working to give these players access to appropriate technologies.

Business: industrialising laser production

To democratise lasers and achieve high production volumes, Lumibird relies on its capacity for innovation and industrialisation: innovation, to design lasers that are ever more efficient and adapted to the constraints of end-users, particularly in terms of miniaturisation and industrialisation, to adjust capacity to strong market demand and produce at a competitive cost.

€203.6 M

REVENUES
(COMPARED TO 191M€ IN 2022)

1,052

EMPLOYEES

over 110

COUNTRIES OF OPERATION

3

APPLICATION AREAS

12

R&D SITES, INCLUDING 10 PRODUCTION SITES

84 %

OF REVENUES EXPORTED

Message from the CEO

DEAR SHAREHOLDERS,

For Lumibird, 2023 was the culmination of a strategic cycle of three years of investments focused on structuring our teams, transforming our industrial capabilities and integrating key technologies within the Group. This year, we also continued building on our growth and improved our financial performances.

In a complex economic context, our markets continued to be dynamic and robust. Lumibird offers an adapted range of solutions at the forefront of technology, which enabled us to pass the milestone of 200 million euros of revenues, with a balanced split between the Medical and Photonics divisions. Growth was driven by strong demand in the Defense / Space segment, while the Medical division recorded a slight slowdown linked to delays with the certification of new product ranges, with these delays to be quickly caught up on this year.

Our margins remained stable despite growth coming in slightly below our forecasts from the start of the year and the persistent inflationary effects. Our EBITDA shows growth of over 10%. If we exclude our recent acquisition of the Italian-American company Convergent, which posted losses before its integration within Lumibird, this EBITDA growth represents 15%.

These three years of structuring efforts and major investments will enable us to develop profitable growth. Today, we have very high-performance industrial capabilities in place, able to take on strong growth, with a limited increase in our fixed costs. At the end of the year, we rationalized our Lidar development and production sites, repatriating the activities from our Canadian and UK sites to France. Our organization will be more efficient, effective and profitable over the coming years.

Financial performance must be effectively combined with sustainable performance. For instance, we are looking to reduce our carbon footprint. In 2023, we measured, for the first time, our greenhouse gas emissions across the entire Group for scopes 1, 2 and 3: this gives us a solid basis for comparison to assess the results of our efforts over the coming years. We are continuing to move forward with our efforts relating to our teams, illustrated by our workplace gender equality index rating climbing in one year from 86 to 94/100, higher than the national average of 88 in 2023. Lastly, we have further strengthened our governance, including the arrival in 2023 of a new independent director, with her appointment taking the percentage of independent directors and women on Lumibird's Board of Directors up to 50%.

Over the coming years, we will continue rolling out our innovation strategy with a view to ramping up our technological leadership on our markets, which is key to our success and our future profitability. I invite you to follow our publications to see this.

Marc Le Flohic

Chairman and Chief Executive Officer (CEO)

Shared insights

Marc Le Flohic
Chairman and CEO

Sonia Rutnam
Chief Financial and Transformation Officer

¬ How would you assess 2023 ? What are your expectations for 2024 ?

M. Le Flochic: *Following on from the previous two years, 2023 was a year of investment and structuring. This year, we completed the roll out of various projects, internally with our new Villejust and Ljubljana sites moving into production and our fiber tower in Lannion finalized, or externally with our acquisition of Convergent. We can now produce high-power lasers for the Medical sector or semiconductors for internal use. 2023 was also a year of growth in terms of both our revenues (+9% at constant exchange rates) and our profitability. In 2024, thanks in particular to these three years of investment, we are forecasting an acceleration in our revenue and growth in profability.*

¬ What are the driving forces for growth and improving profitability ?

S. Rutnam: *Lumibird serves buoyant markets and, with our technologies, we are positioned as a leader. Our commercial offering enables us to seek out growth where it is strongest and address new market segments. It is this growth, combined with our effective control over costs, that will enable us to improve our profitability. The repatriation of development and production activities from the Ottawa (Canada) and Leigh (UK) sites to France is an additional factor that will drive the optimization of costs over the coming years.*

¬ To what extent is the Group affected by the geopolitical tensions ?

M. Le Flohic: The *global geopolitical and economic environment is complex. It is leading to pressures on prices due to the scarcity of certain materials or components. While these pressures seem to have eased, our growing verticalization strategy will increasingly protect us against these type of risks. In addition, we may be affected by increasingly protectionist measures that are being introduced in certain countries. Our local presence, directly or through longstanding distributor partners, in more than 110 countries, means that we are able to anticipate and reduce this risk. Lastly, the defense markets are being impacted by the global context. Our positioning on this market, further strengthened in 2022 with our acquisition of various assets from Saab, will enable us to respond to growing demand.*

¬ Will the acquisition of Convergent deliver a return on investment in 2024 ?

S. Rutnam: *We should not look at Convergent as a subsidiary that needs to be turned around: for us, it is a strategic investment making it possible to further enhance our portfolio of technologies and address new markets. Convergent will be more profitable in 2024, but it will take two to three years for this acquisition to achieve its full potential.*

¬ Is Lumibird positioned to adress new markets segments ? Which ones ?

M. Le Flohic: *With high-power fiber lasers, we want to position ourselves on new Medical segments, in addition to ophthalmology, our long-established specialty. Alongside this, we are further strengthening our leading positions on our current markets by developing a range of components, semiconductor diodes and fiber optics, which will improve the performance of our products and optimize their cost.*

Governance

Board of directors

Marc Le Flohic
Chairman of the Board of Directors and CEO of the Company

Gwenaëlle Le Flohic
Director

Marie Begoña Lebrun
Director (independent)

ESIRA
represented by Jean-Francois Coutris
Director

Emmanuel Cueff
Director (independent)

EMZ Partners
represented by Ajit Jayaratnam
Non-voting member

Marie-Hélène Sergent
Director (independent)

The Executive Board

From left to right:

Tugdual Le Bouar
General Manager, Laser

Alexandre Billard
Purchasing Director

Sonia Rutnam
Chief Financial and Transformation Officer

Jean-Marc Gendre
General Manager, Medical

Marc Le Flohic
Chairman and CEO

Pierre François Chenevier
General Manager, Lidar

Group History

1970
Creation of QUANTEL by Georges Bret, to design and manufacture lasers for scientific instrumentation.

1997
Creation of OPTOCOMM Innovation by Mr Marc Le Flohic, which later became KEOPSYS.

1998
QUANTEL acquires the US company Big Sky Laser (currently Lumibird Photonics USA Inc).

KEOPSYS develops its first fibre laser.

2013
KEOPSYS creates SENSUP, a subsidiary dedicated to the development and manufacture of electro-optical systems based on fibre lasers.

2014
KEOPSYS acquires the assets of 3S Photonics and creates LEA Photonics, a subsidiary dedicated to the development of lasers and amplifiers for industry, telecoms and the medical sector.

2016
Marc Le Flohic becomes Chairman and CEO of QUANTEL, and the main shareholder.

2017
QUANTEL/KEOPSYS merger through the contribution of KEOPSYS Group companies to QUANTEL. The contribution creates a European laser champion.

2018
The Group becomes Lumibird and transfers its head office from Les Ulis to Lannion.

2019
Acquisition of Optotek Medical (Slovenia), a specialist in the development of optical and laser solutions for medical applications, and Halo Photonics (UK), a manufacturer of Lidar systems.

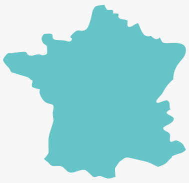
2020
Acquisition of the laser and ultrasound activities of Australian company Ellex Medical for AUD 100 million.

2022
Acquisition of the Saab Group's defence laser rangefinder business (now Lumibird Photonics Sweden) and Innoptics, a company specialising in the encapsulation of optoelectronic components.

2023
Acquisition of Convergent, high-power lasers and semiconductors, in Italy and the USA.

Activity diagram

16%



FRANCE

84 %

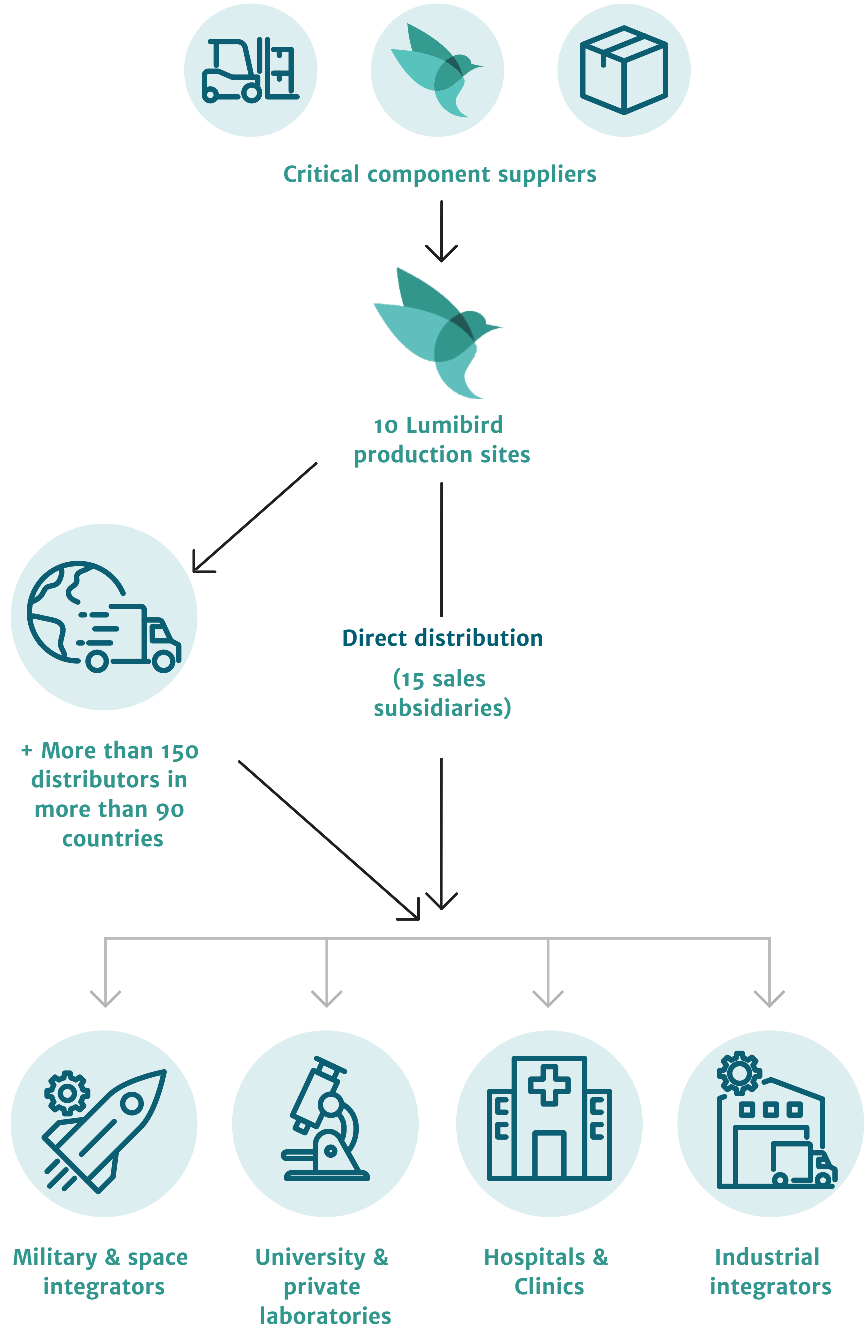
OF SALES ARE GENERATED OUTSIDE FRANCE

21 %
United-States

7 %
China

5 %
Germany

66 %
Other countries



Medical Division / Ophthalmology

50,5 %

OF 2023 REVENUES

Diagnostic and treatment systems

Glaucoma / Retina / Cataract

Innovative medical and ophthalmological solutions, from diagnosis to laser treatment

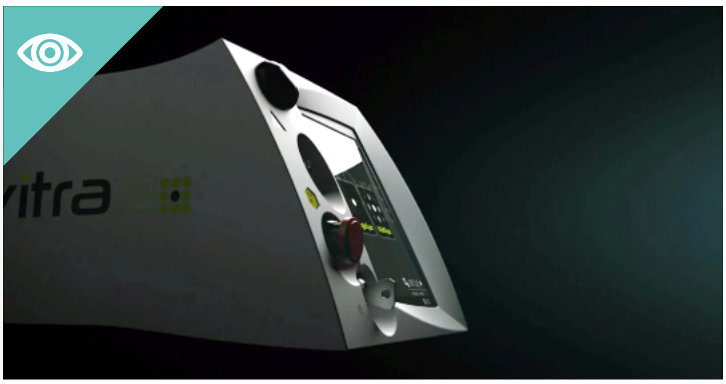
Since their creation in the early 1990s, Quantel Medical, Ellex and Optotek (which make up the bulk of the Group's Medical division) have developed and marketed a comprehensive range of products specialising in ophthalmology and interventional imaging. At the same time, a worldwide sales network has been set up, covering almost 100 countries under the Lumibird Medical banner, through more than 110 distributors and subsidiaries in France, the United States, Poland, Finland, Norway and Sweden, Slovenia, Australia and Japan.

Diagnostic

World leader in ocular ultrasound, with a complete range of diagnostic and measurement tools.

Treatments

A major player in laser treatments for the 4 main causes of blindness: macular degeneration, glaucoma, diabetic retinopathy and cataracts. The technical characteristics of these lasers enable the latest generation of treatments to be used, whether for photocoagulation, photoregeneration or photodisruption.



Photonic Division

49,5 %

OF 2023 REVENUES

Components / Sources / Systems

Civil LIDAR

- Wind detection
- LIDAR for remote sensing
- Time of Flight & Rangefinders

Defence & Space

Semiconductor and dye lasers

Industrial and scientific

- Laser diodes, diode modules and components
- Fibre lasers and amplifiers

Industrial and scientific

This market has a very diverse customer base, including universities, laboratories and industrial groups that incorporate lasers into their products. They include laboratory experimentation tools, industrial production tools, flat screen repair, photoacoustics, materials resistance measurement, spectroscopy (LIBS), metrology, particle velocity measurement (PIV).

Defence and major contracts

National and international projects, and design, development and production for defence industry groups. The areas of application cover a variety of needs such as telemetry, designation, pointing, night vision, obstacle detection, UAV detection and tracking and, more generally, the 'Situational Awareness' issues required by the various armed forces to ensure their operational superiority in the various theatres of operation.

LIDAR sensors

Lidar sensors have a wide range of applications, and these are expanding rapidly, thanks in particular to their lower cost of manufacturing, which is opening up new prospects: atmospheric lidar technology for wind measurement, Time-of-Flight Lidar for automated shiploader surveillance, and 3D scanning for aerial topography.

Business model

Lumibird aims to democratise laser technology by offering innovative and competitive products. The Group designs, produces and markets most of its products.

Our ressources

Intellectual

- **12** R&D sites
- **196** R&D employees

Human

- **1,052** employees in **14** countries (headcount as at 31 December 2023)

Industrial

- **10** production plans
- **539** production employees

Commercial

- **15** sale subsidiaries
- **132** employees

Financial

- **€56.2m** Gross cash
- **€145.1m** Financial debt
- **€32m** Acquisition debts able to be drawn

Our strategy

- Patent registration
- Low level of outsourcing
- Internal manufacture of components

Automation of production tools as part of a lean manufacturing approach

Marketing subsidiaries combined with over 150 distributors

Supporting business with resources to support external growth

Ethics: CSR commitments

- CSR policy
- Purchasing policy
- Code of conduct

Our Strategy

Capitalising on skills and know-how within the Group

Design products that meet the expectations of target markets

Sell products that meet the expectations of target markets

A solid distribution of sales, both geographically and in terms of activity

Added-value

Intellectual

- **€19.9 M** in development expenses of which **65%** have been activated

Human

- **2%** growth in the workforce
- **9.1%** of permanent contract departure rates

Industrial

- **€34.5m** EBITDA
- **€18.5m** COI

Commercial

- **€203.6m** Revenues (+7%)

Financial

- **€25.8m** investments in 2023

CSR

- GHG Issuance (scope 1 & 2) : **1,593 tCO2e**
- Moderate energy consumption (**7,999MWh**, of which **77%** electricity)
- **9%** of electricity consumed from green sources

Lumibird Group key financial figures

€203.6m

revenues

(**€191.0m** in 2022)

Medical	*Photonics*
€102.8m	**€100.8m**
(**€97.4m** in 2022)	(**€93.5m** in2022)

€18.5m

Current operating income

(**€16.4m** in 2022)

€7.1m

Net income

(**€11.4m** in 2022)

+€20.7m

Cash flow from operating activities

(**+€1.4m** in 2022)

Revenues breakdown by geography

43 %

EMEA

25 %

APAC

23 %

AMERICA

9 %

ROW

€25.7m

Capital expenses (Capex)

(**€30.2m** in 2022)

of which R&D	of which Industrial
€12.4m	**€13.3m**
(**€10.5m** in 2022)	(**€19.7m** in 2022)

€193,3 M

Shareholders' equity

€88,9 M

Net financial debt

Employees to date

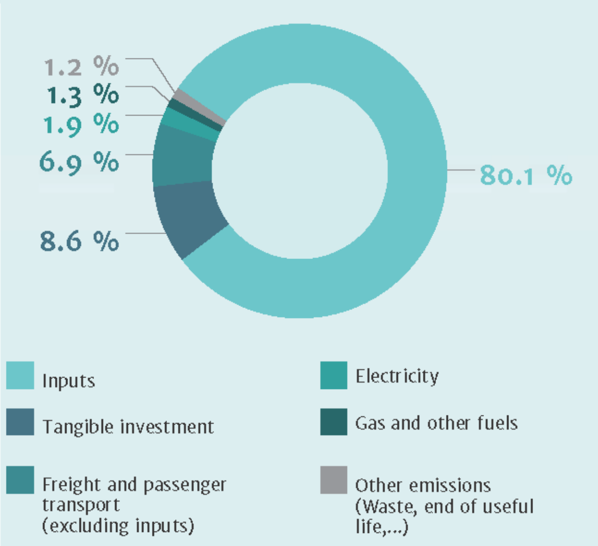
1,052

of which R&D: **196**

Lumibird Group non-financial key figures

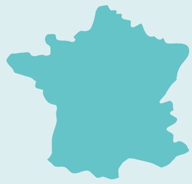
Environment

Scope 1, 2 and 3 emissions



- A first global approach to the carbon balance for scopes 1, 2 and 3 in 2023
- A preponderance of emissions linked to purchasing (materials and components), which reinforces the Group's vertical strategy

Social



94

Professional equality index (France) (1)

(**86** in 2022)

- Average index for France: **88** (source: Ministry of Labour as at 8 March 2024)

9.1 %

Attrition rate

(**10.0 %** in 2022)

- Worldwide, an attrition rate of less than 10% is considered healthy(2)

Scope 1 and 2 emissions

relative to revenues

7.8 tCO2e per €m

(**5.1 tCO2e per €m** in 2022)

- A temporary deterioration linked to capacity expansions (Lannion, Ljublana) and the integration of Convergent, with the new sites not reaching their full potential.

Governance

50% (3 out of 6)

Proportion of independent directors

(**40%, 2 out of 5**, in 2022)

- And an equivalent proportion (3/6) of women on the Board

(1) If "France" not specified, Group indicators

(2) Source: HRM Handbook 2023

CSR strategy

Lumibird's CSR strategy aims to promote and consolidate its business model by integrating the expectations of all its stakeholders. The development, deployment and implementation of this strategy is an essential lever for improving our performance, as it enables us to respond to the 4 main challenges facing the Group:

Challenge n°1:

Supporting our customers over the long term and ensuring the long-term future of our ecosystem by promoting responsible innovation: respecting our customers' requirements in terms of price, quality, responsiveness and lead times is one of the fundamental rules governing the way the Group operates. But to fully satisfy their needs, Lumibird is committed to offering ever more innovative products, developed in line with its convictions and strategy.

Challenge n°2:

Retaining, motivating and contributing to the development of our employees through a virtuous strategy: Lumibird is convinced that its employees are an inexhaustible source of wealth. Motivating them and developing their potential is therefore at the heart of our human resources strategy, which is based on strong values such as well-being, health and safety at work, skills development and social cohesion. The Group's commitment to this strategy is also the best way of meeting its customers' expectations in terms of quality, innovation and sustainable solutions.

Challenge n°3:

Forging solid, long-term partnerships with suppliers who share our values: the products manufactured by the Group call on a range of external suppliers who help to create the added value that is essential to its growth. In the future, the establishment of long-term partnerships that are consistent with Lumibird's values will therefore only work with suppliers who are able to commit to respecting human rights and the environment.

Challenge n°4:

Becoming a fully responsible corporate citizen: integrity, honesty and fairness are key components of sustainable performance, and form the pillars of Lumibird's business ethics policy. The Group therefore does not tolerate any form of corruption, embezzlement or extortion. In addition, although it has a moderate carbon footprint given the nature of its industrial activity, the Group has clearly demonstrated its desire to reduce its greenhouse gas emissions (GHG) and water consumption through a series of concrete actions.

Our 4 CSR Pillars

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

Social

- Strenghtening health and safety at work
- Attracting talents
- Manage employee's careers
- Developing skills
- Promoting diversity, equality and social inclusion
- Cultivating social dialogue
- Promote well-being at work

Environment

- Reducing our water consumption
- Adapting to climate change
- Acting in favor of biodiversity
- Innovating and producing sustainably
- Fighting pollution
- Promoting actions in favor of the planet
- Reduce our GHG emissions
- Recycling our waste
- Encouraging green mobility

Governance

- Fighting child labour
- Fighting modern slavery
- Fighting tax evasion
- Strengthening Group culture
- Fighting corruption
- Share our values and strategy
- Managing financial and non-financial risks

Stakeholders

- Satisfaying clients
- Promoting a circular economy
- Respecting confidentiality
- Acting in favour of the local economy
- Purchasing reponsibly

1

INTRODUCTION TO THE LUMIBIRD GROUP

Section 1 Main activities of the lumibird group

1. LASER TECHNOLOGY

Demonstrated for the first time in 1960 by Theodore Maiman, 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,
- **Fibre 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 (CO2, 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 quantum optics to industrial, military or space products, with an ability to adapt in line with changes in applications.

At the date of this Universal Registration Document, the Group's companies own, directly or by exclusive licence, more than 49 patents, notably in laser components, laser architecture, optronic features and the medical field.

The Lumibird Group, notably with the recent integration of Convergent Photonics and Innoptics, is particularly well-positioned on key applications in high-growth sectors:

- Defence: obstacle detection, guiding, targeting, rangefinding, opto-pyrotechnics, night vision, drone destruction and tracking,
- Space & Aerospace: telecommunications, guiding, telemetry, LIDAR,
- LIDAR Sensors: autonomous vehicles, 3D scanning, guiding, wind measurement, aerosols and pollutant detection,
- Medical: lasers for medical applications, especially in ophthalmology and urology,
- Telecoms: amplifiers for broadband networks, ground to satellite constellation links,
- 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

Industrial groups integrate lasers into their products. Applications include laboratory experimentation tools, industrial production tools, flat screen repairs, photo-acoustics, materials resistance metrics, spectroscopy (LIBS), metrology, particle image velocimetry (PIV) and applications in semiconductor manufacturing.

The recent acquisition of Convergent Photonics in September 2023 has enriched our customer portfolio in the industrial cutting and medical OEM sectors.

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 (Peacock) as well as the fibre power lasers (CYFL-HP and CTFL-HP).

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 now ensures its maintenance in operational condition.

The main products of the Group's Defence/Space activities are 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) as well as anti-drone warfare.

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 (free space communications, ground-to-staellite links).

2.1.3. LIDAR sensors

The Environment and Safety 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 farms and the performance of wind turbines in operation, as well as for the safety of plane and helicopter 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, drone detection and tracking, for civil, industrial or military applications.

These same sensors can also be used for 3D scanning used in aerial topography, notably by drone, for the detection of pollutants and for detecting fire outbreaks and monitoring forest fire fronts, helping fire-fighters to combat them.

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 laser solutions for Lidar sensors 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 brand (such as the telemetry range finders or the Winfield system), the Time-of-Flight OPAL range and the Halo Photonics brand (such as the Streamline XR and XR+ scanning Lidar, the Profiler vertical VS Lidar, the Beam6x wind sensor Lidar for wind farms), 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, the US, Poland, Finland, Norway and Sweden, Slovenia, Australia, India and Japan.

2.2.1. Lumibird Medical in France (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 solutions: 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,
- CSTIM and CDIAG for the diagnostis and treatment of dry eye.

2.2.2. Lumibird Medical in 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, Tango Reflex and the new NEO range, 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. Lumibird Medical in Slovenia (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 1 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 2023, 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.

The Group considers that it is very well positioned in the most promising markets, namely Lidars, defence, space and medical, which, prior to the COVID crisis, grew by more than 10% per year on average between 2016 and 2018. In 2023, growth continued in our core markets of Lidars, 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

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 2023, no single supplier represented more than 2% of the Group's purchases, and the five largest suppliers represented less than 9% of the Group's purchases.

4.1.2. Means of production

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

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 and a new Lidar production line.

Keopsys Industries site in Talence, for diode packaging production.

Keopsys Industries site in Cesson-Sévigné, for Lidar design and development.

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

Quantel Technologies maintenance center in the Laseris sector, close to the Megajoule site, near Bordeaux.

Lumibird Photonics USA site in Bozeman, Montana (USA), with total space of 3,540 sq.m, where all of Quantel USA's activities are carried out.

Lumibird Photonics USA site in Chicopee, Massachusetts (USA), with total space of 2,600 sq.m, former US branch of Convergent Photonics.

Lumibird Photonics Italia site in Torino, with total space of 2,200 sq.m, housing the diode and multi-emitter manufacturing activity of Convergent Photonics.

Lumibird Photonics Sweden site in Göteborg, Sweden, with a total space of 2,000 sq.m. dedicated to defence activities.

Quantel Medical site in Clermont-Ferrand, with total space of 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 in Adelaide, 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

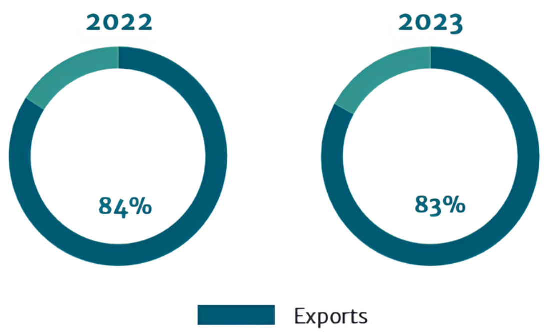
Since the business combination between the KEOPSYS Group and the QUANTEL Group, the Lumibird Group is organised into two main divisions: Photonics and Medical. Each division has a sales force organised as follows:

- 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 organisationally 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.

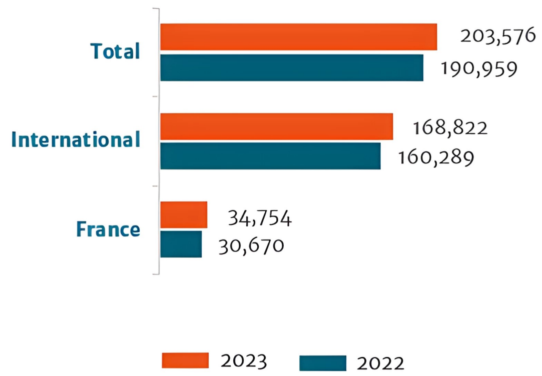
4.2.1. Exports

The strength of its direct and indirect export networks and its external growth operations enabled the Group to generate more than 83% of its sales outside of France in 2023.

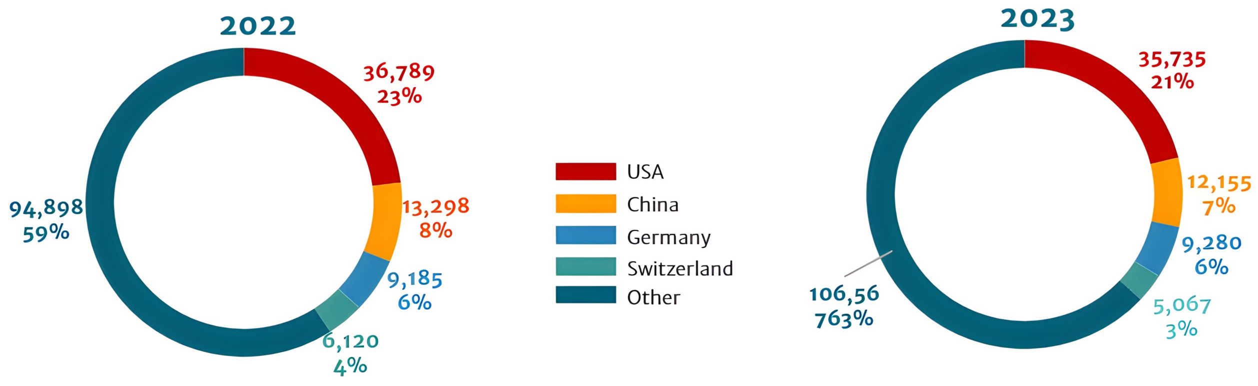
Percentage of export in revenues



Breakdown of revenues (in k€)



Breakdown of export sales by destination country (in k€)



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 2023, 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 2023, no single direct client or distributor represented more than 8% of revenues. The five largest clients represent less than 15% of revenues.

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

In general, invoices for American clients and doctor clients in France are payable on receipt or within 30 days, while other French clients and the majority of distributors worldwide pay after 60 days. Certain distributor clients are granted terms of payment of 90 days or longer, depending on market conditions. For further developments, refer to paragraph 4 of the Board of Directors' management report on the position and activities of the Company and the Group for the year ended 31 December 2023, 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-sale 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, Topcon), Taiwan (Lighmed) or Germany (Zeiss, Heidelberg Hengineering).

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 at between 10% and 50% for laser products used to treat glaucoma and retinal pathologies, and between 30% and 70% for ultrasound diagnostic 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.
- In addition to these new products dedicated to ophthalmology, there are the ultrasound scanners EVOTouch and EVOTouch +, designed to help in the diagnosis or emergency treatment of limbs and joints.

In 2023, Lumibird Medical continued to launch new products on the various markets at the same pace as it regularly obtained registrations. In addition, the company pursued its diversification strategy, winning several OEM development and manufacturing contracts for medical lasers in other specialties such as dermatology and oncology.

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 2023, 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 49 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 24 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 and renewed in 2023 with international defence integrators.

The significant order book will allow the development in 2024 of the industrial organisation for the production of diodes in order 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 2024.

7.3. Thalès

The Group supplies guiding and rangefinder lasers that are notably used in equipment for the Rafale. These supplies are covered by long-term contracts that began with research phases in the late 1990's.

Between 2023 and early 2024, the Group has signed major new contracts in this field, worth over €30 million.

7.4. 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.

Between 2023 and early 2024, the Group has signed major new contracts in this field, worth over €10 million.

2

CORPORATE GOVERNANCE

Section 1 Board of directors' corporate governance report

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 CEO's powers,
- the list of all the offices and functions held in any company by each of the Company's corporate officers in 2023,
- 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 12 March 2024, 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]

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 Board of Directors during FY 2022 and since the beginning of FY 2023

The General Meeting held on 28 April 2023, acting on a proposal from the Board of directors, appointed Marie-Hélène Sergent as director for a term of six (6) years, until the General Meeting called to approve the financial statements for the year ending 31 December 2028.

In addition, the Board of Directors, at its meeting of 12 March 2024, decided to propose to the General Meeting of Shareholders scheduled to be held on 29 April 2024 the appointment of Mr. Etienne de Lasteyrie 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 2029.

Those appointments are 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.

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 six 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 CEO of the Company		General meeting on 28 April 2023	Ordinary AGM to approve the financial statements for the year ending 31 Dec 2028	Chairman of ESIRA	**During FY 2023:** Director 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:** N/A
Ms Gwenaëlle Le Flohic 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 2023:** 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)	Compensation Committee CSR Committee Chairman	General Meeting on 4 May 2021	Ordinary AGM to approve the financial statements for the year ending 31 Dec 2026	Chairman - CEO of PHASICS SA	**During FY 2023:** N/A **Other previous offices held in the last five years:** Member of the Board of Directors of Optics Valley
ESIRA[2] **represented by Mr** **Jean-François Coutris**	Director	-	General meeting on 28 April 2023	Ordinary AGM to approve the financial statements for the year ending 31	ESIRA has no activity outside of the Company. Jean-François Coutris is Advisor to the CEO of PHOTONIS SAS	**Offices and positions held by Mr Jean-François Coutris:** **During FY 2023:** **N/A**

2 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
Professional address: 2 rue Paul Sabatier, 22300 Lannion				Dec 2028		**Other previous offices held in the last five years:** Chairman of the supervisory board of New Imaging Technology, until Sep 2018. Advisor to the CEO of BERTIN SYSTEM SAS ESIRA: Chairman of EURODYNE
Emmanuel Cueff Professional address: 5 rue du Puit Salé 78730 Rochefort en Yvelines	Director (independent)	Compensation Committee Chairman Audit Committee Chairman	General Meeting on 4 May 2021	Ordinary AGM to approve the financial statements for the year ending 31 Dec 2026	N/A	**During FY 2023:** Director of C.C.V. BEAUMANOIR (private French limited company) **Other previous offices held in the last five years** Member of the Supervisory board of Coeur et Artères (public utility foundation) 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 28 April 2023	Ordinary AGM to approve the financial statements for the year ending 31 Dec 2028	The reader is referred to **Appendix 1** of this report.	
Ms. Marie-Hélène Sergent Professional address: 76 boulevard Arago, 75013 Paris	Director	CSR Committee	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 2023:** Chairman of the board of Shan Holding and Erebor **Other previous offices held in the last five years:** N/A

In addition, the General Meeting of Shareholders scheduled to be held on 29 April 2024 will be proposed to appoint Mr. Etienne de Lasteyrie 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 2029. 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
Mr. Etienne de Lasteyrie Professional address: 25 rue François 1er, 75008 Paris	Director	[3]	General Meeting on 29 April 2024	Ordinary AGM to approve the financial statements for the year ending 31 Dec 2029	Director of Lasteyrie & Associés	**During FY 2023:** Director of C.C.V. BEAUMANOIR (non-listed French Limited company) **Other previous offices held in the last five years:** N/A

3 It is expected that the Board of Directors will meet on 29 April 2024 after the General Meeting of Shareholders to consider the possible participation of Mr. Etienne de Lasteyrie in Board committees.

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 12 March 2024 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 CEO, is also the Company's majority shareholder[4].

It is also indicated that Ms Gwenaëlle Le Flohic, director and spouse of Mr Marc Le Flohic, might provide in 2024 several human resources consulting and recruitment services for the Company and for Keopsys Industries, subsidiary of the Company, subject to remuneration in line with market practices.

Furthermore, on 5 July 2023, Lumibird acquired a block of 50,000 ordinary shares from ESIRA, a director and majority shareholder of the Company, as part of its share buyback programme.

Lastly, at its meeting on 12 March 2024, the Board of Directors approved the conclusion of a service agreement between the Company and Coutris Conseil International, a company owned and managed by Jean-François Coutris, ESIRA's permanent representative on the Board of directors. The agreement provides for Coutris Conseil International to provide a range of consultancy services relating to the company's development strategy in the defence optronics sector, in particular power lasers, for four half-days per month in return for a fee of €750, excluding tax, per half-day.

These two transactions have followed the procedure for regulated agreements, and their approval will be submitted to the Company's General Meeting of shareholders on the basis of a special report by the statutory auditors, set out in Section 2 of Chapter 2 of the Company's universal registration document relating to the financial year ending 31 December 2023.

With the exception of these services, there are no service contracts binding, directly or indirectly, 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 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 12 March 2024 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,

4 For reference, on the date of this report, Mr Marc Le Flohic controls ESIRA (of which he is also Chairman) which holds, 51.71% of the Company's capital and 68.33% 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).

- Ms Marie-Hélène Sergent
- Mr Emmanuel Cueff.

On the date of this report, out of the Board of Directors' six members, three members (i.e. 50%) 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
Mr Marc Le Flohic	x	✓	x	✓	✓
Ms Gwenaëlle Le Flohic	✓	✓	✓	x	✓
Ms Marie Begoña Lebrun	✓	✓	✓	✓	✓
Ms Marie Helène Sergent	✓	✓	✓	✓	✓
ESIRA	✓	✓	x	✓	✓
Mr Emmanuel Cueff	✓	✓	✓	✓	✓

In addition, the Board of Directors is scheduled to meet on 29 April 2024 after the General Meeting of Shareholders to review the independence of Mr. Etienne de Lasteyrie, whose candidacy for the position of director is submitted to the General Meeting of Shareholders scheduled to take place on 29 April 2024.

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 three 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 29 April 2024, and subject to the adoption of the resolution to appoint Mr. Etienne de Lasteyrie as a director of the Company, three out of seven members of the Board of Directors (i.e. 42%) will be women.

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 was chosen for her knowledge of the laser and optical instrumentation 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, notably in recruitment and training,
- One director, 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,
- 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.

Mr. Etienne de Lasteyrie, whose candidacy for the position of director is submitted to the General Meeting of Shareholders scheduled for 29 April 2024, has significant experience in financial expertise and consultancy.

The average age of the directors, on the date of this report, is 65.3, 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, races and cultures in due proportion to their representation where it operates. 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 2023 stands at 94/100)

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 28 April 2023, 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 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 2022.

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 CEO 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 12 March 2024 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 12 March 2025.

During its meeting on 12 March 2024, 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 2023 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 2023.

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: 14 March 2023, 28 April 2023, 12 May 2023, 30 June 2023, 26 September 2023 and 21 December 2023. The average participation rate was 94.33%. 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 2022 and the interim financial statements for the first half of the financial year 2023.

During its meeting on 14 March 2023, 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 2022,
  - Review and approval of the corporate and consolidated financial statements for the year ended 31 December 2022, 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 2023, 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' corporate governance report, 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 Marc Le Flohic and ESIRA and of EMZ Partners as non-voting member; appointment of Marie-Hélène Sergent),
  - Setting proposal of the directors' compensation,
  - Review and setting of the compensation of the Chairman and CEO for 2023, as advised by the Compensation Committee,
  - Review of the performance conditions relating to the variable compensation of the Chairman and CEO for the 2022 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 2022 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 2022 financial year,
  - Review of agreements entered into during the 2022 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 28 April 2023, the Board of Directors notably deliberated on the following main points:

- Renewal of Mr Marc le Flohic's term of office as Chairman and CEO,
- Review of the independence of Marie-Hélène Sergen in the light of the criteria set out in the Middlenext Code,
- Appointment of Marie-Hélène Sergent to the CSR Committee,
- Allocation of the total remuneration package to directors.

During its meeting on 12 May 2023 and 30 June 2023, the Board of Directors notably deliberated on the following main points:

- Authorisation and public announcement of an external growth project and signature of the corresponding documentation,
- Purchase by Lumibird from ESIRA of 50,000 Lumibird ordinary shares.

During its meeting on 26 September 2023 and 21 December 2023, the Board of Directors notably deliberated on the following main points:

- Review and approval of the consolidated interim financial statements at 30 June 2023, 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,
- Conclusion of an amendment no. 2 to the loan agreement dated 20 November 2020, as amended by amendment no. 1 on 23 November 2022.

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 12 March 2024, 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.

Over the period March 2022 to March 2025, this plan provides for directors to attend a minimum of one training course per 12-month period (from March 2022), with a minimum of 3 courses over three years chosen from a proposed list (covering legal, financial, commercial or technical subjects).

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. For the period 2023-2024, the directors attended training courses on the civil and criminal liability of directors, on CSR and on the posture of directors.

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 CEO and the deputy CEO 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 14 March 2023 and 26 September 2023.

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 14 March 2023. It notably deliberated on the following points:

- 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 General Manager of the Medical division 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,
- Ms Marie-Hélène Sergent.

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 four times, on 14 March 2023, 20 June 2023, 26 September 2023 and 5 December 2023. Its work focused in particular on the following points:

- opinions on the 2022 Non-Financial Performance Statement ;
- monitoring the plan to reduce the Group's consumption of water and its scope 1 and 2 GHG emissions, and calculating scope 3 GHG emissions;
- analysis of the impact of the extension of the green taxonomy;
- presentation of the new CSRD directive.

2. EXECUTIVE AND GENERAL MANAGEMENT

2.1. CEO

The general management of the Company and the Group is ensured by Mr Marc Le Flohic.

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 Lumibird Photonics USA (former Quantel USA), Lumibird Medical Inc, Lumibird Inc., Lumibird Japan, Lumibird China, Lumibird Photonics Sweden AB,
- Manager of Veldys,
- General Manager of Keopsys Industries,
- Permanent representative of Lumibird, which is Chairman of the Quantel Medical, Keopsys Industries, Quantel Technologies, Eliase,
- Director of Lumibird Médical Australia, Adèle Ellex,Ellex Japan and Lumibird Ltd,
- Sole Director of Lumibird Photonics Italia SRL.

2.2. Management Committee and Executive Committee

The Management Committee is composed of 6 members, namely:

- Mr Marc Le Flohic, Chairman and CEO,
- Mr Jean Marc Gendre, General Manager of the Medical division and Manager of QUANTEL MEDICAL,
- Mr Pierre-François Chenevier, General Manager of the Lidar branch of the Photonics division,
- Mr Tugdual Le Bouar, General Manager 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.

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:

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 General Manager and the heads of the R&D, production, sales and finance departments,

And within the branches/divisions:

- a sales committee, comprising the division's General Manager, the sales manager,
- a Quality Committee, comprising the heads of Production, R&D and Quality at each site, under the authority of the site managers;
- an R&D Committee, comprising the division's General Manager, the R&D director, the R&D managers,

A Group Secretary General, who organises the holding of cross-functional committees: Finance, Legal, Human Resources, Information Systems.

As of the date of this report, the members of these Committees represented 24 persons, of which 41.6% are women (vs 24.4% over 41 persons in 2022).

3. COMPENSATION FOR BOARD MEMBERS AND CORPORATE OFFICERS

3.1. Compensation for board members and corporate officers in 2023

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 29 April 2024 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 2023 and to the CEO of the Company in 2023, 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]	185,437[2]	-	-	-	23,213[3]	-
Gwenaëlle Le Flohic	-	-	-	-	9,000	-	-
Marie Begoña Lebrun	-	-	-	-	14,000	-	-
Marie-Hélène Sergent	-	-	-	-	9,000		-
ESIRA	-	-	-	-	9,000	-	-
Emmanuel Cueff	-	-	-	-	19,000	-	-
EMZ Partners	-	-	-	-	-	-	-

(1) Corresponds to the fixed compensation received by Mr Marc Le Flohic for his position as Chairman and CEO 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 2022 and paid during financial year 2023.

(3) Corresponds to the provision of a company car to Mr. Marc Le Flohic by Lumibird SA from 23 March 2022.

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 2023 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 2023 financial year, the General Meeting of 28 April 2023 decided to set the total compensation package to be allocated to the directors at €44,000. This amount, added to the remaining €26,000 of the total package set in 2022 and not allocated, brought the total package available for 2023 to €70,000. At its meeting on 28 April 2023, the Board of Directors decided to allocate €60,000 of this €70,000 envelope, as follows:

- €9,000 per director,
- An additional €5,000 allocated to Ms Marie-Begoña Lebrun, in her capacity as Chairman of the CSR Committee,
- An additional €5,000 allocated to Mr Emmanuel Cueff, in his capacity as Chairman of the Audit Committee,
- An additional €5,000 allocated to Mr Emmanuel Cueff in his capacity as Chairman of the Compensation Committee.

The balance of €10,000 was retained to remunerate any new member who might be appointed in the event of a further enlargement of the Board. As no such enlargement took place during the 2023 financial year, the balance of 10,000 euros has not been allocated and will again be retained for the same purposes.

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 and paid for financial year 2022 (in euros)	Gross amounts alloted and paid in 2023 (in euros)
Mr Marc Le Flohic		
Compensation for his position as director	-	-
Other compensation	-	-
Ms Gwenaëlle Le Flohic		
Compensation for her position as director	7,000	9,000
Other compensation	-	-
ESIRA[2] represented by Mr Jean-François Coutris		
Compensation for his position as director	7,000	9,000
Other compensation	-	-
Ms Marie Begoña Lebrun		
Compensation for her position as director	7,000	14,000
Other compensation	-	-
Ms Marie-Hélène Sergent		
Compensation for her position as director	-	9,000
Other compensation	-	-
Mr Emmanuel Cueff		
Compensation for his position as director	13,000	19,000
Other compensation	-	-
EMZ Partners represented by Mr Ajit Jayaratnam		
Compensation for its position as director	-	-
Other compensation	-	-
TOTAL	**34,000**	**60,000**

(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 28 April 2023 approved, on first call, the components of the compensation paid or allotted to Board members for or during the financial year ended 31 December 2022, and on the distribution policy applicable to the Board members for the 2023 financial year without expressing significant reservations.

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 29 April 2024 determine the followed fixed, variable, and exceptional components comprising the total compensation and benefits in kind that are paid or allotted for the 2023 financial year to Marc Le Flohic, CEO of the Company.

These components abide by the principles and criteria for compensation of the CEO for the 2023 financial year, as approved by the Company's general meeting of shareholders on 28 April 2023.

3.1.3.1. Review of the general principles of the policy for the 2023 financial year

The policy on compensation of the CEO for the 2023 financial year is presented in paragraph 3.2.3 of the corporate governance report for the financial year ended 31 December 2022.

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 29 April 2024 decide on the components of compensation paid or allotted during or for the 2023 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 28 April 2023, 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 2023 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 2023 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	€185,437	€170,501	**Payment of components of variable compensation in 2023 (for the financial year 2022)** The components of variable compensation collected by Marc Le Flohic in financial year 2023 correspond to the variable compensation of Marc Le Flohic due for financial year 2022. The policy on compensation of the CEO for the 2022 financial year is presented in paragraph 2.2.3 of the corporate governance report for the financial year ended 31 December 2021. 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 to which the payment of variable remuneration for Mr Marc Le Flohic for the financial year 2022 was subject 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 non-financial risks, led by the CSR Director appointed in 2021, and reflected in the non-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%, . changes in the Group's governance structure were in line with expectations, resulting in a 100% achievement of performance on this criterion. 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:

Components of compensation submitted for vote	Amounts paid during the financial year ended	Amounts allocated for the financial year ended or accounting valuation	Presentation
			. 74,903 euros for the "turnover" objective, . 0 for the "EBITDA" objective, . 0 for the "net income" objective. ¬ with regard to the qualitative criteria, accounting for 30% of the variable remuneration: . 36,845 euros for the "non-financial risks" criterion. . 73,689 euros for the "Change and structuration of the executive governance structure" criterion, i.e. a total variable compensation of €185,437 paid to Mr Marc Le Flohic for the financial year 2022. **Procedure for determining the variable compensation for 2023** Following the opinion of the Compensation Committee, the Board of Directors decided, at its meeting on 14 March 2023, that the variable portion of Marc Le Flohic's compensation for financial year 2023, in the maximum amount of 100% of his fixed compensation for 2023 (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 2022. **Evaluation of the level of achievement of objectives for 2023** 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 2023, 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 12 March 2024, 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 2023 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 14 March 2023) amounted to €203,559k for the 2023 financial year, i.e. the revenue target was achieved by 92,55%, . EBITDA (calculated on the same scope as the budget approved by the Board of Directors at its meeting of 14 March 2023) amounted to €34,507k for the financial year 2023, i.e. the EBITDA target was achieved by 71.71%, . net income (calculated on the same scope as the budget approved by the Board of Directors at its meeting of 14 March 2023) amounted to €7,126k for the financial year 2023, i.e. the net income target was achieved by 29.71%, ¬ with regard to qualitative objectives, accounting for 30% of variable compensation: . the Group continued its work to cover its non-financial risks, led by the CSR Director (appointed in 2021) reflected in the non-financial performance declaration for the 2023 financial year. The degree of coverage of the risks resulting from the analysis of the conclusions of the independent third-party organisation was

Components of compensation submitted for vote	Amounts paid during the financial year ended	Amounts allocated for the financial year ended or accounting valuation	Presentation
			evaluated at 100%, . the Group has evolved and structured its governance in line with expectations and the ahievement of this objective has been assessed at 100%. Consequently, the Board of Directors meeting of 12 March 2024 unanimously authorised the payment of variable compensation to Mr Marc Le Flohic for the 2023 financial year as follows: ¬ with regard to the quantitative criteria, accounting for 70% of the variable compensation: . 59,967 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 executive governance" criterion, . 36,845 euros for the "non-financial risks" criterion. i.e. a total variable compensation of €170,501 paid to Mr Marc Le Flohic for the financial year 2023. 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 29 April 2024.
Profit sharing	None	None	During financial year 2023, 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 2023. No performance share was allocated to Marc Le Flohic for financial year 2023.
Compensation due to office as director	None	None	Marc Le Flohic does not collect any compensation for his duties as director and Chairman of the Board of Directors.
Benefits in kind	€23,213	€23,213	Marc Le Flohic has a corporate car provided to him by Lumibird SA from 23 March 2022.
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 2023 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 2022 and 2021. This continuity compares to an 18% increase in revenue between the year ending 31 December 2021 and the year ending 31 December 2022 and a 7% increase between the year ending 31 December 2022 and the year ending 31 December 2023.

Components of compensation submitted for vote	Amounts paid during the financial year ended	Amounts allocated for the financial year ended or accounting valuation	Presentation
			Between 2019 and 2023, the evolution of the total compensation (including all components of fixed, variable, and exceptional compensation) of the CEO was a yearly average of +15%. **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 table 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 compensation 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 2019 to 2023 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 2019–2023 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 2019–2023 pay equity ratio

CEO	2019	2020	2021	2022	2023	Average
Compensation paid in euro	437,926	348,337	495,859	720,401	577,095	515,924
Change from previous financial year in %	29%	-20%	42%	45%	(20%)	15%
Average employee compensation in euro	**44,259**	**43,332**	**44,988**	**45,985**	**46,896**	**45,092**
Change from previous financial year in %	(3%)	(2%)	4%	2%	2%	1%
Ratio compared to average employee compensation	**9.9**	**8.0**	**11.0**	**15.7**	**12.3**	**11.4**

CEO	2019	2020	2021	2022	2023	Average
Change from previous financial year in pts	**2.4**	**(1.9)**	**3.0**	4.6	(3.4)	1.0
Median employee compensation in euro	**35,101**	**33,135**	**33,473**	**34,714**	**35,339**	**34,352**
Change from previous financial year in %	1%	(6%)	1%	4%	2%	ns
Ratio compared to median employee compensation	**12.5**	**10.5**	**14.8**	**20.8**	**16.3**	**15.0**
Change from previous financial year in pt	**2.7**	**(2.0)**	4.3	5.9	(4.4)	1.3
Minimum growth wage (SMIC, in euro)	18,254	18,473	18,654	19,237	20,966	19,117
Change from previous financial year in %	2%	1%	1%	3%	9%	3%
Ratio compared to minimum growth wage	**24.0**	**18.9**	**26.6**	**37.4**	**27.5**	**26.9**
Change from previous financial year in pt	**5.1**	**(5.1)**	7.7	10.9	(9.9)	1.7
Net accounting income (Company performance) in € million(1)	7.8	6.0	3.8	**0.5**	1.6	3.9
Change from previous financial year in %	388%	(23%)	(36%)	(88%)	240%	96%

(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 following are taken into account in the calculation of the ratio:

- for the denominator, the compensation of employees with open-ended contracts from 1 January 2019 to 31 December 2023 within the Group's French entities. 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 2019 and 31 December 2023 in respect of his office as Chairman and CEO and his employment contract with Keopsys Industries,
- 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. 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.

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

In 2022 and 2023, as since the start of 2024, 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 2023 in accordance with Article L.225-184 of the French commercial code.

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

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.

As the performance conditions for this plan had not been met by 31 December 2023, the Board of Directors, at its meeting of 12 March 2024, noted that the 291,000 free shares initially allocated had lapsed and decided that none of these free shares would vest definitively.

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.

3.1.3.6. 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 2022	Marc Le Flohic 2023
Compensation allocated for the financial year (detailed in Table 2)	574,339	562,159
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	**574,339**	**562,159**

(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.

Table – Breakdown of compensation allocated to each corporate officer

Marc Le Flohic In Euros	Financial year 2022 Amounts due for the financial year	Financial year 2022 Amounts paid during the financial year	Financial year 2023 Amounts due for the financial year	Financial year 2023 Amounts paid during the financial year
CEO OF LUMIBIRD	**370,759**	**516,821**	**361,189**	**376,125**
Of which fixed compensation	167,475	167,475	167,475	167,475
Of which annual variable compensation	185,437	331,499	170,501	185,437
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	23,213	23,213
General Manager of Keopsys Industries[1]	**203,580**	**203,580**	**200,970**	**200,970**
Of which fixed compensation	200,970	200,970	200,970	200,970
Of which benefits in kind [2]	2,610	2,610	–	–
Of which exceptional compensation	–	–	–	–
Of which profit sharing	–	–	–	–
Other offices within the Group	–	–	–	–
TOTAL	**574,339**	**720,401**	**562,159**	**577,095**

(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

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

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

(1) Employment contract entered with Keopsys Industries, 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 29 April 2024 to approve the financial statements for the financial year ended 31 December 2023 will be asked to approve the compensation policy for corporate officers for the 2024 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 and one for the 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 29 April 2024 does not approve these resolutions, the compensation will be determined in conformity with the compensation policy approved by the general meeting held on 28 April 2023 for the financial year 2023. 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 under the "*say on pay ex post*", 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 General Manager 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 2023, 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 2024 financial year, the Board of Directors of 12 March 2024, after receiving the opinion of the Compensation Committee, decided to propose setting the overall package at 60,000 euros. If this overall package is approved at the general meeting scheduled to be held on 29 April 2024, this will bring the remuneration package to be distributed among the directors to 70,000 euros (including the 10,000 euros remaining to be distributed under the compensation package approved in the 2023 financial year).

The Board of Directors of 12 March 2024, 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 Mr Etienne de Lasteyrie, subject to his appointment as a director of the Company by the general meeting of the Company's shareholders scheduled to take place on 29 April 2024,
- 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 will be retained to remunerate any new member who may be appointed in the event of a further enlargement of the Board and, in the absence of such enlargement be retained and subsequently allocated 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 2024 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 2024 financial year, the Board of Directors, at its meeting on 12 March 2024, on the advice of the Compensation Committee, has decided: - 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 2024 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 2024, the Board of Directors decided at its meeting of 12 March 2024, on the advice of the Compensation Committee, to set the variable compensation of the CEO 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 2024 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 2024, 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**

<table>
<tr><th>Components of the Compensation Policy</th><th>Presentation</th></tr>
<tr><td></td><td>
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 2024 budget presented to the Board of Directors on 12 March 2024, 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 2024 budget presented to the Board of Directors on 12 March 2024, 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 2024 Group budget presented to the Board of Directors on 12 March 2024, 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,
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 non-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.
</td></tr>
<tr><td>Variable compensation
Deferred methods</td><td>Not applicable.</td></tr>
<tr><td>Variable Compensation
Payment terms</td><td>
Payment terms for variable compensation
In conformity with the provisions of Article L. 22-10-34 (II) of the Commercial Code, the annual general meeting will be asked to approve the financial statements of the financial year ending 31 December 2024, 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 2023
</td></tr>
</table>

Components of the Compensation Policy	Presentation
	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 2024.
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 2024.
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 2024 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 2023, 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 2024.
Stock options, performance shares, or any other component of long-term compensation	The establishment of bonus share plans (or options to subscribe or purchase shares) for the Company's executive officers is determined per the opinion of the Compensation Committee. Vesting of the bonus shares (or subscription or share purchase options) to the benefit of the executive officers, in addition to the legal conditions, is subject to a continued service requirement within the Company or Group, as well as confirmation that they have indeed met the financial objectives of the Company or Group (or any other financial criteria that the Board of Directors deems pertinent). There is no plan to allocate performance shares to the CEO or to a Deputy CEO for the 2024 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 2023. This report is contained in Section 2 of Chapter 2 of the Company's Universal Registration Document for the year ended 31 December 2023.

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,

(ii) the acquisition by Lumibird, on 5 July 2023, of a block of 50,000 ordinary shares from ESIRA, a director and majority shareholder of the Company, as part of its share buyback programme, the approval of which will be submitted to the General Meeting scheduled for 29 April 2024;

(iii) the service agreement between the Company and Coutris Conseil International, a company owned and managed by Mr Jean-François Coutris, ESIRA's permanent representative on the Board of Directors, approved by the Board of Directors on 12 March 2024 and whose approval will be submitted to the General Meeting scheduled for 29 April 2024; and

(iv) the agreements 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 29 April 2024, 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 28 April 2023, analysed the votes cast at the General Meeting of Shareholders on 28 April 2023. In particular, it noted that the results showed a high level of participation, as the 361 shareholders represented or voting by correspondence jointly held:

- For the resolutions submitted to the ordinary general meeting, 18,513,165 shares (i.e. 83.64% of the shares with voting rights, and 82.40% of Lumibird's share capital, as at the date of the meeting) and 24,886,726 voting rights (i.e. 86.71% of the voting rights).
- For the resolutions submitted to the Extraordinary General Meeting, 18,476,165 (i.e. 83.46% of the shares with voting rights and 82.22% of the share capital of Lumibird, as at the date of the meeting) and 24,786,726 voting rights (i.e. 86.43% of the voting rights).

Furthermore, the Board of Directors noted that all resolutions were passed by a majority of more than 80% 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 29 April 2024, what may have led to negative votes on the resolutions proposed at the general meeting of shareholders on 28 April 2023.

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 28 April 2023 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 28 April 2023 in its 16th 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 2023 for further information).

4.3.2. Presentation of proposed financial authorisations and delegations for the Combined General Meeting scheduled on 29 April 2024

The financial delegations and authorisations proposed to the Combined General Meeting to be held on 29 April 2024 are set out in Chapter 6 of the Company's Universal Registration Document for the financial year ended 31 December 2023, 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, 51.71% of the Company's capital and 68.33% 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 2023.

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 5** to this report.
- At 31 December 2023, with the exception of the 68.8 million euro banking debt and 40 million euro bond acquisition financing facilities, 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 2023 financial year	Over the past five years	During the 2023 financial year	Over the past five years
Member of the Supervisory Board of AZAE SAS, FORLAM, WEYOU GROUP, GROUPE JACKY PERRENOT, FAUCHE, SAFIC ALCAN, ADVANCY Member of the Strategic Committee of SPIE BATIGNOLLES, FOVEA GINGER and ESIRA Non-voting Member of the Supervisory Board of BIOGROUP, MY MEDIA and AYMING Non-voting member of the Supervisory Committee of RAIL INDUSTRIES SAS Director of CEVA Chairman of CONNEXIONS CAPITAL (SPIE BATIGNOLLES group) and FLORINBUNDA (SAFIC ALCAN group) Managers of several EMZ Partners subsidiaries	Member of the Supervisory Boards of ALTEAD SAS, ATALIAN SAS, CARSO SAS, ONET SAS, MY MEDIA GROUP SAS FINANCIERE SENIOR CINQUS (Ceva) and FRANCE AIR MANAGEMENT Member of the Supervisory Committee of CASTELLET HOSPITALITY SAS and 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 STOKOMANI SAS, UBIQUS SA, COVENTYA HOLDING SAS LABORATOIRE EIMER SELAS and ALVEST Non-voting member on the Supervisory Committee of ROUZET TOPHOLDING SAS Non-voting member on the Board of Directors of PAPREC SA and EURODATACAR SA Non-voting member of the Strategic Committee of CYRILLUS VERBAUDET GROUP Chairman of GINGER SAS and LABELYS GROUP SAS	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. 8 submitted to the general meeting scheduled for 29 April 2024 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)

Eighth resolution

(Approval of the information relating to the compensation of corporate officers for the year ended 31 December 2023 presented in the Board of Directors' corporate governance report, 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' corporate governance report 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 2023 presented in the Board of Directors' corporate governance report, included in Chapter 2 of the Company's 2023 Universal Registration Document, in accordance with section I of Article L.22-10-9 of the Commercial Code.

APPENDIX 3

Draft resolution no. 9 submitted to the general meeting scheduled to be held on 29 April 2024 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 2023 financial year

Ninth 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 CEO, for the year ended 31 December 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, 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 CEO, for the year ended 31 December 2022, as presented in the Board of Directors' corporate governance report, included in Chapter 2 of the Company's 2023 Universal Registration Document.

APPENDIX 4

Draft resolutions no. 10 to 12 submitted to the general meeting scheduled to be held on 29 April 2024 in relation to the compensation policies applicable to the Directors, the CEO, and the Deputy CEO for the 2024 financial year

Tenth resolution

(Approval of the compensation policy applicable to the members of the Board of Directors for the financial year 2024)

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 2024 financial year, as presented in the Board of Directors' corporate governance report, included in Chapter 2 of the Company's 2023 Universal Registration Document.

Eleventh resolution

(Approval of the compensation policy applicable to the CEO for the financial year 2024)

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 2024 financial year, as presented in the Board of Directors' corporate governance report, included in Chapter 2 of the Company's 2023 Universal Registration Document.

Twelth resolution

(Approval of the compensation policy applicable to the Deputy CEO for the financial year 2024)

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 2024 financial year, as presented in the Board of Directors' corporate governance report, included in Chapter 2 of the Company's 2023 Universal Registration Document.

APPENDIX 5

Table of financial delegations

The financial authorisations and delegations of authority presented in the following table were granted to the Board of Directors on 28 April 2023.

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 28 April 2023 16th resolution	18 months Ending 28 October 2024	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 28 April 2023 17th resolution	26 months Ending 28 June 2025	Within the limit of 10% of the Company's capital during a 24-month period on the date of each cancellation	-	-
ISSUES WITH PREFERENTIAL SUBSCRIPTIONS 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 28 April 2023 18th resolution	26 months Ending 28 June 2025	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 28 April 2023 18th resolution	26 months Ending 28 June 2025	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 SUBSCRIPTIONS 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 28 April 2023 19th resolution	26 months Ending 28 June 2025	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	Combined General Meeting	26 months Ending 28	Within the limits of 50,000,000	-	The subscription price for the securities issued under the delegation will be

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
another company through the issuing of ordinary shares and/or transferable securities entitling holders to access the capital immediately or in the future through a public offer covered by section I of Article L.411-2 of the French monetary and financial code	on 28 April 2023 20th resolution	June 2025	euros and 20% of the capital per year, and the overall maximum limit set in **(1)**		determined in accordance with Articles L.22-10-35 and R.22-10-32 of the French commercial code.
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 28 April 2023 21st resolution	26 months Ending 28 June 2025	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 28 April 2023 22nd resolution	26 months Ending 28 June 2025	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 28 April 2023 23rd resolution	26 months Ending 28 June 2025	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 28 April 2023 24th resolution	18 months Ending 28 October 2024	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

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					(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 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 28 April 2023 25th resolution	38 months Ending 28 June 2026	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	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.

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
				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."	
Authorisation to award stock options to some or all of the Groups employees and corporate officers	Combined General Meeting on 28 April 2023 26th resolution	38 months Ending 28 June 2026	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 28 April 2023 27th resolution	26 months Ending 28 June 2025			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.

Section 2 Statutory auditors' special report on regulated agreements

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

In accordance with Article L.225-40 of the French Commercial Code (Code de Commerce), we have been advised of the following agreements entered into during the past financial year and from 1 January 2024 to the date of issue of our report, which were authorised by your Board of Directors:

Purchase of Lumibird shares from Esira by Lumibird

Shareholder concerned:

Esira, which holds more than 10% of Lumibird's share capital.

Nature and purpose:

Lumibird acquired 50,000 Lumibird shares from Esira, a shareholder with more than 10% of Lumibird's capital, as part of its share buyback programme. This sale was made under market conditions, at a price per share equal to the closing price on the day prior to the buyback date, carried out on 5 July 2023.

Terms and conditions:

This agreement was approved by the Board of Directors on 30 June 2023.

The share buyback resulted in the recognition of a "treasury shares" asset at a cost of €0.7 million in Lumibird SA's financial statements.

Reasons given by the Board justifying the interest of this agreement for Lumibird:

The Board of Directors considered that it was in the Company's interest to acquire these 50,000 shares due to the fact that the Company regularly makes commitments to deliver its own shares, in particular:

- under bonus share plans for Group employees ;
- as part of external growth transactions for which a portion of the price is paid in Lumibird shares to the seller.

Service agreement between Lumibird and Coutris Conseil International

Representative concerned:

Mr Jean-François Coutris, permanent representative of Esira on the Board of Directors of Lumibird.

Nature and purpose:

The purpose of the agreement is to enable Coutris Conseil International to offer Lumibird SA consulting services relating to the company's development strategy in the defence optronics sector, in particular power lasers, which will be carried out exclusively by Mr Jean François Coutris.

The agreement takes effect on signature by the parties for an initial period of twelve months, renewable indefinitely by tacit agreement for successive periods of three months.

In return for the services provided, corresponding to four half-days per month, Coutris Conseil International will receive fees valued at 750 euros per half-day.

Terms and conditions:

This agreement was approved by the Board of Directors on 12 March 2024. This agreement did not give rise to any compensation in the 2023 financial year.

Reasons given by the Board justifying the interest of this agreement for Lumibird:

The Board of Directors notes that entering into the Services Agreement would enable the Company to benefit from Mr Jean-François Coutris' expertise in business development strategy in the defence optronics sector, in particular power lasers.

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 CEO, 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.

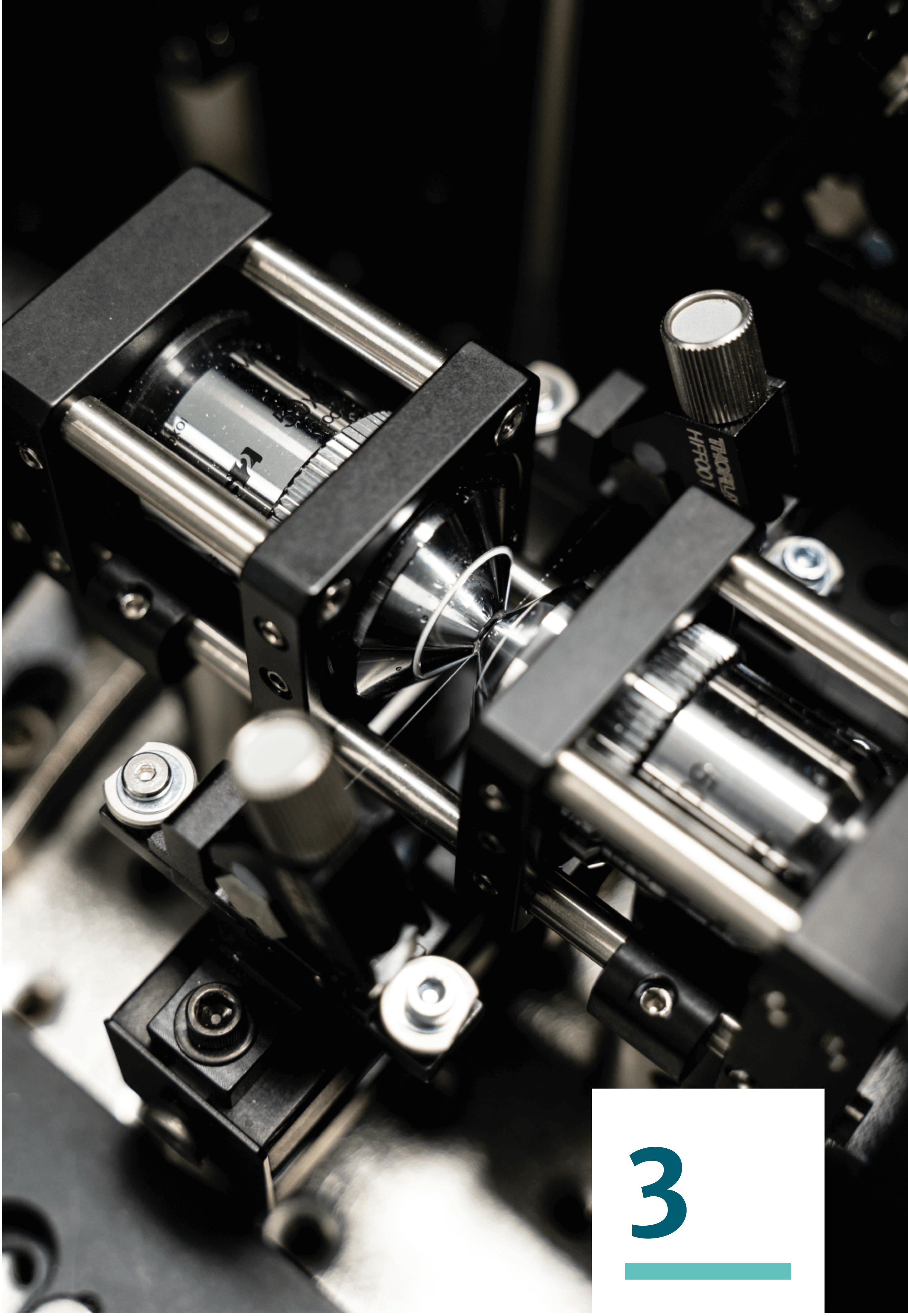
Terms and conditions:

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, 4 april 2024

The Statutory Auditors

KMPG S.A.	Mazars
Vincent Broyé Partner	Ludovic Sevestre Partner



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			
Risks of resurgence of the Covid-19 pandemic or the emergence of a new pandemic		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
Other ethics and compliance risks			
Risk of non-compliance with laws and regulations designed to combat bribery and influence peddling	**	*4.2.1*	*2.12*
Risk of non-compliance with anti-modern slavery and child labor legislation	*	*4.2.2*	*2.12*
Risk of non-compliance with personal data protection legislation	**	*4.2.3*	*2.12*
Risks of difficulties in producing and certifying information on sustainability or non-financial performance	*	4.2.4	2.12
Risks of non-compliance with health and safety regulations	**	4.2.5	2.12
Risks linked to the Group’s industrial property rights	**	4.3	2.13

Risk factors	Critical level	Risk description (paragraph # in Section 1)	Risk management procedures (paragraph # in Section 2)
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. Risks of resurgence of the Covid-19 pandemic or the emergence of a new pandemic

The recent years were marked by the Covid-19 pandemic, which developed globally and significantly impacted the economic and financial environment in which the Group is developing. This health crisis impacted 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.

If, during 2023, the Group has not had to deal with the resurgent effects of Covid-19, the Group cannot rule out a possible return of the Covid-19 pandemic or the appearance of any new pandemic with similar consequences.

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 2023, the Group used arrangements for staff to work remotely for its support functions primarily, representing 15% of employees over the year. For its production functions, the Group has not had to shut down any of its production lines or sites.

In case of resurgence of the Covid-19 pandemic or the emergence of a new pandemic, if the Group were 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*

During the 2023 financial year, no confinement measures were imposed in the jurisdictions in which the Group operates. In the event of the reappearance of such confinement measures, with the psychological impact that this may have on employees, the Group 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 of the Covid-19 pandemic or the emergence of a new pandemic could result in canceled orders, delivery delays and supply chain disruption**

In 2023 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, any resurgence of the Covid-19 pandemic or the emergence of a new pandemic would 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 would 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 2023, it earned 17% of its revenues in France (up 1% compared to 2022), 25% in other European countries (up 1% compared to 2022), 23% in the Canada, United States, and Latin American zone (down 3% compared to 2022), 25% in the Asia-Pacific zone (up 3% compared to 2022), and 9% 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 2021 and 2022, the shortage affecting electronic components, and active circuits in particular, led to delivery delays for the Group during those years. On the date of this Universal Registration Document, the Group considers that the part of its backlog impacted by this situation is no longer significant. At the same time, the shortage also prompted customers to build up large inventories, which could not be sold according to forecasts, leading to a one-off effect of postponing deliveries. If this shortage recurs, it could prevent or slow down the Group from achieving its objectives.

Given the geopolitical context, the Group cannot guarantee that there will be no tensions on its supplies in 2024, particularly on components from Asia, which could have an impact on procurement lead times and costs. If the situation were to worsen, the Group could find itself unable to fulfil certain orders, which would have a negative impact on its revenues, profitability and earnings.

Furthermore, since the Group earned 83% of its international (outside of France) revenues in 2023, 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, to the Israeli-Palestinian conflict starting in October 2023 or trade war measures involving Europe, the United States, Australia or China, four strategic geographies of the Group), 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 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 the past two years, 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, Han's Laser along with European competitors, such as BKTEL, NKT Photonics and Trumpf and North American companies like Nuphoton, MPB and Advalue Photonics, IPG Photonics, Coherent and nLight.

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, Toptica or Cutting Edge Optronics.

The medical sector is marked by competition from the United States (Alcon, Iridex, Bausch+Lomb, Sonomed), Japan (Nidek and Topcon), Taiwan (Lighmed), or Germany (Zeiss and Heidelberg Engineering).

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[5]. 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 billion euros 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. If unfavourable trends in the markets in which the Group operates were to recur or become more widespread, this could 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 the talent war between organisations. The Group's success depends in large part on keeping its executives and main leaders, along with its highly qualified staff.

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 could 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 executives in their positions over time could have a

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

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 2023 accounted for more than 18% 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 was 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 51.71% of the Company's capital and 68.33% of its voting rights (without taking into account the Company's treasury shares, which are deprived of voting rights pursuant to the provisions of Article L.225-210 of the Commercial Code).

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

2.5. Counterparty risk of the Group's clients*

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

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

Readers should refer to Note 6.5.4 to the consolidated financial statements as at 31 December 2023 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 2023, the Group remained active in its external growth operations. In particular, in August 2023, the Group finalised the acquisition of Convergent Photonics in Italy and Convergent's assets in the United States, bringing the Group innovative solutions and autonomy in high-power semiconductors and fibre lasers, as well as the design and manufacture of lasers for the industrial and scientific sectors, among others.

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 2023.

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 (EU) regulation No 2021/821 of the European Parliament and the Council of 20 May 2021. 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 Keopsys Industries' 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 Sweden, all laser rangefinders developed and manufactured by Lumibird Photonics Sweden AB are classified as war material and are therefore regulated by the Swedish law, Lagen (1992:1300) om krigsmateriel and the regulation Förordningen (1992:1303) om krigsmateriel. These laws require Lumibird Photonics Sweden AB to obtain approvals from the national authority, the Swedish Inspectorate for Strategic Products (ISP), for all activities, e.g. development, production, exports from Sweden and cooperation with parties abroad.

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 Lumibird Photonics 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 requirements of Regulation 2017/745/EU of 5 April 2017 and Regulation 2023/617 of 15 March 2023. 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. In China, these products require administrative authorisation from the National Administration of Medical Products (NMPA) before they can be marketed. If the authorisation or the marketing authorization of the Group's new medical products is denied by the European authorities or by the FDA or by the NMPA or any other competent authority, their sale in Europe, in the United States or in China 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 the two Regulations 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.

In all the growth markets in which the Group operates, export regulations can change rapidly, which can affect short-term delivery forecasts and prevent or slow the Group from achieving its objectives.

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 2023, 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[6], as in 2022. 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 2023, the Group recorded 18% 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[7], as compared to 15% in 2022.

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.

6 *Transparency International's ranking can be found at: https://www.transparency.org/en/cpi/2021/.*
7 *Walk Free's ranking can be found at: https://www.globalslaveryindex.org/2018/data/maps/#prevalence.*

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

4.2.4. The Group may encounter difficulties in producing and certifying sustainability or non-financial performance information*

As part of its regulatory obligations, the Group is required to provide an annual declaration of non-financial performance, in accordance with article L.225-102-1 of the French Commercial Code, covering the entire scope of its consolidation. In accordance with current regulations, this declaration is the subject of a report by an independent third-party organisation. The non-financial performance declaration for the year ended 31 December 2023 and the corresponding report are included in Chapter 5 of this Universal Registration Document.

In addition, from 1 January 2025 (for all reporting relating to the financial year ending 31 December 2024), the Group will be subject to the obligation to prepare sustainability information, as provided for in Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (known as the "CSRD") as transposed in France by Ordinance no. 2023-1142 of 6 December 2023, and in accordance with the European Sustainability Reporting Standards ("ESRS").

Although the Group has complied to date with legislative and regulatory obligations relating to non-financial performance reporting and will comply with future legislative and regulatory obligations relating to sustainability, it is likely to experience difficulties in implementing certain principles, particularly those set out in the ESRS standards, such as the principle of double materiality.

In addition, the Group's rapid international expansion and/ or acquisitions require it to constantly adapt its operating processes, reporting and internal control procedures at the level of its foreign subsidiaries and branches. In this respect, the Group may not be in a position to process and ensure consistent quality in terms of information feedback within its scope of consolidation, which could lead to sustainability information being drawn up on the basis of incomplete or erroneous data.

4.2.5. The Group may not be fully compliant with operational regulatory requirements at its sites**

In carrying out its activities, both in the Photonics division and in the Medical division, and more particularly at its production sites, the Group is obliged to comply with mandatory health and safety measures to protect the health and safety of its employees.

Any failure to comply with these health and safety rules and measures could result in a deterioration in working conditions for the Group's employees, having an unfavourable impact on staff productivity and motivation and, in extreme cases, even causing accidents in the workplace. In 2023, the Group did not suffer any work-related accidents at its production sites, but it cannot guarantee that such events will not occur in the future.

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 2023, amounted to 19.9 million euros, of which 12.8 million were capitalised and 7.1 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 49 patents in their various business fields, as well as 24 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 2% for financial year 2023, vs around 4% for 2022) using subsidies granted from institutional organisations (ADEME, Bpifrance, European Union, regions).

If the Group is unable to comply with the conditions for approving or allocating these subsidies, it could be required to repay certain amounts and have difficulty obtaining future subsidies, which would have a negative impact on its reputation and on its ability to develop innovative products.

4.5. 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, suppliers, in the event of a sudden break in established commercial relations or other stakeholders (local residents, landlords, etc.) as part of the Group's day-to-day activities.

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 2023. 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. By way of illustration, while the currency effect had a negative impact on revenues of €4.5m in 2023 (split between Photonics for €2.4m and Medical for €2.1m), it had a limited negative impact of €0.9m on EBITDA over the year (split between Photonics for €0.5m and Medical for €0.4m).

The exchange rate risk is not considered to be significant, as it is a one-off risk, 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 2023 for more information concerning the exchange rate risk.

5.2. Interest rate risk *

Bank loans and bonds contracted by the Group (totalling €134.9m at 31 December 2023) are 42% fixed rate and 58% floating rate. After taking into account partial interest rate hedging on the acquisition bank debt and active cash invested at variable rates, the proportion of net debt at variable rates is reduced to 53%.

Any rise in interest rates would result in a consequent increase in the Group's financial expenses for the portion not covered by its financial debt. The Group regularly analyses the need to put in place additional interest rate hedges. The average consolidated cost of net financial debt was 3.23% at 31 December 2023 compared with 2.96% at 31 December 2022.

The reader is asked to refer to Note 6.5.2 to the consolidated financial statements as at 31 December 2023 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. At 31 December 2023, the Group had a net financial debt position of 88.9 million euros (including a positive net cash position of 56.2 million euros at less than one year).

The Group conducted a specific review of its liquidity risk and believes it is able to face its future short- and medium-term debt repayments.

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 2023 for more information on the liquidity risk.

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.

Section 2 Internal control and risk management

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 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 the operational managers (Business Unit and support functions), 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 designed to (i) reduce the probability of occurrence of the risk concerned, (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) 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 of the Covid-19 pandemic or the emergence of a new pandemic 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 of the Covid-19 pandemic or the emergence of a new pandemic

During 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:

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.

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.).

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.

With geopolitical tensions expected to worsen or re-emerge in several regions of the world in 2023, the Group has introduced additional controls on cost management, customer credit management, sales agreements, CAPEX investments and foreign exchange management.

As in 2022, the Management Committee analysed the Group's exposure to the Russia-Ukraine and Israel-Palestine conflicts. In this context, it estimated that the Group has relatively limited exposure to those conflicts since, in 2023, it recorded less than 2% (vs 0.8% in 2022) of its revenues in Russia, less than 0.3% (vs 0.2% in 2022) in Ukraine and less than 3.5% (vs4% in 2022) in Israel and the Palestinian territories.

In addition, the Group does not currently hold any significant receivables to be recovered in Russia, Ukraine or Israel, and no sourcing is currently in place with suppliers from either of these three countries.

The Group has continued its drive to secure supplies, by strengthening its multi-sourcing policy for the most critical components, as described in section 2 - paragraph 2.9.2 of this Chapter 3, in order to reduce its level of dependence on certain suppliers, as well as the management of component inventories. In 2023, the Group also strengthened the management of its supply chain by structuring the sales and operations planning process.

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, the latest innovations by stakeholders in this area or exchange rate movements favourable to certain competitors.

Moreover, the Group believes that its model for vertical integration (from design through to the distribution of its products), including the acquisition of the Convergent assets in 2023, 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. In particular, the Group is investing in automation and the internal development of fibre optics.

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 two medium to long-term development roadmaps (one for the Photonics Division, one for the Medical 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 2023.

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 3.9% in the past year, partly to help employees cope with the effects of inflation in the countries where it operates. 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 certain leaders the possibility of benefitting from the value they helped to create.

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 two years, this approach led to:

- 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,
- the deployment of multifactor authentication (MFA) for the office suite used by the Group,
- 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.
- improving the data backup system and implementing a disaster recovery plan;
- regular cyber security audits;
- setting up security governance at Group level.

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 since 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 corporate governance report, 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 2023, no direct customer or distributor of the Group represented more than 8% of consolidated revenues (vs 3% in 2022). The five biggest customers represent less than 15% of consolidated revenues (vs 10% in 2022).

Furthermore, in France, sales are systematically covered by credit insurance. Likewise, as concerns the Group's international sales (outside of France), which represented approximately 83% of its sales for financial year 2023 (in revenues, vs 84% in 2022), 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 2023 financial year, no supplier represented more than 2% of the Group's purchases (vs 3% in 2022), and the five top suppliers represented less than 9.0% of the Group's purchases (vs 10.5% in 2022). 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 sustainable 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.

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).

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 rolled out its code of conduct, notably incorporating the behavioral best practices to be adopted in terms of preventing corruption, to which a whistleblower scheme is attached. 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.

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

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), the Group has appointed an external Data Protection Officer for France. With his or her help, an action plan is put in place for each failure identified.

With regard to the risks of difficulties in producing and certifying information on sustainability or non-financial performance, the Group has set up an organisation to control and review this information by the CSR committee set up within the Board of Directors and by the Independent Third Party Organisation appointed to certify this information.

With regard to risks of non-compliance with health and safety regulations, a health, safety and working conditions committee meets quarterly at the 3 main French sites. A national body deliberates on these issues once a year. In addition, local measures have been put in place in other subsidiaries (Australia with a similar committee, United States: safety referents, etc.).

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

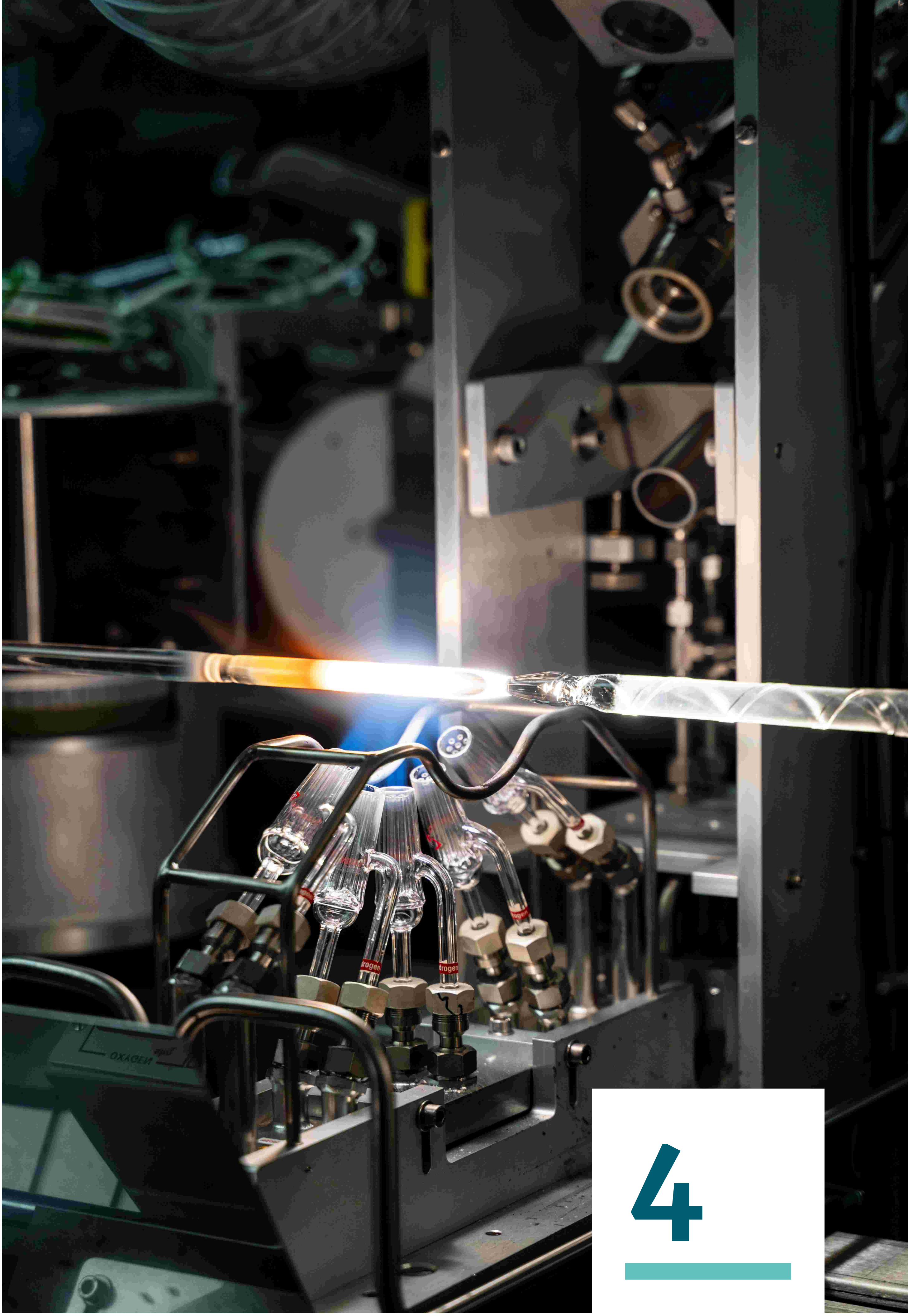
As concerns the risks linked to the Group's insurance policies (described under Section 1 - paragraph 4.5 of this Chapter 3), the Group strives, through its Finance Department, assisted by several insurance brokers, to continuously keep adequate coverage at reasonable premium levels in order to best 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 2023.

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.



4

FINANCIAL ELEMENTS

Section 1 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 Lumibird SA company and the Lumibird Group during the year ended 31 December 2023 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 non-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 YEAR 2023

1.1. Key events in year 2023

1.1.1. Activity

In a market driven by a strong demand, and without calling into question the good sales momentum and medium-term growth prospects, Lumibird achieved revenue growth of +5.2% in 2023 on a like-for-like basis, below its expectations, due to postponed sales. These were due to delays following the relocation of the Villejust and Ljubljana sites at the start of 2023 (as a result of the investment program carried out in 2022), to the postponement of deliveries from the fourth quarter to 2024 as a result of technical delays in the qualification and production of certain product series, and to the postponement of orders, partly for regulatory reasons and partly due to scheduling adjustments by certain customers.

Nevertheless, in a persistently inflationary environment, the Group has managed to hold its gross margin up, thanks to efforts to optimise purchasing and increase selling prices.

Meanwhile, Lumibird has maintained constant pressure on its operating costs, enabling it to post an EBITDA ratio on revenues of 18% in 2023 (on a historical basis), compared with 16.4% in 2022, and an operating profit rate (on a historical basis) of 10.4%, compared with 8.6% in 2022.

At the same time, the completion of the acquisition of Prima Industrie's high-power laser and semiconductor activities in Italy and the United States on 31 August 2023 has led to the inclusion of the results of these activities over 5 months in the Group's results (i.e. sales of €2.7 million and operating loss of €-2.4 million).

On a reported basis, Lumibird posted:

- revenues of €203.6 million (+12.6 million euros / +6.6%),
- EBITDA of €34.5 million (17% of revenues), up by €3.2 million year-on-year,
- operating profit of €18.5 million (9.1% of revenues), up €2.1 million year-on-year.

1.1.2. Group optimisation

As part of its ongoing drive for technological differentiation and efficiency, the Group has implemented a program to transform its Lidar systems division. This has resulted in an industrial rationalisation, bringing together the teams working on the same technology. As a result, the Group has repatriated to France the Atmospheric Lidar Systems activities historically located in the UK, the research and development and production activities for atmospheric Lidar and the Time-of-Flight Lidar Systems technology activities located in Ottawa. The closure of the Leigh and Ottawa sites generated one-off, non-recurring costs of €1.7 million, which are included in operating income. The full effects of this transformation are expected to be felt in 2024.

Operating income also included €2.6 million in costs relating to the dispute between Lumibird SA and the owner of the Les Ulis site over the return of the premises

1.1.3. Financial structure

Regarding its financial strategy, Lumibird:

- has continued its efforts to ensure that the maturity of its debt matches that of its operations: it has set up several financing lines dedicated to its 2022-2023 investments,
- has optimised its cash management by making short- to medium-term investments, which enabled it to cover the increase in interest expense resulting from the rise in the Euribor rate in 2023.

At 31 December 2023, the Group had a net financial debt position of €88.9 million (including a positive net cash position of €56.2 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)	31.12.2022 reported	31.12.2023 reported	Change
Revenues	**191.0**	**203.6**	**6.6%**
EBITDA [(1)]	*31.3*	*34.5*	*10.1%*
% of revenue	16.4%	17.0%	
Current operating income	*16.4*	*18.5*	*13.0%*
% of revenue	8.6%	9.1%	
Operating income	*17.3*	*12.2*	*-29.5%*
% of revenue	9.0%	6.0%	
Financial income	*(2.8)*	*(4.7)*	*67.1%*
Taxes	(3.1)	(0.3)	-89.4%
CONSOLIDATED NET INCOME	**11.4**	**7.1**	**-37.2%**

(1) Earnings 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 2023 was €203.6 million, up 6.6% from 2022 based on reported data. At constant scope of consolidation and exchange rates[(2)], this represents an increase of 7.5% compared with 2022.

(in million euros)	31.12.2022 Reported	31.12.2023 Reported	Change Reported	Change at constant scope and FX rates[(1)]
First quarter	38.0	40.9	7.6%	8.5%
Second quarter	46.1	56.3	22.3%	24.7%
Third quarter	40.9	41.8	2.2%	4.8%
Fourth quarter	66.0	64.6	-2.2%	-3.4%
TOTAL	**191.0**	**203.6**	**6.6%**	**7.5%**
Of which:				
Photonics	93.5	100.8	7.8%	7.4%
Medical	97.5	102.8	5.5%	7.6%

(1) Considering the rates for FY 2022 applied to revenues for 2023

Group revenues were evenly split between the Photonics (€100.8 million) and Medical (€102.8 million) divisions.

Photonics

The Defence/Space segment, driven by growing demand and an attractive range of very high-tech products, which include a large number of components produced within the Group, grew by 30.9% to €39.4m (+34.5% on a like-for-like basis), and by 8.2% to €15.8m in the 4th quarter.

The Lidar segment fell by 7.5% to €24.1m (down 6.1% on a like-for-like basis), down 39.6% in Q4 (to €5.8m), mainly due to a particularly high basis of comparison vs Q4 2022. The LIDAR business continues to grow strongly in the wind energy sub-segment, where LUMIBIRD sells its Lidar systems directly, and recorded this year a decline in the 3D Scan sub-segment, without however calling into question the strong growth prospects for this market.

In Industrial and Scientific activities, the Group ended the year with revenues of €37.4m, stable at -0.1% (-5.0% on a like-for-like basis), up 19.6% in the 4th quarter (€13.2m), driven largely by the catching up of production delays in the first quarter.

Revenues generated by the CONVERGENT business, acquired at the end of August 2023, are included in Industrial and Scientific activities. They totalled €2.7m in 2023 over 4 months, including €2.1m in Q4 2023.

Medical

Revenues in the Medical division rose by 5.5% over the year to €102.8m (+7.6% at constant exchange rates), with a slight decline in the fourth quarter (-3% to €29.8m) due to the postponement of sales to 2024 for regulatory reasons (delay in marketing authorisations) and administrative reasons (new purchasing policy for public hospitals in China). The breakdown of revenues between diagnostics (23%) and treatment (77%) is similar to previous years.

The currency effect had a negative impact on revenues of €4.5m in 2023, split between Photonics (€2.4m) and Medical (€2.1m).

1.2.2. Current operating profitability

Against the market backdrop described in section 1.1.1, the Group generated sales growth of 6.6% (reported data), below its expectations, while maintaining a solid margin rate (61.7%) and positive EBITDA and operating profit growth rates of 17% and 9.1% of sales respectively (compared with 16.4% and 8.6% a year earlier).

For the 2023 financial year, the Group achieved an operating profit on ordinary activities of €18.5 million (compared with €16.4 million in 2022). This increase of €2.1 million can be broken down as follows:

Current operating income generated by the Convergent business over 5 months	(€2.4m)
Change in gross margin at constant scope linked to growth(1)	+€6.8m
Increase in net external expenses(2)	(€1.4m)
Increase in personnel costs(2)	(€0.6m)
Increase in depreciation and amortisation(3)	(€0.7m)
Other expenses	+€0.4m

(1) In an inflationary environment, the 5.2% increase in sales on the historical consolidation scope was accompanied by resilience in margins (up from 61.8% to 62.1% overall) thanks to optimised purchasing,

(2) Operating costs were kept under control (up 2%), and were mainly impacted by unfavourable exchange rate movements on trade receivables and payables (-€1.1 million).

(3) 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 2024 onwards.

1.2.3. Operational profitability

Taking into account a current operating income of €18.5 million over 2023, the Group posted an operating profit of €12.2 million (compared to €17.3 million a year earlier).

The change compared to the previous year (-€5.1 million) is due to:

- the increase of the current operating income (+€2.1 million),
- the reduction in 2023 of costs directly related to M&A transactions: €1.0m,
- the recognition of restructuring costs for the Group's Lidar branch (including asset write-offs of €0.7m): -€1,7m,
- recognition of costs relating to the dispute between Lumibird SA and the owner of the Les Ulis building: -€2.6m,
- the change in income from asset disposals and asset write-downs between 2022 and 2023 (excluding asset write-downs in the lidar division): -€3.9m.

During 2023, the Group continued to be active in terms of M&A. On 31 August 2023, it completed the acquisition of Prima Industrie's high-power and semiconductor activities in Italy and the United States.

1.2.4. Financial result

The financial result for 2023 is -€4.7 million, compared to -€2.8 million a year earlier. This decline of €1.9 million is mainly due to:

- foreign exchange losses on financial transactions (-€1.9 million),
- the virtual stability of net financial debt (+€0.1 million), the increase in the quantum of debt and in the interest rate of debt being offset by the investment income generated by the Group in 2023. Average gross debt rises from €113.1 million in 2022 to €129.6 million in 2023, while the annualised interest rate of gross financial debt is 3.23% compared with 2.96% a year earlier.

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 and the Lidar branch restructuring, the Group's net income for 2023 came to €7.1 million.

1.3. Consolidated balance sheet summary

Extract from the consolidated balance sheet (in millions d'euros)	31.12.2022 Reported	31.12.2023 Reported	Variation
Non-current assets	184.9	207.9	23.0
Current assets (excluding cash and cash equivalents)	125.4	141.1	15.7
Cash and cash equivalents	61.7	56.2	(5.5)
TOTAL ASSETS	**372.0**	**405.2**	**33.2**
Shareholders' equity (incl. minority interests)	193.4	193.3	(0.1)
Non-current liabilities	58.8	137.8	79.0
Current liabilities	119.8	74.1	(45.7)
TOTAL LIABILITIES	**372.0**	**405.2**	**33.2**

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 2022 (reported), total non-current assets increased by €23.0 million. This increase can be broken down mainly as follows:

- €2.7 million change in goodwill carried by Lumibird, mainly due to the recognition of goodwill from the acquisition of Prima Industrie's high-power laser and semiconductor activities in Italy and the United States (+€3.8 million), the impact of the definitive allocation of Innoptics goodwill (-€0.3 million), the impact of change in the pound sterling exchange rate on Halo-Photonics goodwill (+€0.1 million) and the Australian dollar exchange rate on Ellex goodwill (-€1.0 million),
- €13.6 million in net tangible and intangible fixed assets, with net investment flows for the period (+€25.8 million) and the change in scope from the Convergent acquisition (+€5.6 million) partially offset by asset disposals (-€1.2 million), depreciation and amortisation charges (-€15.6 million) and translation differences and other changes (-€1.0 million),
- €6.8 million in non-current tax receivables (including deferred tax assets), of which €4.8 million arose from the generation of tax losses by the French tax group and the recognition of new temporary differences, and €2.0 million from the change in the portion over one year of the Group's research tax credits.

1.3.2. Current assets

Current assets, excluding cash, came to €141.1 million, up €15.6 million compared to 31 December 2022. This change is mainly due to the increase in inventories for €12.1 million and trade receivables (+€4.6 million due to the entry into the scope of Convergent assets as well as the evolution of business). 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:

(in millions euros)	Group
Shareholders' equity at 1 January 2023	**193.4**
Dividend distribution	-
Income– Group share	7.1
Translation differences	(2.6)
Actuarial differences	0.2
Treasury shares	(3.1)
Free shares	(1.5)
Other change	(0.2)
SHAREHOLDERS' EQUITY AT 31 DEC 2023	**193.3**

1.3.4. Current and non-current liabilities

(in millions d'euros)	31.12.2022 Non current	Current	Total	31.12.2023 Non current	Current	Total
Financial debts	48.6	65.6	114.2	128.6	16.5	145.1
Provisions (excluding employee benefits)	-	1.5	1.5	0.2	1.7	1.9
Employee benefits	2.7	0.1	2.7	2.6	0.2	2.8
Deferred tax liabilities	2.6	-	2.6	1.8	-	1.8
Other liabilities	4.9	51.9	56.7	4.6	52.7	57.3
Tax payable	-	0.9	0.9	-	3.0	3.0
TOTAL CURRENT AND NON-CURRENT LIABILITIES	**58.8**	**119.8**	**178.6**	**137.8**	**74.1**	**211.9**

Current and non-current liabilities amounted to €211.9 million euros, an increase of +€33.3 million over the year. This change mainly reflects the change in current tax (+€2.1 million) and the change in financial liabilities (+€30.9 million), explained below. The Group's net financial debt, by nature, is presented and evolves as follows:

(in millions d'euros)	31.12.2022	31.12.2023
Debts from credit institutions	63.0	95.0
Bonds	39.6	39.6
Financial lease and lease debts	9.5	9.8
Aid/ Repayable advances	0.5	0.2
Tax credits financing	-	-
Short-term bank borrowings and overdrafts	0.2	0.3
Other financial debts	1.4	0.1
TOTAL FINANCIAL DEBTS (CURRENT AND NON-CURRENT)	**114.2**	**145.1**
Cash assets	(61.7)	(56.2)
NET FINANCIAL DEBT	**52.5**	**88.9**
Of which less than one year[1]	3.9	(39.7)
Of which over one year	48.6	128.6

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

The Group's gross financial debt at 31 December 2023 was €145.1 million (i.e. +€30.9 million compared to the gross financial debt at 31 December 2022). This change is mainly due to:

- An increase in financial debts:
  - 19.5 million euros from the drawdown of the acquisition credit line, used to finance the acquisition of Prima Industrie's high-power laser and semiconductor businesses in Italy and the United States, on the same terms as those of the credit lines already drawn down,
  - 5.0 million euros through a 10-year loan from BPI Financement with an 8-quarter grace period, bearing interest at 3-month Euribor + 1.4%, with a cash pledge of €0.25 million,
  - 11.3 million euros from the drawdown of the balance of the credit line to finance the extension of the Lannion building
  - 5 million euros from the setting up of a financing facility to cover development work at Villejust,
  - 10.0 million euros in unmatched credit facilities to finance the Group's capital expenditure,
  - €0.3 million due to the change in the value of the debt resulting from lease contracts (revision of the probable useful life),
  - -€1.1 million due to the evolution of other debts (accrued interests, overdrafts, etc.).
- A decrease in financial debts induced by:
  - €19.1 million by debt repayments.

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 €22.6 million and €40.0 million on the Group's balance sheet at 31 December 2023) 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 financial debt, 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 2.6.

- 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.

At 31 December, the Group's cover ratio was 1.05.

1.4. Cash flow

In 2023, the Group recorded a net cash flow of -€4.2 million. The Group's cash flow statement is presented below:

(in millions euros)	31.12.2022	31.12.2023
Cash flow from operations	1.4	20.7
Cash flow from investments	(29.3)	(46.2)
Cash flow from financing	(7.9)	21.7
Impact of exchange rate variations	0.2	(0.4)
CHANGE IN CASH	**(35.6)**	**(4.2)**

1.4.1. Cash flow from operations

Over the financial year 2023, the Group generates a net cash flow of +€20.7 million from operations (vs €1.4 million the previous year); this flow over 2023 is mainly broken down as follows:

- €26.9 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,
- €4.8 million change in working capital requirements (WCR), mainly due to
  - . the increase in inventories (€2.8 million),
  - . the increase in trade receivables (€2.0 million) and trade payables (-€1.0 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 €1.0 million (notably VAT).
- €1.4 million in taxes paid.

1.4.2. Cash flow from investments

1.4.2.1. Investments carried out

(in millions euros)	31.12.2022	31.12.2023
Industrial investments	36.8	25.8
Financial investments (excluding acquisitions)	0.7	0.3
INVESTMENTS RECORDED	**37.6**	**26.1**
Disbursement on acquired industrial investments	29.4	25.6
Cash from disposals of industrial investments	(8.7)	(0.2)
Disbursement on acquired financial investments	0.7	0.3
Cash from disposals of financial investments	(0.2)	0.0
INVESTMENTS PAID OUT	**21.3**	**25.6**
Acquisition of subsidiaries – Net cash	***8.1***	***20.6***

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 2023, the Group's recorded industrial investments amounted to 25.8 million. They mainly concern:

- capitalised development costs for €12.4 million,
- new industrial facilities or improvements to existing facilities to support the Group's industrial development (€7.4 million), mainly relating to the extension of industrial capacity at the Lannion site,
- new rights of use (through leases) for €2.3 million, mainly in connection with the Group's property leases,
- miscellaneous equipment (€3.7 million).

1.4.2.2. *Ongoing investments*

As at 31 December 2022, the amount of ongoing investments recorded is €3.9 million and mainly concern the construction works of the fiber tower in Lannion.

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):
  - The Group subscribed for €50.7 million of new bank loans, details of which are provided in section 1.3.4 of this report,
  - The Group repaid its financial debts, in accordance with the repayment schedule (-€21.9 million),
  - The Group incurred €3.9 million of cash financial expenses.
- Other transactions on its shares (free shares, treasury shares) for -€3.2 million.

2. 2023 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:

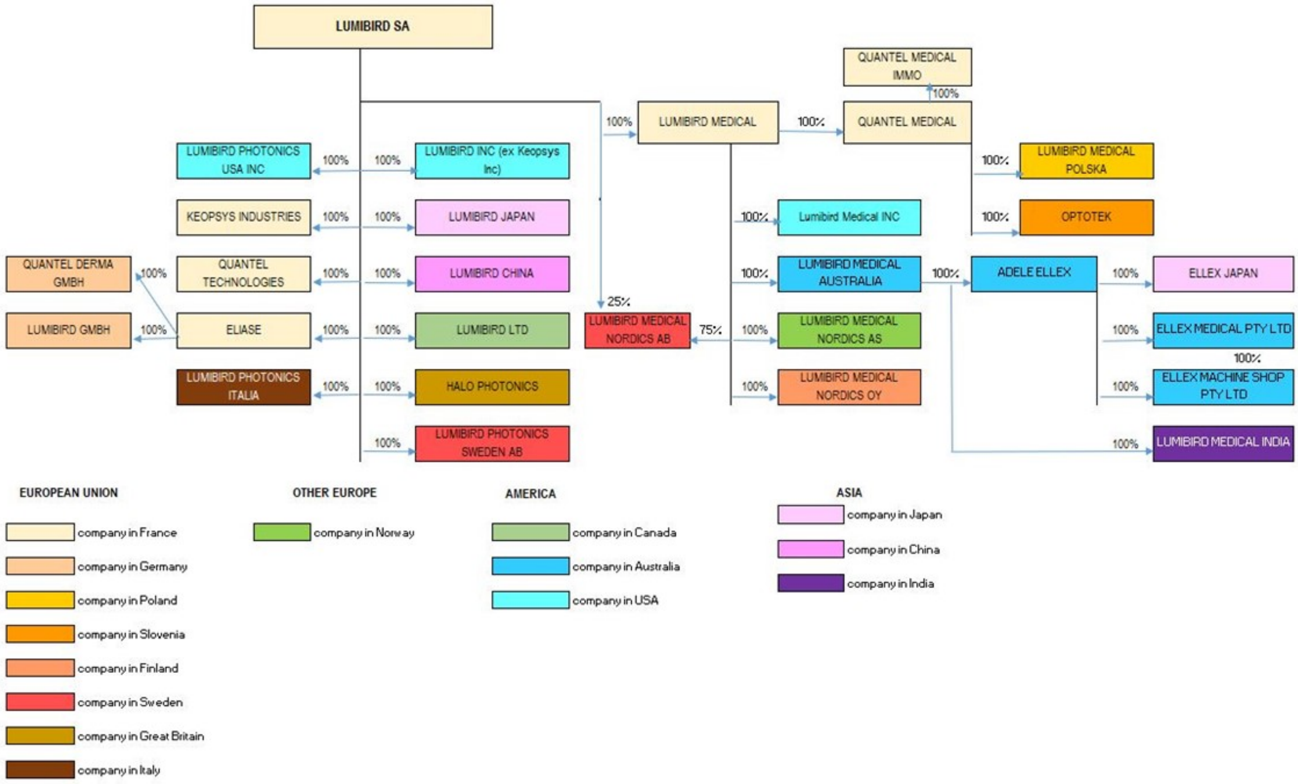
Extract from the profit and loss account (in millions euros)	31.12.2022 Reported	31.12.2023 Reported	Variation
Revenues	84.9	85.1	0.1
Operating income	(0.8)	(5.3)	(4.5)
Financial income	2.6	6.1	+3.5
Extraordinary income	(3.0)	(0.9)	+2.1
Income tax (including tax consolidation)	1.7	1.7	-
NET INCOME	**0.5**	**1.6**	**1.1**

Net income was €1.6 million, up €1.1 million. This change can be broken down as follows

- -€4.5m drop in operating income, mainly due to changes in Lumibird SA's gross margin, linked to the updating of transfer prices and changes in the operating costs of plants and marketing subsidiaries. The additional costs incurred by Lumibird in connection with the dispute with its former owner (Les Ulis site) were offset by a reduction in Lumibird SA's operating costs,
- +€3.5 million change in net financial income, this change resulting mainly from the management of subsidiaries (dividends received up by €5.5 million) and the impact of exchange rates on financial transactions (€2.0 million),
- +€2.1 million improvement in extraordinary income, mainly due to the following factors:
  - 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,
    - an error correction on the Quantel Medical dividend distribution led to the recognition of an exceptional expense of €1.5 million,
    - In 2023, as part of the legal proceedings underway following the lessor's refusal to renew its lease on the Les Ulis site, Lumibird SA has booked additional costs of €0.5 million over 2024.

2.2. Subsidiaries' business

2.2.1. Group structure at 31 December 2023



The structure presented above reflects the Group at 31 December 2023. 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 production activities (laser and Lidar systems) 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.

- **Lumibird Photonics USA** (formerly 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.
- **Lumibird Photonics Sweden,** a Göteborg-registered company specialising in defence laser rangefinders.
- **Lumibird Photonics Italia**, a company registered in Turin that recently joined the Group and specialises in the design and production of high-power semiconductors and fibre lasers.
- **Lumibird Ltd**, a Canadian company which, following the transformation carried out by the Group in 2023 and described in section 1.1.2, is carrying out targeted development activities at its Montreal site.

- Marketing activities for laser and Lidar systems 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 Quantel 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 Medical**, a Slovenian company acquired in 2019, specialized in the development of laser and optical solutions for medical applications,
  - **Quantel Medical Inc.**, that sells on the American market, the lasers and ultrasounds manufactured and distributed by Quantel Médical,
  - **Quantel Medical Polska**, a distribution company created in 2018 to serve the Eastern European markets.
  - **Lumibird Medical OY**, **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,
  - **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,
  - **Halo-Photonics**, based in Leigh, acquired in 2019 and in the process of being wound up on 31 December 2023, following the transfer of its business to the Keopsys Industries site.

The key figures for Lumibird's main subsidiaries at 31 December 2023 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 2023

On 31 August 2023, Lumibird completed the acquisition of Prima industries' high-power laser and semiconductor activities in Italy and the United States. This transaction led to the integration of Lumibird Photonics Italia into the Group's scope of consolidation, with effect from 31 August 2023.

In addition:

- Sensup was merged into Keopsys Industries on 31 October 2023,
- Veldys and Lumibird Transport were dissolved without liquidation by transferring all their assets and liabilities to Eliase on 31 March 2023,
- Halo-Photonics was mothballed following the transfer of its business to the Keopsys Industries site. It is due to be wound up in the first half of 2024.

3. RELATIONS BETWEEN LUMIBIRD AND ITS SUBSIDIARIES

The Group is centralised through Lumibird SA and its subsidiaries, which are all directly or indirectly fully owned.

3.1. Managers in common

At the date of this report, Mr Marc Le Flohic, CEO of Lumibird, is also:

- President of Lumibird Photonics USA (formerly Quantel USA), Lumibird Medical USA, Lumibird Inc., Lumibird Photonics Sweden,
- General Manager of Keopys Industries,
- Permanent representative of Lumibird, itself president of the subsidiaries Quantel Medical, Keopsys Industries, Quantel Technologies, Eliase, Lumibird Médical,
- General Manager of Optotek, Lumibird Japan, Lumibird China, Lumibird LTD, Lumibird Medical Australia, Adèle Ellex and Ellex Japan,
- Sole Director of Lumibird Photonics Italia SRL,
- General Manager of Lumibird GmbH.

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 2023:

- The Group's factories (Keopsys industries, Lumibird Photonics USA, Quantel Technologies, 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, Lumibird Photonics 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.

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 2023.

As the tax group is headed by the Company, it had at 31 December 2023, €5.5 million in deficits (compared to €4.3 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

Off-balance sheet commitments resulting from current operating activities (k€)	31.12.2022	31.12.2023
Trade receivables not due	-	-
Guarantees given on markets	-	-
Pledges on tangible and intangible assets	-	-
Pledges on securities	-	-
Actual sureties	-	-
TOTAL	-	-

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

Off-balance sheet commitments given or received in connection with debt (k€)	31.12.2022	31.12.2023
Trade receivables transferred	-	-
Guarantees and letters of intent	900	900
Collaterals and pledges on tangible and intangible assets	21,144	20,265
Collaterals and pledges on securities	140,000	140,000
Privilege to money lenders	8,042	5,742
Actual sureties	169,186	166,007
TOTAL COMMITMENTS GIVEN	170,086	166,907

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 70,630 thousand euros at 31 December 2023.

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 €10.0 million (confirmed budget), under the terms detailed under paragraph 1.3.4 of this report and (ii) to finance in the supplementary amount of €22.0 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, until 30 November 2024.

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. 441-14 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	-	-	-	-	-	-
	Total amount of invoices concerned (All taxes included) (k€)	-	526	5	419	87	1,038
	% of the total amount of purchases for the year	-	1%	Ns	Ns	Ns	1%
B - Invoices excluded from A, relating to disputes or unaccounted for	Number of invoices excluded						-
	Total amount excluded invoices						-
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						219
	Total amount of invoices concerned (All taxes included)	-	2,503	1,012	1,209	2,416	7,140
	% of the total amount of purchases for the year	-	3%	1%	1%	3%	8%
B - Invoices excluded from A, relating to disputes or unaccounted for	Number of invoices excluded						-
	Total amount excluded invoices						-
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 above are mainly related:

- to €2.6 million in invoices issued to intragroup subsidiaries for which payments is assured for 2024,
- to €4.5 million in invoices offset by advances and instalments recorded under liabilities in the amount of €3.4 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 2023 fiscal year, came to 19.9 million euros, with 12.8 million euros capitalized and 7.1 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 2023.

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

The major events that have occurred since the beginning of the 2024 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

After 3 years of heavy investment, the Group aims to benefit from the buoyant trends in its markets. It intends to rely on its capacity for innovation and production, strengthened by the growing integration of key technologies, and on an adapted and competitive product offering. The Group is targeting organic growth of over 8%, driven by the Defence/Space and Medical segments. The maturity achieved in terms of organisation should enable it to continue to work on adjusting its cost structure and optimising its profitability.

For more information on the Group's business model, the reader is referred to paragraph 1 of the Group's non-financial performance statement for the year ended 31 December 2023.

6.4. Future outlook and information on trends

The Group is maintaining its growth trajectory, driven by momentum in its key markets: Defence/Space, Medical and Lidar, where demand is strong in the short and medium term.

The Convergent business, acquired during 2023, will provide the Group with sales of a new range of fibre lasers, as well as key semiconductor technologies. This acquisition, along with the development of the fibre business at Lannion, represent technological building blocks that will enable the Group to accelerate its vertical expansion over the coming months and bolster its profitable growth. Convergent's high-power fibre lasers for civil applications will also enable the Group to develop new medical activities outside ophthalmology. The Convergent business was not profitable (negative EBITDA) in 2023. The implementation of synergies and the development of sales should enable these activities to achieve financial performance standards in line with those of the Group in the years ahead.

The Group expects to see more profitable growth in the years ahead, as it reaps the rewards of its investments.

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. 2021/821 of the European Parliament and the Council dated 20 May 2021. 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 Kéopsys Industries' 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.

Finally, all products, laser rangefinders, developed and manufactured by Lumibird Photonics Sweden AB are classified as war material and are therefore regulated by Swedish law, Lagen (1992:1300) om krigsmateriel and the Förordningen (1992:1303) om krigsmateriel. This means that Lumibird Photonics Sweden AB needs approvals from the national authority, the Swedish Inspectorate for Strategic Products (ISP), for all activities, e.g. development, production, exports from Sweden and cooperation with parties abroad, etc. The processing time at ISP varies depending on the type of authorisation requested and the identity of the customer/partner/end-user in the specific case.

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 Lumibird Photonics 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 Lumibird Photonics USA's export of guidance lasers manufactured and supplied to the Group's French subsidiaries, 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 requirements of EU Regulation 2017/745 dated 5 April 2017 relating to medical devices, in force since 26 May 2021 and Regulation 2023/607 dated 15 March 2023. 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. 2012/19/EU of the European Parliament and the Council dated 4 July 2012.

8. ALLOCATION OF EARNINGS

8.1. Proposed allocation of earnings

It will be proposed to allocate earnings for the year ended 31 December 2023, with a profit of €1,593,949 to "retained earnings", taking this account's from €83,186,681 to €84,780,630.

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 2023.

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.

9. 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:

k€	2019	2020	2021	2022	2023
Capital at the end of the year					
Share capital	18,430	22,467	22,467	22,467	22,467
Number of existing ordinary shares	18,429,867	22,466,882	22,466,882	22,466,882	22,466,882
Operations and results of the year					
Revenues excluding taxes	66,711	65,017	74,993	84,923	85,072
Income before taxes, employee profit-sharing, amortisation and provisions	9,016	76,565	2,494	968	2,312
Income tax	(577)	403	1,195	1,729	1,746
Income after taxes, employee profit-sharing, amortisation and provisions	7,829	75,904	3,829	470	1,594
Income distributed	-	-	-	-	-
Earnings per share					
Income after taxes, employee profit-sharing, before amortisation and provisions	0.44	3.43	0.16	120.02	180.64
Income after taxes, employee profit-sharing, amortisation and provisions	0.42	3.38	0.17	20.90	70.95
Personnel					
Average number of people employed during the year	135	134	62	66	74
Payroll	7,117	3,701	4,898	6,334	6,750
Employee benefits	3,445	1,841	2,184	3,020	2,853

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 Sensup has been merged into Keopsys Industries on 31 October 2023 and that Veldys and Lumibird Transport were dissolved without liquidation by transferring all of their assets to Eliase on 31 March 2023. Also, on 31 August 2023, Lumibird SA acquired 100% of the shares in Lumibird Photonics Italia.

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 21 September 2021, the Board of Directors 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.

As the performance conditions for this plan had not been met by 31 December 2023, the Board of Directors, at its meeting of 12 March 2024, noted that the 291,000 free shares initially allocated had lapsed and decided that none of these free shares would vest definitively.

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 2023, 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 allocated (A)	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	12 March 2024	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 at the end of vesting period (A*B*(1+C))	-	799,600	1,105,920
Number of free shares cancelled/refused	291,000		-
Remaining free shares at 31 December 2023	-	35,552	60,000

In 2023, 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 -€1,498,707 (due to the cancellation of the cumulative charge of €1,846,718 on the 21/09/2021 plan). In 2022, the impact of the plans was €1,539,941.

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 2023, 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 2023, out of the 22,466,882 shares comprising the share capital, 11,920,259 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 16th resolution, the Combined General Meeting on 28 April 2023 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 28 April 2023 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
- 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 2023, the following resources were recorded in the liquidity account:

- 42,985 Lumibird shares,
- 125,940.43 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 2023	42,985
Number of shares purchased from 1 January 2023 to 31 December 2023	72,489
Number of shares sold from 1 January 2023 to 31 December 2023	63,483
Average purchase price	14.69 €
Average sales price	16.45 €
Average unit cost price of securities in the portfolio at 31 December 2023	12.31 €

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	Operation	Nb. of shares before	Nb. shares issued	Nb. shares after	Additional paid-in capital	Nominal	Share capital
-	-	-	-	-	-	-	-

Lumibird's share capital has not changed over the last three financial years.

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

Shareholding structure	Situation at 31.12.2021				Situation at 31.12.2022			
	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%	17,777,747	62.12%	11,667,290	51.93%	17,911,080	62.11%
Group employees	4,209	0.02%	8,418	0.03%	170,003	0.76%	210,459	0.73%
Self-holding	260,536	1.16%	NA	NA	174,448	0.78%	-	-
Public	7,780,010	34.63%	8,079,388	28.23%	8,041,079	35.79%	8,301,734	28.79%
7 Industries Holding B.V(4)	1,706,649	7.60%	1,706,649	5.96%	1,706,649	7.60%	1,706,649	5.92%
AMIRAL GESTION(5)	1,048,188	4.67%	1,048,188	3.66%	707,413	3.15%	707,413	2.45%
TOTAL	**22,466,882**	**100%**	**28,620,390**	**100%**	**22,466,882**	**100%**	**28,837,335**	**100 %**

Shareholding structure	Situation at 31.12.2023				Situation at 01.03.2024			
	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)	11,617,290	51.71%	23,234,580	68.33%	11,617,290	51.71%	23,234,580	68.31%
Group employees	162,878	0.72%	203,213	0.61%	162,878	0.72%	203,213	0.60%
Self-holding	386,506	1.72%	-	-	374,761	1.67%	-	-
Public	7,906,333	35.19%	8,168,967	24.02%	7,947,891	35.37%	7,947,891	24.14%
7 Industries Holding B.V(4)	1,706,649	7.60%	1,706,649	5.02%	1,706,649	7.60%	1,706,649	5.02%
AMIRAL GESTION(5)	687,226	3.06%	687,226	2.02%	657,413	2.93%	657,413	1.93%
TOTAL	**22,466,882**	**100%**	**34,000,635**	**100%**	**22,466,882**	**100%**	**34,012,490**	**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 28,620,390 at 31 December 2021 and 28,837,335 at 31 December 2022 and 34,000,635 at 31 December 2023.

(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 2024 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 2023 are presented below:

Disclosure made by	Date of disclosure	Date of threshold crossing	Threshold crossed upwards / downwards	Threshold(s) crossed	Reasons for crossing
AMUNDI	4 July 2023	5 July 2023	Downwards	1%	Disposal of Lumibird shares on the market
AMUNDI	5 July 2023	5 July 2023	Upwards	1%	Acquisition of Lumibird shares on the market
AMIRAL GESTION	21 November 2023	17 November 2023	Downwards	2%	Disposal of Lumibird shares on the market
LBP AM	20 December 2023	20 December 2023	Downwards	1%	Disposal of Lumibird shares on the market

No other shareholding threshold disclosures were brought to the attention of Lumibird during the past year, or since the beginning of fiscal year 2024.

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).

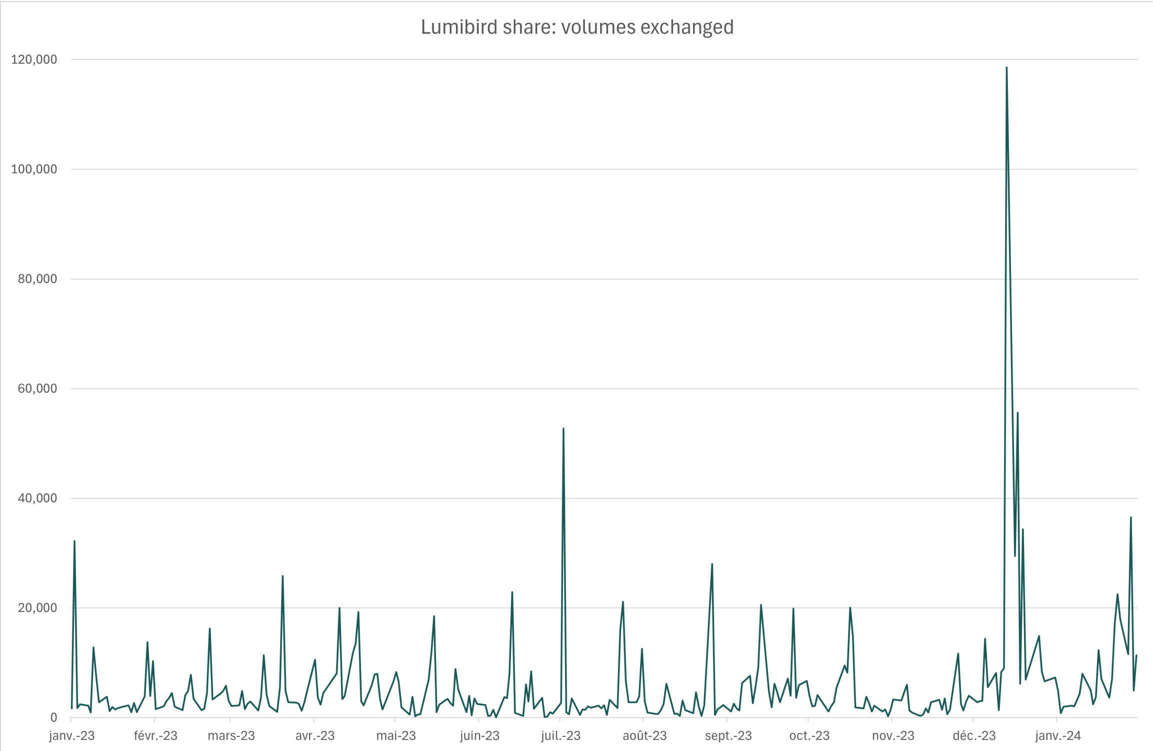
There are no requests underway for the Company's shares to be admitted on another market or stock exchange.

The Company's market capitalization, based on Lumibird's share price at 11 March 2024 (closing price), i.e. 13.70 euros, and the number of securities comprising the share capital on this date, i.e. 22,466,882 shares, represents €307.796 million.

The changes in Lumibird's share price since 1 January 2023 are presented below:

Lumibird share price (in euros)


Lumibird share price, in euros
20
19
18
17
16
15
14
13
12
11
10
Jan 23
Jan 23
Feb 23
Mar 23
Mar 23
Apr 23
May 23
May 23
Jun 23
Jul 23
Aug 23
Aug 23
Sep 23
Oct 23
Oct 23
Nov 23
Dec 23
Dec 23
Jan 24


Lumibird share: volumes exchanged
120,000
100,000
80,000
60,000
40,000
20,000
0
janv.-23
févr.-23
mars-23
avr.-23
mai-23
juin-23
juil.-23
août-23
sept.-23
oct.-23
nov.-23
déc.-23
janv.-24

Summary of share prices and volumes for the period from January 2023 to January 2024 (source: Euronext Paris S.A.)

DATE	HIGH	LOW	AVERAGE (AT CLOSING)	NUMBER OF SHARES TRADED
January 23	19.22	16.4	18.21	104,821
February 23	18.8	16.46	18.01	89,117
March 23	17.08	14.06	15.97	102,650
April 23	14.94	13.38	14.06	133,142
May 23	16.44	13.24	14.53	97,589
June 23	15.2	13.52	14.66	74,834
July 23	15.58	13.48	14.43	129,341
August 23	15.6	14.8	15.28	80,405
September 23	15.2	13.04	14.23	121,750
October 23	14.56	13.16	13.88	100,912
November 23	14.24	12.2	13.16	55,935
December 23	13.5	10.88	12.31	340,935
January 24	12.48	10.4	11.53	187,007

12.9. Potential capital

12.9.1. Information on stock options / warrants

No stock options or warrants were in place or awarded during 2023.

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 2023, no non-equity securities issued by the Company were outstanding on the date of this report.

12.9.4. Operations carried out in 2023 on Lumibird securities by executive officers, related parties and their family members

As part of Lumibird's buyback of 50,000 Lumibird shares from ESIRA on 5 July 2023, ESIRA has declared the transaction to the Autorité des marchés financiers (AMF), in accordance with Article L.621-18-2 of the French monetary and financial code and the AMF's general regulations. No other 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 2023 and since the start of 2024.

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 18,417 euros in 2023, generating a theoretical supplementary corporate income tax charge of 4,604 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 the Villejust site.

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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 31.12.2023

1. BALANCE SHEET AT 31 DECEMBER 2023

k€ ASSETS	Notes	GROSS	AMORT & DEPR.	NET 31.12.2023	NET 31.12.2022
Uncalled subscribed capital					
R&D costs		11,576	(499)	11,077	
Software, concessions, patents		23	(23)		
Other intangible assets		1,259	(927)	332	457
Intangible assets in progress					
Intangible assets	**Note 1**	**12,858**	**(1,448)**	**11,410**	**457**
Land					
Buildings		4,791	(21)	4,770	44
Technical facilities		133	(66)	67	71
Other tangible assets		1,410	(1,056)	355	412
Tangible assets in progress		2		2	3,637
Advances and deposits on tangible assets					
Tangible assets	**Note 1**	**6,336**	**(1,143)**	**5,193**	**4,164**
Equity interests		176,260	(9,533)	166,727	149,115
Equity securities held for investment		8,449	(949)	7,500	7,500
Receivables from equity interests		14,831		14,831	17,285
Loans		439		439	412
Guarantees and deposits paid		2,740		2,740	2,485
Merger Mali on financial assets					
Other long-term receivables					
Treasury shares		5,429	(704)	4,725	2,234
Financial assets	**Note2**	**208,147**	**(11,186)**	**196,962**	**179,032**
TOTAL FIXED ASSETS		**227,342**	**(13,777)**	**213,565**	**183,652**
Inventories and work-in-progress	Note 3 et 4	3,861	(351)	3,511	2,162
Prepayments and advances paid to suppliers	Note 5	13		13	111
Trade receivables	Note 5	28,541	(118)	28,423	24,604
Other receivables	Note 5	67,270	(42)	67,228	78,203
Total Current assets		*99,685*	*(510)*	*99,174*	*105,079*
Cash	Note 9	37,762	(17)	37,745	36,003
Prepaid expenses	Note 6	712		712	1,629
Accrued and deferred income		2,284		2,284	2,182
TOTAL ASSETS		**367,784**	**(14,304)**	**353,480**	**328,546**

LIABILITIES	Notes	31.12.2023	31.12.2022
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		83,187	82,717
Net income		1,594	470
Subventions			
Tax-regulated provisions			
TOTAL SHAREHOLDERS' EQUITY AND RESERVES	**NOTE 7**	**195,750**	**194,156**
Conditional advances			
Total shareholders' equity			
Provisions for risks and charges		*2,303*	*1,654*
Financial debt		**107,299**	**90,369**
Other financial liabilities		236	169
Total financial liabilities	*Note 9*	*107,534*	*90,538*
Advances received on client orders		3,361	1,611
Trade and related payables		23,290	28,048
Other payables		20,785	10,670
Total payables	*Note 9*	*44,074*	*38,718*
Deferred income	**Note 10**	**75**	**1,080**
Accrued liabilities		381	789
TOTAL LIABILITIES		**353,480**	**328,546**

2. 2023 INCOME STATEMENT (k€)

k€	31.12.2022	31.12.2023
Net revenues	**84,923**	**85,072**
Inventoried production	326	1,512
Capitalised production		
Operating subsidies	254	41
Reversal of depreciation and provisions – expense transfers	602	202
Other revenues	1,130	788
Other operating revenues	2,312	2,543
Total operating revenues	*87,234*	*87,615*
Purchases consumed	(52,395)	(57,910)
Other purchases and external expenses	(22,298)	(22,127)
Taxes, duties and similar payments	(560)	(526)
Wages and salaries	(6,334)	(6,750)
Payroll taxes	(3,020)	(2,853)
Depreciations	(469)	(1,122)
Provisions	(1,769)	(327)
Other expenses	(1,274)	(1,325)
Total operating expenses	*(88,118)*	*(92,940)*
OPERATING INCOME	**(884)**	**(5,325)**
Financial income	9,681	10,319
Financial charges	(7,074)	(4,252)
NET FINANCIAL INCOME	**2,606**	**6,067**
Extraordinary income	636	452
Extraordinary charges	(3,618)	(1,346)
EXTRAORDINARY RESULT	**(2,982)**	**(894)**
Employees profit sharing		
Income tax	1,729	1,746
NET INCOME	**470**	**1,594**

3. ALLOCATION OF NET INCOME PROPOSAL (k€)

k€	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	83,187	1,594	–	84,781
NET INCOME	1,594	(1,594)	–	–

4. NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Lumibird's annual financial statements are expressed in K euros, unless otherwise indicated. They were approved by the Board of Directors on 12 March 2024.

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

4.2. Key events of the year

For Lumibird, 2023 was a year of business growth. However, faced with execution problems in the Group's factories, the order backlog remained high and inventories high.

In terms of Holding activity, Lumibird :

- continued to provide its subsidiaries with operational support (to deploy the Group's strategy) and financial support (to finance their activities);
- organised the restructuring of the Lidar business within the photonics division. In this context, Lumibird SA authorised the merger of its subsidiaries Sensup (absorbed company) and Keopsys Industries (absorbing company) on 31 October 2023, and acquired the intellectual property of Halo-Photonics (now in liquidation) and Lumibird LTD (for which the Ottawa site has been closed);
- maintained an active M&A strategy, which led to the completion on 31 August 2023 of the acquisition of Prima industries' high-power laser and semiconductor activities in Italy (through the purchase of Convergent Photonics) and in the United States (through the purchase of assets by Lumibird Photonics USA).

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 several lines of financing totalling 34.5 million euros.

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	15 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 (k€)	Opening	Increase	Decrease	Other variations	Closing
R&D costs	-	11,576	-	-	11,576
Software, concessions, patents	23	-	-	-	23
Other intangible assets	1,107	152	-	-	1,259
Intangible assets in progress	-	-	-	-	-
Advances and deposits on intangible assets	-	-	-	-	-
Intangible assets	**1,130**	**11,728**	**-**	**-**	**12,858**
Lands	-	-	-	-	-
Buildings	59	2	-	4,730	4,791
Technical facilities	124	8	-	1	133
Other tangible assets	1,361	50	-	(1)	1,410
Tangible assets in progress	3,637	1,095	-	(4,730)	2
Advances and deposits on tangible assets	-	-	-	-	-
Tangible assets	**5,181**	**1,155**	**-**	**-**	**6,336**
TOTAL INTANGIBLE AND TANGIBLE FIXED ASSETS	**6,311**	**12,883**	**-**	**-**	**19,194**

Amortisation and depreciation (k€)	Opening	Increase	Decrease	Other variations	Closing
Research costs - Amort.	-	(499)	-	(499)	
Software, concessions, patents – Amort	(23)	-	-	(23)	
Other intangible assets – Amort	(650)	(277)	-	(927)	
Research costs – Loss of value	-	-	-	-	
Software, concessions, patents – Loss of value	-	-	-	-	
Other intangible assets – Loss of value	-	-	-	-	
Intangible assets in progress – Loss of value	(673)	(776)	-	(1,448)	
Intangible assets Amort and depreciation	**(673)**	**(776)**	**-**	**(1,448)**	
Lands - Amort.	-	-	-	-	
Buildings - Amort.	(15)	(7)	-	(21)	
Technical facilities - Amort.	(54)	(12)	-	(66)	
Other tangible assets - Amort.	(949)	(106)	-	(1,056)	
Land – Loss of value	-	-	-	-	
Buildings – Loss of value	-	-	-	-	
Technical facilities – Loss of value	-	-	-	-	
Other tangible assets – Loss of value	-	-	-	-	
Tangible assets in progress – Loss of value	-	-	-	-	
Tangible assets Amort and Depreciation	(1,018)	(125)	-	(1,143)	
AMORTISATION AND DEPRECIATION INTANGIBLE AND TANGIBLE ASSETS	**(1,690)**	**(901)**	**-**	**(2,591)**	

Net value (k€)	Opening	Increase	Decrease	Other variations	Closing
R&D costs	-	11,077	-	-	11,077
Software, concessions, patents	0	-	-	-	0
Other intangible assets	457	(125)	-	-	332
Intangible assets in progress	-	-	-	-	-
Advances and deposits on intangible assets	-	-	-	-	-
Intangible assets	**457**	**10,953**	**-**	**-**	**11,410**
Land	-	-	-	-	-
Buildings	44	(4)	-	4,730	4,770
Technical facilities	71	(5)	-	1	67
Investment properties	412	(56)	-	(1)	355
Tangible assets in progress	3,637	1,095	-	(4,730)	2
Advances and deposits on tangible assets	-	-	-	-	-
Tangible assets	**4,164**	**1,029**	**-**	**-**	**5,193**
TOTAL INTANGIBLE AND TANGIBLE FIXED ASSETS	**4,621**	**11,982**	**-**	**-**	**16,603**

As explained in section 4.2 of these notes, Lumibird SA acquired the intellectual property of Halo-Photonics (€8.6 million) and Lumibird LTD (€3.0 million). These 2 acquisitions explain the increase in "Research & development costs".

Note 2 – Financial assets table

Gross value (k€)	Opening	Increase	Decrease	Other variations	Closing
Equity interests	158,648	5,598	(101)	12,114	176,260
Fixed assets of the portfolio activity	8,449	–	–	–	8,449
Receivables from equity interests	17,285	–	–	(2,454)	14,831
Loans	412	29	(1)	–	439
Guarantees and deposits paid	2,485	255	(0)	(0)	2,740
Merger loss on financial assets	–	–	–	–	–
Other long-term receivables	–		–	–	–
Treasury shares	2,362	4,162	(1,095)	–	5,429
FINANCIAL FIXED ASSETS	**189,641**	**10,044**	**(1,198)**	**9,660**	**208,147**

Impairment (k€)	Opening	Increase	Decrease	Other variations	Closing
Equity interests	(9,533)	–	–	–	(9,533)
Fixed assets of the portfolio activity	(949)	–	–	–	(949)
Receivables from equity interests	–	–	–	–	–
Loans	–	–	–	–	–
Guarantees and deposits paid	–	–	–	–	–
Loss on financial assets	–	–	–	–	–
Other long-term receivables	–	–	–	–	–
Treasury shares	(128)	(607)	31		(704)
FINANCIAL ASSETS IMPAIRMENT	**(10,610)**	**(607)**	**31**	**–**	**(11,186)**

Net value (k€)	Opening	Increase	Decrease	Other variations	Closing
Equity interests	149,115	5,598	(101)	12,114	166,727
Fixed assets of the portfolio activity	7,500	–	–	–	7,500
Receivables from equity interests	17,285	–	–	(2,454)	14,831
Loans	412	29	(1)	–	439
Guarantees and deposits paid	2,485	255	(0)	(0)	2,740
Merger loss on financial assets	–	–	–	–	–
Other long-term receivables	–	–	–	–	–
Treasury shares	2,234	3,555	(1,064)	0	4,725
FINANCIAL ASSETS	**179,032**	**9,437**	**(1,167)**	**9,660**	**196,962**

Equity interests

Table of subsidiaries and affiliates

French subsidiaries

Fiscal year 2023	Share Capital	Other shareholder s' equity	owner-ship %	Net book value	Loans and advances given and not repaid yet	Endorse-ments	Revenue excluding tax	Net income	Dividends from consolidated equity interests
KEOPSYS INDUSTRIES	1,795	5,302	100.00%	6,655	13,702		34,338	1,241	500
QUANTEL TECHNOLOGIES	1,753	834	100.00%	1,764	5,189		17 588	616	1,100
ELIASE	100	16	100.00%	100	-		-	(37)	-
LUMIBIRD MEDICAL	116,652	4,616	100.00%	116,652	18,864		-	3,809	3,900

Foreign subsidiaries

Fiscal year 2023	Share Capital	Other shareholder s' equity	owner-ship %	Net book value	Loans and advances given and not repaid yet	Endorse-ments	Revenue excluding tax	Net income	Dividends from consolidated equity interests
LPUSA (ex QUANTEL USA)	3.892	12.852	100%	21.707	1.517		20.589	(5.436)	-
LUMIBIRD INC	5	3.122	100%	-	0		18.655	534	-
LUMIBIRD JAPAN	63	215	100%	100	796		5.459	69	-
LUMIBIRD CHINA	201	(364)	100%	200	-		3.836	56	-
LUMIBIRD LTD	2.732	301	100%	2.716	530		9.262	1.546	-
HALO-PHOTONICS	0	9.464	100%	8.051	-		751	6.853	-
LPS AB	2.733	1.647	100%	2.734	1.266		13.190	1.479	-
LMN AB	1.862	(1.550)	25,6%	450	180		2.651	(281)	
LP ITALIA	10	1.772	100%	5.598	10.457		2.720	(1.850)	

Key events of the year

On 31 August 2023, the Lumibird Group completed the acquisition of Prima Industrie's high-power laser and semiconductor activities in Italy and the United States. For Lumibird SA, this resulted in:

- the acquisition of Convergent Photonics (renamed Lumibird Photonics Italia), which specialises in the production of semiconductors, for €5.6 million;
- an advance of 7.8 million euros to Lumibird Photonics USA (of which 5.2 million euros in capital and 2.6 million euros in current account) for the latter to acquire the assets held by Prima Industrie North America.

As part of its holding company activities, Lumibird SA also:

- merged Sensup into Keopsys Industries, both wholly-owned subsidiaries of Lumibird SA;
- sold its interests in Veldys and Lumibird Transport to its wholly-owned subsidiary Eliase;
- recapitalised Lumibird Medical Nordics AB (for 0.4 million euros) and Lumibird Photonics USA (for 6.4 million euros) through the partial capitalisation of current accounts.

Valuation of equity interests

Lumibird carries out an annual valuation of its equity interests in accordance with the method described in section 1.3.3 of these notes. The analysis carried out in 2023 did not reveal any need to adjust the provisions for impairment previously recorded.

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. Cilas shares are valued at their minimum expected recoverable amount in the context of ongoing discussions concerning a possible sale,
- Shares in Medsurge, for which a 100% provision has been made

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 (€2,400,000) 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 (k€)	Gross	Depreciation	Net 31.12.2023	Net 31.12.2022
Inventories of materials and supplies	59	(21)	38	62
Work in progress	-	-	-	(0)
Parts	3,784	(327)	3,458	2,049
Finished goods	18	(3)	16	50
TOTAL INVENTORIES	**3,861**	**(351)**	**3,511**	**2,162**

Provision

Depreciation (k€)	Opening	Increase	Decrease	Other variations	Closing
Write-down on inventories – material and supplies	11	15	(4)	-	21
Write-down on inventories - WIP	-	-	-	-	-
Write-down on inventories - parts	223	108	(4)	-	327
Write-down on inventories – finished goods	-	-	-	-	-
PROVISIONS FOR INVENTORY WRITE-DOWNS	**233**	**122**	**(8)**	**-**	**348**

Note 4 - Receivables

Receivables (k€)	Gross 31.12.2022	Gross 31.12.2023	Up to 1 year	Over 1 year
Fixed assets				
Fixed assets of the portfolio activity	8,449	8,449	-	-
Receivables from equity interests	17,285	14,831	-	14,831
Loans	412	439	-	439
Guarantees and deposits paid	2,485	2,740	116	2,624
Treasury shares	2,362	5,429	-	5,429
Other financial fixed assets	**30,993**	**31,888**	**116**	**23,323**
Current assets				
Prepayments and advances paid to suppliers	*111*	*13*	*13*	*-*
Trade and related receivables	*24,724*	*28,541*	*28,541*	*-*
Personnel and welfare agencies receivables	21	23	23	-
Taxes and duties recoverable, excluding income tax	3,912	1,592	1,592	-
Tax consolidation related receivables	4,778	1,022	1,022	-
Income tax	8,028	11,420	1,053	10,367
Group and associated companies	60,611	52,675	52,675	-
Other receivables	895	537	537	-
Other receivables	*78,244*	*67,270*	*56,903*	*10,367*
Prepaid expenses	1,629	712	712	-
Deferred expenses	920	837	244	594
Translation differences – assets	1,262	1,447	1,447	
TOTAL CURRENT ASSETS	**106,890**	**98,819**	**87,858**	**10,961**
TOTAL RECEIVABLES	**137,883**	**130,707**	**87,974**	**34,284**

As at 31 December 2023, 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 2023, the resources made available to the investment service provider under the liquidity contract were as follows:

- 42,985 shares,
- 125,940,43 euros in cash.

Number of treasury shares held at 31 December 2023	42,985
Number of shares purchased from 1 January to 31 December 2023	72,489
Number of shares sold from 1 January to 31 December 2023	63,483
Average purchase price	€14.69
Average sales price	€16.45
Average unit cost price of securities in the portfolio at 31 December 2023	€12.31

Note 6 - Prepaid expenses

Prepaid expenses (k€)	31.12.2022	31.12.2023
Property lease / Rent	127	253
Equipment lease / rent	18	3
Safety - maintenance and repair	156	18
Insurance	48	52
Fees/studies	103	14
Prepaid expenses on long-term contracts	784	–
Fairs, exhibitions and seminars	46	41
Licences	319	290
Other	29	40
TOTAL PREPAID EXPENSES	**1,629**	**712**

Note 7 - Change in shareholders' equity

Change in shareholders' equity (k€)	Share Capital	Paid-in capital	Reserves	Other reserves	Retained earnings	Net income	Total Shareholders' equity
SITUATION AT 31.12.2021	**22,467**	**86,103**	**2,247**	**153**	**78,888**	**3,829**	**193,687**
Allocation to retained earnings	–	–	–	–	3,829	(3,829)	–
Net income	–	–	–	–	–	470	470
Capital increase	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–
SITUATION AT 31.12.2022	**22,467**	**86,103**	**2,247**	**153**	**82,717**	**470**	**194,156**
Allocation to retained earnings	–	–	–	–	470	(470)	–
Net income	–	–	–	–	–	1,594	1,594
Capital increase							
Dividend distribution	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–
SITUATION AT 31.12.2023	**22,467**	**86,103**	**2,247**	**153**	**83,187**	**1,594**	**195,750**

As at 31 December 2023, 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 2023 by:

	Nb of shares	% of capital	Nb of voting rights[1]	% of voting rights[2]
ESIRA[3]	11,617,290	52%	23,234,580	68%
Group executives	162,878	1%	203,213	1%
Treasury shares	386,506	2%		0%
7 Industries Holding B.V[4]	1,706,649	8%	1,706,649	5%
Amiral Gestion[5]	687,226	3%	687,226	2%
Other, incl. Public	7,906,333	35%	8,168,967	24%
TOTAL	**22,466,882**	**100%**	**34,000,635**	**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 34,000,635 at 31 December 2023.

(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, 2023 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 Group's 2023 consolidated financial statements, noting that the plan's performance conditions had not been met, the number of shares provisioned was reduced to zero.

In addition, 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	closing 2023	closing 2024 (20%) and 2026 (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	86,000	-
Number of free shares pending	-	-
Number of shares remaining at the vesting date	205,000	60,000
REMAINING FREE SHARES AT DECEMBER 31 2022 (A)	**-**	**60,000**

Note 9 - Provisions

PROVISIONS FOR RISK AND CHARGES (k€)	Opening	Increase	Used reversal	Unused reversal	Other variations	Closing
Tax-regulated provisions	-	-	-	-	-	-
Total I	**-**	**-**	**-**		**-**	**-**
Provisions for litigation	263	577	(230)	(33)	-	577
Provisions for waranty	84	29	-	-	-	113
Provisions for foreign exchange loss	1,262	255	(70)	-		1,447
Other provisions for risk	45	123	-	-	-	167
Provisions for pensions and retirement	-	-	-	-	-	-
Provisions for expenses	-	-	-	-	-	-
Total II	**1,654**	**983**	**(300)**	**(33)**	**-**	**2,303**
TOTAL PROVISIONS FOR RISK AND CHARGES	**1,654**	**983**	**(300)**	**(33)**	**-**	**2,303**
PROVISIONS FOR RISK AND CHARGES (k€)		**Increase**	**Used reversal**	**Unused reversal**		
Operational Allocation / Reversal		202	(70)	(23)		
Financial Allocation / Reversal		255	-	-		
Extraordinary Allocation / Reversal		527	(230)	(10)		
TOTAL ALLOCATION/REVERSAL		**983**	**(300)**	**(33)**		

Provisions for litigation consist of provisions for employee-related risks (€50k) and a provision for the dispute between Lumibird and the owner of the Les Ulis site (€527k).

Note 10 – Liabilities

Statement of liabilities (k€)	31.12.2022	31.12.2023	Less than 1 year	More than 1 year
Bond issues	40,000	40,000		40,000
Financial debt and bank overdraft	50,538	67,534	12,128	55,406
Total borrowings and financial debt	**90,538**	**107,534**	**12,128**	**95,406**
Advances and deposits received on orders	**1,611**	**3,361**	**3,361**	
Trade and related payables	**28,048**	**23,290**	**23,290**	
Personnel and related liabilities	2,032	2,329	2,329	
Tax liabilities (excluding income tax)	690	1,801	1,801	
Liabilities relating to tax consolidation	2,627	2,654	2,654	
State – income tax	134			
Group current account	5,187	14,001	14,001	
Other liabilities				
Other operating liabilities	**10,670**	**20,785**	**20,785**	
Prepaid income	1,080	75	75	
Accrued liabilities	789	381	381	
Total current liabilities	**42,198**	**47,892**	**47,892**	
TOTAL LIABILITIES	**132,736**	**155,426**	**60,020**	**95,406**

Bank borrowings and financial debt

Borrowing status

(k€)	31.12.2022	31.12.2023
Bond issues	40,000	40,000
Debt from credit institutions	50,369	67,299
Interests on debt	155	225
Bank overdrafts	14	10
Total bank borrowings and financial debt	**90,538**	**107,534**
Active cash	36,003	37,745
NET FINANCIAL DEBT	**54,535**	**69,789**

Table of changes in borrowings

Value (k€)	Opening	Increase	Decrease	Other variations	Closing
Bond issues	40,000	-	-	-	40,000
Debt from credit institutions	50,369	34,500	(17,587)	17	67,299
Borrowings and other financial liabilities	-	-	-	-	-
Interests on debt	155	87	-	(17)	225
Bank overdrafts	14	(3)	-	-	10
TOTAL BANK BORROWINGS AND FINANCIAL DEBT	**90,538**	**34,583**	**(17,587)**	**-**	**107,534**
Active cash	36,003	1,743	-	-	37,745
NET FINANCIAL DEBT	**54,535**	**32,840**	**(17,587)**	**-**	**69,789**

During financial year 2023, the company has :

- drew down 19.5 million euros from its "unconfirmed" credit envelope to finance the "Convergent" transaction described in section 4.2 of these notes; the credit terms are identical to those applied to the debt already drawn down;
- set up a €5 million credit line with BPI Financement, with a 10-year maturity and an 8-quarter grace period, bearing interest at Euribor 3 months + 1.40%, with a cash collateral of €0.25 million;
- put in place several lines of financing, dedicated to the Group's investments for a total of €10 million, with a 10-year maturity.

In addition, Lumibird renegotiated its acquisition debt package under the "Confirmed Loan" (reducing it from €41,250k to €10,000k) and extended by one year, i.e. until 30 November 2024, the mobilisation date for the debt under the "Confirmed Loan" and the "Unconfirmed Loan".

The Group's acquisition debt, both bank (drawn for €22.6 million at 31 December 2023) 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 2.58.

- 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.

At December 31, 2023, the coverage ratio was 1.05.

Note 11 – Prepaid income

Prepaid income (€'000)	31.12.2022	31.12.2023
Other prepaid income	1,080	75

Note 12 – Acrrued income / Accrued expenses

Accrued income

Accrued income (k€)	31.12.2022	31.12.2023
Long-term contracts	3,105	3,713
Invoices to be issued	901	2,337
Tax and personnel receivables	-	38
Other accrued income	-	459
TOTAL ACCRUED INCOME	**4,006**	**6,547**

Accrued expenses

Accrued expenses (k€)	31.12.2022	31.12.2023
Unreceived invoices	9,288	9,128
Employee vacation payables	584	737
Other tax and personnel payables	1,469	1,752
Credit notes to be received		
Accrued interests	155	225
Unpaid invoices on long-term contracts	7,415	3,339
TOTAL ACCRUED EXPENSES	**18,911**	**15,181**

Note 13 – Translation differences

Translation differences assets (k€)	31.12.2022	31.12.2023
Customers	128	136
Suppliers	323	245
Current accounts	811	1 066
TOTAL TRANSLATION ASSETS DIFFERENCES	**1,262**	**1,447**
Translation differences liabilities (k€)	**31.12.2022**	**31.12.2023**
Suppliers	77	65
Customers	31	21
Current accounts	682	295
TOTAL TRANSLATION DIFFERENCES LIABILITIES	**789**	**381**

4.7. Notes to the income statement

Note 14 - Revenues

Total sales

Revenues (k€)	31.12.2022	31.12.2023
Sales of goods	892	789
Production sold (goods)	70,980	66,714
Production sold (services)	10,824	15,407
Revenue from auxiliary activities	2,227	2,162
REVENUES	**84,923**	**85,072**
Of which Export	*61,894*	*63,221*
Of which sales recognised on an ongoing basis	*13,730*	*9,373*

Distribution of sales by geographical area

Distribution of sales by geographical area (k€)	31.12.2022	31.12.2023
Hong Kong	1,414	6,279
USA	15,346	15,590
Germany	6,472	6,860
Korea	2,200	1,594
China	7,593	5,504
Austria	2,243	1,485
Switzerland	3,377	3,529
Israël	6,543	6,079
Other	16,707	16,299
TOTAL EXPORT SALES BY GEOGRAPHICAL AREA	**61,894**	**63,221**

Note 15 – Purchases consumed

Purchases consumed (k€)	31.12.2022	31.12.2023
Purchase of raw materials	(11,321)	(11,991)
Purchases of studies and services	–	–
Other purchases	(295)	(28)
Purchases of equipment and supplies not held in inventory	–	–
Purchase of gas and electricity	(292)	(526)
Purchase of water	(16)	(11)
Purchase of fuel	(37)	(52)
Purchase of goods	(40,385)	(45,044)
Incidental expenses	(33)	(211)
Purchases of raw materials, goods and supplies	**(52,379)**	**(57,864)**
Change in inventories of raw materials	(17)	(14)
Change in inventories of goods	1	(32)
Change in inventories	**(16)**	**(46)**
Purchases consumed	**(52,395)**	**(57,910)**

Note 16 – Increase and reversal of operating provisions

Reversal of operating provisions (k€)	31.12.2022	31.12.2023
Reversal of operating provisions on fixed assets	–	–
Reversal of operating on inventories	1	8
Reversal of operating provisions on current assets	–	–
Reversal of provisions for operating risks and expenses	580	93
REVERSAL OF OPERATING PROVISIONS	**582**	**101**
Increase in operating provisions (k€)	**31.12.2022**	**31.12.2023**
Operating provisions on fixed assets	–	–
Operating provisions on inventories	(153)	(125)
Operating provisions on current assets	(33)	–
Operating provisions for operating risks and expenses	(1,582)	(202)
ALLOCATIONS TO OPERATING PROVISIONS	**(1,769)**	**(327)**

Note 17 – Workforce

	31.12.2022	31.12.2023
Design and manufacturing	6	6
Commercial	9	12
Administrative	51	59
Number of employees to date	**66**	**77**
Average number of employees	**66**	**74**

Note 18 – Financial income

Financial income (k€)	31.12.2022	31.12.2023
Dividends from consolidated companies	2,001	7,548
Income from securities	1,647	2,562
Reversal of financial provisions	3	32
Provisional financial write-backs of consolidated securities	4,068	–
Positive foreign exchange differences on financial transactions	1,962	177
Other financial income	–	–
Transfer of financial expenses	–	–
Financial income	**9,681**	**10,319**
Interest and similar expenses	(2,520)	(3,218)
Net expenses on disposal of marketable securities	–	–
Allocation to financial provisions	(175)	(862)
Financial provisions on consolidated securities	(4,467)	–
Exchange loss on financial transactions	88	(172)
Other financial income	–	–
Financial expenses	**(7,074)**	**(4,252)**
FINANCIAL RESULTS	**2,606**	**6,067**

Note 19 – Extraordinary result

Extraordinary results (k€)	31.12.2022	31.12.2023
Extraordinary income from management operations	1	13
Proceeds from the disposal of fixed assets	73	199
Reversal of exceptional provisions	–	240
Transfers of exceptional expenses	–	–
Transfers of exceptional personnel expenses	562	–
Extraordinary income	**636**	**452**
Exceptional expenses on management operations	(1,525)	(546)
Net book value fixed assets	(2,093)	(274)
Allocation to exceptional provisions	–	(527)
Extraordinary expenses	**(3,618)**	**(1,346)**
EXTRAORDINARY RESULT	**(2,982)**	**(894)**

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

In 2023, as part of the dispute with the owner of the Les Ulis site, the company set aside a provision for the costs to be incurred in 2024.

Note 20 - Tax breakdown

Tax breakdown (k€)	Income before tax and after profit sharing	Reintegration	Deductions	Tax result breakdown	Tax payable	Net income
Operating income	(5,325)	2,899	(1,949)	(4,376)	-	(5,325)
Financial income	6,067	549	(8,552)	(1,935)		6,067
Current income before exceptional income and tax	**742**	**3,448**	**(10,501)**	**(6,310)**	**-**	**742**
Exceptional income	(894)	532	-	(363)	-	(894)
Tax consolidation deficits	-	1,111	-	1,111	-	-
Other taxes with no base (n-1 regular)	-	-	-	-	(12)	12
Income tax - tax consolidation	-	-	-	-	(1,734)	1,734
TOTAL	**(152)**	**3,980**	**(10,501)**	**(6,673)**	**(1,746)**	**1,594**

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 2023. The Group's tax position for fiscal year 2023 is as follows:

Losses to carry forward	Opening	Change	Closing
Loss carry-forwards basis	4,294	1,182	5,476
Tax rate	25.0%		25.0%
TAX CREDIT RELATED TO LOSSES CARRIED FORWARD	**1,074**		**1,369**

As at 31 December 2023, the Group had €5,477,000 of tax loss carried forwards and used up €1,111,000 of them during the year. Excluding tax consolidation, Lumibird SA incurred a corporate tax charge of €6,673,000.

Note 22 – Executive compensation

The compensation paid by Lumibird SA to its executives during the 2023 financial year breaks down as follows:

- Executives who are not corporate officers: €60.000
- Executives who are corporate officers: €376.000
- Non-corporate officer employees: €1.145.000

For the compensation of non-corporate officer employees, account was taken of the gross compensation paid in 2023 to the persons in charge of the functions represented on the Executive Committee.

Note 23 - Post-balance sheet operations

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.

Group sales in Israel amounted to €7.1 million (of which €6.1 million were generated by Lumibird SA). The Group remains attentive to the situation in the region, to compliance with export licence legislation and to the collection of its receivables.

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 2023:

- 31.5% of sales were made in foreign currency (exclusively dollars), i.e 26.8 million euros equivalent,
- 21% of purchases were made in foreign currency corresponding to 16.8 million euros equivalent. 95% of these purchases were made in dollars,
- Net exposure amounted to 10 million euros. Foreign exchange gains and losses amounted to -0.1 million euros for the year, recognized almost entirely in operating income.

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	31.12.2022	31.12.2023
Business receivables assigned	*-*	*-*
Bonds or letters of intent	*900*	*900*
¬ Pledges of intangible and tangible assets	-	-
¬ Pledges and collateral of securities	140,000	140,000
¬ Lenders' privileges	-	-
Security interests	*140,000*	*140,000*
TOTAL	**140,900**	**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, 2023, the nominal amount of the CAP is 4.2 million euros.

Commitments arising in the ordinary course of business

Off-balance sheet commitments arising from current operations	31.12.2022	31.12.2023
Receivables assigned but not yet due	*-*	*-*
Guarantees given on contracts	*-*	*-*
¬ Pledges of intangible and tangible assets	-	-
¬ Pledges of securities	-	-
Security interests	*-*	*-*
TOTAL	**-**	**-**

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	31.12.2022	31.12.2023
Generational mortality tables	*85*	*85*
Collective labor agreement	*French metal industry*	*French metal industry*
Change in compensation	*3.00%*	*3.00%*
Turnover		
<41 years	4.06%	4.97%
>41 years and <50 years	2.44%	2.98%
>50 years	-	-
Discounting rate	*3.680%*	*3.650%*

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 €659,000. At 31 December 2022, the amount of these commitments was €736,000.

Section 3 Statutory auditors' report on the annual financial statements year ended 31.12.2023

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 assignment entrusted to us by the Annual General Meeting, we have audited the accompanying financial statements of Lumibird S.A. for the year ended 31 December 2023.

In our opinion, the financial statements give a true and fair view of the financial position and the assets and liabilities of Lumibird S.A. and of the results of its operations for the year then ended in accordance with the accounting rules and principles applicable in France.

The opinion expressed above is consistent with the content of our report to the Board of Directors carrying out the duties of the specialised committee referred to in Article L.821-67 of the French Commercial Code. Translated with DeepL.com (free version)

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 non-financial performance provided for in Article L.225-102-1 of the French Commercial Code).

Justification of assessments - Key points of the audit

In accordance with the requirements of articles L.821-53 and R.821-180 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the key points of the audit relating to the risks of material misstatement which, in our professional judgement, were the most significant for the audit of the annual financial statements for the year, and the responses we have given to these risks.

These assessments were made in the context of our audit of the financial statements taken as a whole and of the formation of our audit opinion expressed above. We do not express an opinion on any individual component of these financial statements.

Measurement of equity securities

(notes 4.3.3 and 4.6 to the financial statements)

Risk description

Equity interests in Lumibird S.A. were recorded in the balance sheet at 31 December 2023 for a net amount of 166,727 thousand euros. As indicated in note 4.3.3 to the financial statements, investments in subsidiaries and affiliates are carried at acquisition cost, excluding incidental expenses. A provision for impairment is established when the financial situation of the companies justifies it, particularly with regard to the value in use determined using the discounted cash flow method (DCF), which represents management's best estimate of value in use. Estimating the value in use of these investments requires management to exercise its judgement in selecting the factors to be considered, in particular forecasts and growth and discount rates. Given these significant areas of judgement, we consider the valuation of equity investments to be a key area of our audit where there is a risk of material misstatement.

Audit procedures implemented

In order to assess the reasonableness of management's estimates of the values in use of investments in subsidiaries and affiliates, based on the information provided to us, our procedures consisted in particular in :

- assess the appropriateness of the methodology used to determine value in use ;
- assessing, through discussions with management, the main assumptions and methods used in estimating values in use, in particular forecasts, the long-term growth rate and the discount rate.

Specific verifications

In accordance with professional standards applicable in France, we have also performed the specific procedures required by 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.

corporate governance report

We attest that the management corporate governance report 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 informations

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 the single European electronic information format, we have also verified that the presentation of the annual 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, prepared under the responsibility of the Chairman and CEO, complies with this format as defined by European Delegated Regulation No. 2019/815 of 17 December 2018.

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

It is not our responsibility to verify that the financial statements which 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, 2023, KPMG was in its 6th year and Mazars in its 3rd year of total uninterrupted engagement.

Responsibilities of management and those charged with governance in relation to the financial statements

It is the responsibility of management to prepare financial statements that give a true and fair view in accordance with French generally accepted accounting principles, and to implement such internal control procedures as it determines are 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, it is the responsibility of management to assess the company's ability to continue as a going concern, to present in the financial statements, where appropriate, necessary information concerning going concern and to apply the going concern basis of accounting unless the company is to be wound up or cease trading.

It is the responsibility of the Board of Directors, acting as a specialised committee under Article L.821-67 of the French Commercial Code, to monitor the process for preparing financial information and to monitor the effectiveness of the internal control and risk management systems and, where appropriate, the internal audit system, with regard to the procedures for preparing and processing accounting and financial information.

The annual financial statements have been 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.821-55 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.823-67 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.821-67 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.821-67 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.821-67 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.821-67 to L.821-34 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.821-67 of the French Commercial Code the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Rennes, le 4 april 2024

The Statutory auditors

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

Section 4 Consolidated financial statement for the year ended 31.12.2023

1. CONSOLIDATED STATEMENT OF FINANCIAL POSITION (K€)

ASSETS	Notes	31.12.2022	31.12.2023
Goodwill	6.3.1	69,941	72,593
Intangible fixed assets	6.3.1	53,414	58,535
Tangible fixed assets	6.3.2	39,687	48,119
Other non-current financial assets	6.3.3.2	10,956	10,999
Non current taxes receivable	6.3.4.1	8,477	10,448
Other non-current non-financial assets	6.3.4.1	-	-
Deferred tax assets	6.3.8	2,442	7,289
Total non-current assets		**184,917**	**207,983**
Inventories	6.3.5	65,403	77,538
Other current financial assets	6.3.3.2	47,904	52,540
Current tax receivables	6.3.4.1	354	1,527
Other current non-financial assets	6.3.4.1	11,789	9,465
Cash and equivalents	6.3.3.3	61,677	56,195
Total current assets		**187,127**	**197,265**
TOTAL ASSETS		**372,044**	**405,248**

LIABILITIES	Notes	31.12.2022	31.12.2023
Share capital	6.3.6	22,467	22,467
Consolidated retained earnings	4	158,550	165,285
Foreign Exchange translation differences	4	1,068	(1,577)
Net income (Group share)	2	11,353	7,126
Shareholders' equity (Group share)		**193,438**	**193,301**
Non-controlling interests		-	-
Long term financial liabilities	6.3.3.4.1	48,618	128,602
Retirement benefits	6.3.7	2,666	2,576
Long-term provisions	6.3.7	34	198
Other long-term financial liabilities	6.3.3.4.2	-	-
Other long-term non-financial liabilities	6.3.4.2	4,866	4,619
Deferred tax liabilities	6.3.8	2,576	1,854
Total long-term liabilities		**58,760**	**137,849**
CURRENT LIABILITIES			
Short term financial liabilities	6.3.3.4.1	65,562	16,475
Provisions	6.3.7	1,573	1,874
Tax payable	6.3.4.2	859	2,974
Other current financial liabilities	6.3.3.4.2	29,272	28,870
Other current non-financial liabilities	6.3.4.2	22,579	23,905
Total current liabilities		**119,845**	**74,098**
TOTAL LIABILITIES		**372,044**	**405,248**

2. CONSOLIDATED INCOME STATEMENT (K€)

INCOME STATEMENT	Notes	31.12.2022	31.12.2023
Revenues	**6.4.1**	**190,959**	**203,559**
Other revenues from ordinary activities	6.4.1	3,335	2,995
Purchases for Production		(73,038)	(78,013)
Salaries and payroll taxes	6.4.4	(63,758)	(65,934)
External expenses		(24,498)	(26,687)
Taxes and duties		(1,662)	(1,413)
EBITDA		**31,337**	**34,507**
Depreciation & amortisation	6.4.5	(14,305)	(15,670)
Provisions & impairments	6.4.5	(1,590)	(750)
Other current operating income/expenses	6.4.5	931	409
Current operating income		**16,373**	**18,496**
Income from asset disposals		3,894	(741)
Acquisition costs of business combinations		(2,969)	(1,994)
Other non-current operating income/expenses		(37)	(3,614)
Impairment of goodwill		-	25
Operating income	**6.4.6**	**17,261**	**12,172**
Income from cash and cash equivalents	6.4.7	126	1,094
Gross cost of financial debt	6.4.7	(3,344)	(4,187)
Net cost of financial debt		**(3,218)**	**(3,093)**
Other financial income / expenses	6.4.7	393	(1,627)
Financial income		**(2,825)**	**(4,720)**
Income tax	6.4.8	(3,084)	(327)
CONSOLIDATED NET INCOME		**11,353**	**7,126**
Of which attributable to non-controlling interests		-	-
Of which attributable to equity holders of Group parent		11,353	7,126
Earnings per share		0.51	0.32
Diluted earnings per share	6.1.22	0.51	0.32

3. COMPREHENSIVE INCOME STATEMENT (K€)

	31.12.2022	31.12.2023
NET INCOME FOR THE PERIOD	**11,353**	**7,126**
Items that will not be restated in profit or loss subsequently (A)		
Actuarial gains or losses	704	198
Tax effect	(174)	(47)
Sub-total (A)	**530**	**152**
Items that will be restated in profit or loss subsequently (B)		
Foreign exchange translation differences	(390)	(2,644)
Changes in fair value of hedging financial instruments	233	(178)
Tax effect	(58)	44
Sub-total (B)	**(216)**	**(2,778)**
Sub-total Gains and losses recognised directly in equity	**314**	**(2,626)**
COMPREHENSIVE INCOME FOR THE PERIOD	**11,667**	**4,500**
Of which attributable to non-controlling interests	-	-
Of which attributable to equity holders of Group parent	11,667	4,500

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

	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
31.12.2021	**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**
Other items of compr. income	-	-	-	-	(2,644)	152	(133)	(2,626)	-	(2,626)
Net income	-	-	-	7,126	-	-	-	7,126	-	7,126
Comprehensive income	**-**	**-**	**-**	**7,126**	**(2,644)**	**152**	**(133)**	**4,500**	**-**	**4,500**
Free shares	-	-	-	(1,499)	-	-	-	(1,499)	-	(1,499)
Treasury shares	-	-	(3,138)	-	-	-	-	(3,138)	-	(3,138)
Capital increase	-	-	-	-	-	-	-	-	-	-
Other	0	(0)	-	0	(0)	0	-	0	-	0
31.12.2023	**22,467**	**86,103**	**(6,741)**	**93,772**	**(1,577)**	**176**	**(899)**	**193,301**	**-**	**193,301**

5. CONSOLIDATED CASH FLOW STATEMENT (K€)

	31.12.2022	31.12.2023
Group's consolidated net income	**11,353**	**7,126**
Amortisation, depreciation and provisions	14,883	16,033
Capital gain/loss on assets disposals	(3,894)	741
Financing cost	3,344	4,187
Other calculated income and expenses	1,323	(1,499)
Tax	3,084	327
Cash flow before taxes and financial expenses	**30,091**	**26,915**
Change in operating working capital requirements	(29,176)	(4,772)
Taxes (paid)/received	512	(1,476)
NET CASH FLOW FROM OPERATIONS (I)	**1,427**	**20,667**
Tangible and intangible assets investments	(29,445)	(25,554)
Disposal of tangible and intangible assets	8,750	243
Disbursements on financial investments	(745)	(296)
Cash-in on financial investments	174	44
Net cash from acquisition / disposal of subsidiaries	(8,071)	(20,588)
NET CASH FLOW FROM INVESTING ACTIVITIES (II)	**(29,338)**	**(46,151)**
Loan issues	15,210	50,672
Loan repayments	(18,767)	(21,924)
Cost of financial debt	(2,926)	(3,896)
Dividends paid by subsidiaries	-	-
Dividends received/paid by parent company	-	-
Capital increase/reduction	-	-
Change in other shareholders' equity	(1,407)	(3,161)
NET CASH FLOW FROM FINANCING ACTIVITIES (III)	**(7,889)**	**21,690**
IMPACT OF EXCHANGE RATE VARIATION (IV)	**173**	**(373)**
CASH FLOW (I + II + III + IV)	**(35,628)**	**(4,168)**
Cash: opening	95,925	60,297
Cash: closing	60,297	56,130

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 12 March 2024, 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 2023 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 2023 and applicable from this date, with no impact on its financial statements:

- IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors

The Group is not affected by IFRS 17 on insurance contracts.

6.1.2. Change in accounting methods

There has been no changes in accounting methods for 2023.

6.1.3. Major transactions and comparability

On 31 August 2023, the Group completed the acquisition of Prima Industrie's high-power laser and semiconductor activities in Italy and the United States. This transaction resulted in the acquisition by Lumibird SA of Convergent Photonics in Italy (renamed Lumibird Photonics Italia) and by Lumibird Photonics USA of the Convergent assets held by Prima Industrie North America in the United States.

The Group has carried out a preliminary review of the items acquired, identifiable assets and contingent liabilities. This review resulted in a provisional goodwill calculation of €3.8m.

As this transaction is not major at the Group level, it did not give rise to the preparation of pro forma financial statements.

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.

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

The Lumibird Group's consolidated financial statements are presented in euro.

6.1.6.1. Conversion of financial statements expressed in foreign currency

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 2023, the Group uses a CAP to manage its interest rate risk linked to the financing of its acquisition debt. 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 2023, the Group used the following assumptions:

- 10.85% discount rate, compared with 9.15% the previous year,
- 2% perpetuity growth rate (which reflects analysts’ projections according to value), stable compared with 2022.

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
Upgrades to facilities	10 to 15 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 2023, 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 3.650% in 2023 compared to 3.680% in 2022.

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 2023, 22,274,725 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 2023, 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%
Lumibird Photonics 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%
Keopsys Industries	Lannion (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%
Lumibird Médical Polska	Warsaw (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 Photonics Sweden AB	Mölnlycke (Sweden)	Full consolidation since 15/01/2021	31/12	100%
Lumibird Photonics Italia	Turin (Italy)	Full consolidation since 31/08/2023	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. Information relating to line items of the balance sheet

GROSS VALUE	31.12.2022	Acquisitions during the year	Disposals during the year	Change in consolidation scope	Other movements	31.12.2023
Goodwill	69,941	-	-	3,537	(885)	72,593
Total Goodwill	*69,941*	*-*	*-*	*3,537*	*(885)*	*72,593*
Development costs	66,799	12,441	(710)	1,426	(540)	79,416
Brand	5,375	-	-	-	(125)	5,249
Defence contracts	1,750	-	-	-	-	1,750
Other intangible assets	10,220	732	(108)	57	(232)	10,669
Total intangible fixed assets	*84,144*	*13,173*	*(819)*	*1,482*	*(896)*	*97,085*
Rights of use (IFRS16)	13,164	2,319	(1,104)	1,773	(175)	15,978
Total rights of use	*13,164*	*2,319*	*(1,104)*	*1,773*	*(175)*	*15,978*
TOTAL GROSS VALUE INTANG. ASSET	**167,249**	**15,492**	**(1,922)**	**6,792**	**(1,956)**	**185,655**

AMORTISATION OR IMPAIRMENT	31.12.2022	Acquisitions during the year	Disposals during the year	Change in consolidation scope	Other movements	31.12.2023
Goodwill	-	-	-	-	-	-
Total Goodwill	*-*	*-*	*-*	*-*	*-*	*-*
Development costs	(34,814)	(7,517)	28	-	254	(42,049)
Brand	39	(39)	-	-	(1)	(0)
Defence contracts	(1,018)	(194)	-	-	-	(1,212)
Other intangible assets	(3,407)	(1,046)	65	(0)	30	(4,358)
Total intangible fixed assets	*(39,200)*	*(8,796)*	*93*	*(0)*	*284*	*(47,619)*
Rights of use (IFRS16)	(4,694)	(2,564)	892	(640)	99	(6,908)
Total rights of use	*(4,694)*	*(2,564)*	*892*	*(640)*	*99*	*(6,908)*
TOTAL AMORTISATION INTANG. ASSET	**(43,894)**	**(11,360)**	**985**	**(640)**	**382**	**(54,527)**

NET VALUE	31.12.2022	Acquisitions during the year	Disposals during the year	Change in consolidation scope	Other movements	31.12.2023
Goodwill	69,941	-	-	3,537	(885)	72,593
Total Goodwill	*69,941*	*-*	*-*	*3,537*	*(885)*	*72,593*
Development costs	31,985	4,924	(682)	1,426	(285)	37,368
Brand	5,414	(39)	-	-	(126)	5,249
Defence contracts	732	(194)	-	-	-	538
Other intangible assets	6,813	(313)	(44)	57	(202)	6,311
Total intangible fixed assets	*44,944*	*4,377*	*(725)*	*1,482*	*(613)*	*49,466*
Rights of use (IFRS16)	8,470	(246)	(211)	1,133	(76)	9,069
Total rights of use	*8,470*	*(246)*	*(211)*	*1,133*	*(76)*	*9,069*
TOTAL NET VALUE INTANG. ASSET	**123,355**	**4,132**	**(937)**	**6,152**	**(1,574)**	**131,128**

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 2023 financial year, the acquisition of development costs includes those incurred during the financial year and capitalised, for €12,441 thousand, net of grants received on those projects.

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 3.4 million euros

6.3.1.3. Goodwill

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

- The acquisition of Prima Industrie's high-power laser and semiconductor activities in Italy and the United States (Convergent), which led to the recognition of provisional goodwill of €3.8 million,
- The exchange rate effect on the value of the goodwill created at the time of the Ellex acquisition and the Halo-Photonics acquisition (for €-0.9 million).

When there is no sign of impairment, impairment tests are conducted once a year, on 31 December. The impairment test performed in 2023 (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:

(k€)	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	214,702	163,618	(26,299)	(18,330)	(21,470)
Medical CGU	186,530	117,779	(21,179)	(14,584)	(18,653)

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	31.12.2022	Acquisitions during the year	Disposals during the year	Change in consolidation scope	Other movements	31.12.2023
Land	3,828	-	-	-	1,659	5,487
Buildings	13,124	66	-	-	10,914	24,104
Technical facilities, equipment and tools	22,415	2,299	(1,276)	6,858	702	30,998
Other tangible fixed assets	11,368	435	(254)	83	(314)	11,318
Assets under construction	9,793	7,490	(52)	34	(13,359)	3,907
TOTAL GROSS VALUE TANGIBLE ASSETS	**60,529**	**10,290**	**(1,582)**	**6,975**	**(398)**	**75,814**

AMORTISATION OR IMPAIRMENT	31.12.2022	Acquisitions during the year	Disposals during the year	Change in consolidation scope	Other movements	31.12.2023
Land	-	-	-	-	-	-
Buildings	(1,459)	(497)	-	(0)	50	(1,906)
Technical facilities, equipment and tools	(14,508)	(2,765)	1,118	(3,927)	(222)	(20,304)
Other tangible fixed assets	(4,874)	(1,047)	222	(46)	261	(5,484)
Assets under construction	0	-	-	-	0	-
TOTAL AMORTISATION TANGIBLE ASSETS	**(20,841)**	**(4,310)**	**1,340**	**(3,973)**	**89**	**(27,695)**

NET VALUE	31.12.2022	Acquisitions during the year	Disposals during the year	Change in consolidation scope	Other movements	31.12.2023
Land	3,828	-	-	-	1,659	5,487
Buildings	11,665	(431)	-	(0)	10,964	22,199
Technical facilities, equipment and tools	7,907	(466)	(158)	2,930	480	10,694
Other tangible fixed assets	6,494	(612)	(32)	37	(54)	5,833
Assets under construction	9,793	7,490	(52)	34	(13,359)	3,907
TOTAL NET VALUE TANGIBLE ASSETS	**39,687**	**5,980**	**(242)**	**3,002**	**(309)**	**48,119**

6.3.3. Financial instruments

	31.12.2022			31.12.2023		
	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	3,455		3,455	3,499	-	3,499
Other current financial assets		47,904	47,904	-	52,540	52,540
OTHER FINANCIAL ASSETS	**10,956**	**47,904**	**58,859**	**10,999**	**52,540**	**63,539**
CASH AND CASH EQUIVALENT		**61,677**	**61,677**	**-**	**56,195**	**56,195**
Financial debt	48,618	65,562	114,180	128,602	16,475	145,077
Other financial liabilities	-	29,272	29,272	-	28,870	28,870
FINANCIAL LIABILITIES	**48,618**	**94,835**	**143,453**	**128,602**	**45,345**	**173,947**

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 2023 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.

	31.12.2022	Acquisitions	Disposals during the year	Other movements	31.12.2023
Medsurge shares	-	-	-	-	-
CILAS shares	7,500	-	-	-	7,500
UNCONSOLIDATED SHARES	**7,500**	**-**	**-**	**-**	**7,500**

6.3.3.2. Other financial assets

	31.12.2022			31.12.2023		
	Non - current	Current	Total	Non-current	Current	Total
Deposits and guarantees	2,733	184	2,917	2,992	118	3,110
Loans	462	-	462	507	-	507
Derivative financial assets	261	-	261	(0)	82	82
Other financial assets	(0)	-	(0)	0	-	0
Trade receivables	-	46,623	46,623	-	51,581	51,581
Advances and deposit paid on orders		1,097	1,097	-	758	758
Receivables on fixed assets	-	-	-	-	-	-
OTHER FINANCIAL ASSETS	**3,455**	**47,904**	**51,359**	**3,499**	**52,540**	**56,039**

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 loans with BPI (€2,400,000), and to a lesser extent, the security deposits on the Ulis and Villejust buildings. The increase in the items is linked to the setting up of an additional tranche of the BPI loan for €250,000.

Other current financial assets mainly concern trade receivables.

Other non-cash financial assets break down as follows:

	31.12.2022			31.12.2023		
	Gross	Impairment	Net	Gross	Impairment	Net
Financial loans and receivables	13,166	(2,026)	11,139	12,148	(949)	11,199
Operating receivables	48,407	(686)	47,720	53,333	(993)	52,339
OTHER FINANCIAL ASSETS	**61,572**	**(2,713)**	**58,859**	**65,481**	**(1,942)**	**63,539**

6.3.3.3. Cash and cash equivalents

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

	31.12.2022	31.12.2023
Marketable securities	25,074	31,964
Bank accounts	36,603	24,231
Cash and cash equivalents in the statement of financial position	*61,677*	*56,195*
Short-term bank borrowings	(1,380)	(66)
CASH AND CASH EQUIVALENTS IN THE CASH FLOW STATEMENT	**60,297**	**56,130**

6.3.3.4. Financial liabilities

6.3.3.4.1. Financial debt

	31.12.2022			31.12.2023		
	Non-current	Current	Total	Non-current	Current	Total
Debts from credit institutions	41,438	21,536	62,974	81,938	13,100	95,038
Bonds	-	39,570	39,570	39,630	(0)	39,630
Financial lease and lease debt	7,180	2,328	9,508	7,034	2,795	9,829
Repayable advances and aids	-	514	514	(0)	210	210
Accrued interests	-	234	234	(0)	305	305
Short-term bank borrowings and overdrafts		1,380	1,380	-	66	66
TOTAL FINANCIAL DEBT	**48,618**	**65,562**	**114,180**	**128,602**	**16,475**	**145,077**

Change in financial debt over the financial year

	31.12.2022	Acquisitions during the year	Disposals during the year	Change in scope	Other movements	31.12.2023
Debts from credit institutions	62,974	50,672	(18,769)	(0)	161	95,038
Bonds	39,570	-	-	-	60	39,630
Financial lease and lease debt	9,508	2,319	(3,045)	1,133	(86)	9,829
Repayable advances and aids	514	-	(304)	-	-	210
Accrued interests	234	87	(1)	1	(16)	306
Total (excluding bank overdrafts)	112,800	53,077	(22,118)	1,135	119	145,012
Short-term bank borrowings and overdrafts	1,380	(1,322)	-	6	-	65
TOTAL FINANCIAL DEBT	**114,180**	**51,755**	**(22,118)**	**1,141**	**119**	**145,077**

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

- +€19.5 million: drawdown of the acquisition debt credit line under the "unconfirmed" envelope, in order to finance the "Convergent" transaction,
- +€5.0 million: implementation of a BPI financing line,
- +€11.3 million: drawdown of the balance of the financing lines intended to finance the extension of the Lannion site,
- +€5 million: establishment of a financing line to cover development work at the Villejust site,
- +€10.0 million: establishment of non-backed financing lines to finance the Group's investments,
- + €2.3 million: new leases (including renewals).

The Group's acquisition debt, both bank debt (37.0 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 2.58.

- 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.

At 31 December, the Group's debt ratio was 1.05.

Financial debts by maturity break down as follows:

	31.12.2023	Less than 1 year	From 1 to 5 years	More than 5 years
Debts from credit institutions	95,038	13,100	46,380	35,558
Bonds	39,630	-	39,630	(0)
Financial lease and lease debt	9,829	2,795	5,106	1,928
Repayable advances and aids	210	210	(0)	-
Accrued interests	305	305	(0)	0
Total (excluding bank overdrafts)	*145,012*	*16,410*	*91,116*	*37,486*
Short-term bank borrowings and overdrafts	66	66	-	-
TOTAL FINANCIAL DEBT	**145,077**	**16,475**	**91,116**	**37,486**

6.3.3.4.2. Other financial liabilities

	31.12.2022			31.12.2023		
	Non-Current	Current	Total	Non-Current	Current	Total
Trade payables	-	18,115	18,115	-	17,593	17,593
Customer prepayments	-	7,729	7,729	-	11,005	11,005
Liabilities on fixed assets	-	3,428	3,428	-	273	273
OTHER FINANCIAL LIABILITIES	**-**	**29,272**	**29,272**	**-**	**28,870**	**28,870**

6.3.4. Other non-financial assets and liabilities

6.3.4.1. Other non-financial assets

Other non-financial assets	31.12.2022			31.12.2023		
	Non-Current	Current	Total	Non-Current	Current	Total
Research tax credit	8,477	-	8,477	10,448	1,063	11,511
Other tax receivables	-	354	354	-	464	464
Total tax receivables	*8,477*	*354*	*8,831*	*10,448*	*1,527*	*11,974*
Social security receivables	-	118	118	-	114	114
Tax receivables	-	6,194	6,194	-	4,505	4,505
Other receivables	0	5,477	5,477	0	4,846	4,846
Other assets	0	11,789	11,789	0	9,465	9,465
TOTAL OTHER NON-FINANCIAL ASSETS	**8,477**	**12,143**	**20,621**	**10,448**	**10,991**	**21,439**

6.3.4.2. Other non-financial liabilities

Other non-financial liabilities	31.12.2022			31.12.2023		
	Non-Current	Current	Total	Non-Current	Current	Total
Tax liabilities	*-*	*859*	*859*	*-*	*2,974*	*2,974*
Social liabilities	436	12,526	12,963	56	14,773	14,830
Tax liabilities (excluding income tax)	-	4,975	4,975	-	5,310	5,310
Subsidies (including research tax credit spread out)	3,742	1,350	5,092	3,966	1,327	5,293
Prepaid income on contracts	688	3,261	3,949	596	2,269	2,866
Other current liabilities	0	467	467	-	226	226
Other liabilities	*4,866*	*22,579*	*27,446*	*4,619*	*23,905*	*28,524*
TOTAL OTHER NON-FINANCIAL LIABILITIES	**4,866**	**23,438**	**28,305**	**4,619**	**26,879**	**31,498**

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

	31.12.2022			31.12.2023		
	Gross	Impairmt	Net	Gross	Impairmt	Net
Raw material and consumables	34,675	(3,934)	30,741	42,282	(6,687)	35,595
WIP	16,117	(879)	15,238	17,919	(958)	16,960
Finished goods	12,021	(1,679)	10,342	14,139	(1,829)	12,310
Parts	10,262	(1,181)	9,081	13,850	(1,177)	12,673
TOTAL INVENTORIES	**73,076**	**(7,673)**	**65,403**	**88,189**	**(10,651)**	**77,538**

6.3.6. Shareholders 'equity

6.3.6.1. Capital structure

Number of shares	
NUMBER OF SHARES AS OF 01/01/2023	**22,466,882**
Capital increase	-
NUMBER OF SHARES AS OF 31.12.2023	**22,466,882**

As at 31 December 2023, 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]	11,617,290	52%	23,234,580	68%
Group employee	162,878	1%	203,213	1%
Treasury shares	386,506	2%	-	0%
7 Industries Holding B.V [4]	1,706,649	8%	1,706,649	5%
Amiral Gestion [5]	687,226	3%	687,226	2%
Other incl. public	7,906,333	35%	8,168,967	24%
TOTAL	**22,466,882**	**100%**	**34,000,635**	**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.225-210 of the French commercial code, representing a total number of actual voting rights of 34,000,635 at 31 December 2023

(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, 2023, taking into account:

- beneficiaries who have already left the Group, those who have refused the plan, 205,000 of the 291,000 bonus shares offered are considered to be in force.
- the Group's draft 2023 consolidated financial statements, noting that the plan's performance conditions had not been met, the number of shares provisioned was reduced to zero. No provision was recorded for 2023 and the provision recorded in the balance sheet for 2022 was reversed in the amount of €1.8 million.

The value of the allocation plans was determined as follows:

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

Free shares plan	Plan dated 21/09/2021	Innoptics earn-out 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))	**-**	**€799,600**	**€1,105,920**
Number of free shares granted	-	4,448	-
Number of free shares cancelled/refused	86,000	-	-
Number of free shares pending			
Number of shares remaining at the vesting date	205,000	35,552	60,000
FREE SHARES PROVISIONED AT 31.12.2023 (A)	**-**	**35,552**	**60,000**

6.3.7. Provisions

Gross values	31.12.2022	Increase	Used reversal	Unused reversal	Change in scope	Other movements	31.12.2023
Non-current employee benefits	2,666	173	(43)	-	56	(276)	2,576
Provisions for litigation		-	-	-	-	-	-
Provisions for warranties given to customers		-	-	-	-	-	-
Other non-current provisions	34	198	(34)	-	0	0	198
Non-current provisions	*2,700*	*371*	*(78)*	*-*	*56*	*(276)*	*2,774*
Current employee benefits	83	-	-	-	-	70	153
Current provisions for litigation	263	617	(230)	(33)	-	45	662
Current provisions for warranties given to customers	1,172	364	(402)	(211)	141	(4)	1,060
Other current provisions	*55*	*-*	*0*	*(10)*	*-*	*(45)*	*-*
Current provisions	1,573	981	(632)	(254)	141	66	1,874
TOTAL PROVISIONS	**4,273**	**1,351**	**(710)**	**(254)**	**197**	**(210)**	**4,648**

Employee benefits – End-of-career indemnities

The provisions for employee benefits mainly concern the French companies.

Employee benefits	31.12.2022	31.12.2023
Employee benefits France	2,564	2,523
Employee benefits outside of France	185	206
TOTAL EMPLOYEE BENEFITS	**2,749**	**2,729**

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

Commitment	31.12.2023
COMMITMENT AT THE BEGINNING OF THE YEAR	**2,564**
Interest received duringthe year	92
Costs of services rendered during the year	221
Benefits paid during the year	(171)
Actuarial differences	(183)
Scope integration	-
Other (including translation difference)	-
COMMITMENT AT THE END OF THE YEAR	**2,523**

For companies outside France, post-employment benefits concern Optotek and Lumibird Photonics Italia.

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:

Gross value	31.12. 2022	Change on income	Change/ OCI	Translation differences	Change in scope	Other changes	31.12. 2023
Capitalised losses – deferred tax	3,436	(206)	-	(42)	950	(0)	4,139
Temporary differences – deferred tax	2,569	2,233	-	(93)	442	0	5,151
Capitalised losses and temporary differences	**6,005**	**2,028**	**-**	**(135)**	**1,392**	**0**	**9,290**
Retirement benefits	642	38	(47)	-	-	0	633
Elimination of internal provisions	263	23	-	-	-	0	287
Capitalisation of development costs	(7,963)	(1,156)	-	80	(173)	(0)	(9,211)
Cost-based contracts	(313)	148	-	3	-	(0)	(162)
Quantel Brand	(450)	-	-	-	-	-	(450)
Leases	176	(32)	-	(3)	5	(0)	145
Margin on inventories	531	638	-	(10)	53	(0)	1,213
Other	975	2,489	68	(38)	196	0	3,690
NET TOTAL DEFERRED TAX	**(134)**	**4,177**	**22**	**(102)**	**1,473**	**0**	**5,435**
Deferred tax assets	2,442						7,289
Deferred tax liabilities	2,576						1,854

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	31.12.2022	31.12.2023
Transferred receivables not due	-	-
Guarantees given on contracts	-	-
- Pledging of intangible and tangible assets	-	-
- Pledging of securities	-	-
Actual surety	-	-
TOTAL	**-**	**-**

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

Off-balance sheet commitments given or received related to debt	31.12.2022	31.12.2023
Trade receivables transferred	*-*	*-*
Guarantees and letters of intent	*900*	*900*
- Collaterals and pledges on tangible and intangible assets	21,144	20,265
- Collaterals and pledges on securities	140,000	140,000
- Privilege to money lenders	8,042	5,742
Actual surety	*169,186*	*166,007*
TOTAL	**170,086**	**166,907**

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 2023, €70,630 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 €10.0 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 €21.8 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	31.12.2022	31.12.2023
Sales in France	30,670	34,755
Sales outside France	160,289	168,804
Other revenues from ordinary activities	3,335	2,995
TOTAL	**194,293**	**206,554**
Of which revenues recognised on an on-going basis (1)	13,826	9,845

(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	31.12.2022	% sales outside France	31.12.2023	% sales outside France
USA	36,789	23%	35,735	21%
China	13,298	8%	12,155	7%
Germany	9,185	6%	9,280	5%
Switzerland	6,120	4%	5,067	3%
Other	94,897	59%	106,567	63%
TOTAL	**160,289**	**100%**	**168,804**	**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. The segment data was as follows:

Segment information	31.12.2022			31.12.2023		
Activity	PHOTONICS	MEDICAL	TOTAL	PHOTONICS	MEDICAL	TOTAL
Revenues	93,512	97,447	190,959	100,796	102,763	203,559
EBITDA	14,192	17,145	31,337	15,927	18,580	34,507
Net amortisation	(9,380)	(4,924)	(14,305)	(10,207)	(5,462)	(15,670)
Current operating income	4,729	11,644	16,373	5,873	12,623	18,497
NET INCOME AFTER INCOME FROM DISCONTINUED OPERATIONS	**1,291**	**10,062**	**11,353**	**(1,872)**	**8,998**	**7,126**

The Photonics division manufactures a portion of the medical lasers. A portion of the medical margin is thus found within the Photonics division. In 2023, the photonics division incurred non-recurring costs relating to the closure of its Ottawa site (-€1.7m) and the relocation of its Les Ulis site (-€2.6m). Excluding these non-recurring items, net income after discontinued operations came to €2.4m.

6.4.3. Development costs

Direct expenditure incurred on development projects, whether self-financed, subsidised or eligible for the Research tax credit, amounts to €19.9 million. The capitalised portion amounts to €12.8 million and the portion retained as expenses amounts to €7.1 million.

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

Capitalised development costs by type of expenses	31.12.2022	31.12.2023
Purchases	1,737	1,514
Labor	8,642	10,004
Other	600	1,293
TOTAL	**10,979**	**12,812**
Subsidies	(659)	(405)
TOTAL	**10,320**	**12,407**

6.4.4. Personnel

The personnel expenses line item breaks down as follows:

Breakdown of personnel expenses	31.12.2022	31.12.2023
Salaries and payroll taxes	61,743	66,649
Employee profit-sharing	692	783
Post-employment benefits expenses		-
Share-based payments paid in equity instruments	1,323	(1,499)
TOTAL	**63,758**	**65,934**

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	31.12.2022	31.12.2023
Europe	706	738
USA	141	135
Asia	34	37
Australia	125	141
TOTAL	**1,006**	**1,051**

6.4.5. Composition of the current operating income

Composition of the current operating income	31.12.2022	31.12.2023
EBITDA	*31,337*	*34,507*
Intangible assets depreciation (1)	(10,150)	(11,360)
Tangible assets depreciation	(4,155)	(4,310)
Depreciation reversal		-
Net depreciation	*(14,305)*	*(15,670)*
Operating provisions	(2,996)	(4,203)
Operating provisions reversal	1,406	3,454
Net provisions	*(1,590)*	*(750)*
Other operating income (2)	1,265	1,331
Other operating expenses (3)	(334)	(922)
Other operating income/expenses	*931*	*409*
CURRENT OPERATING INCOME	**16,373**	**18,497**

(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	31.12.2022	31.12.2023
Provisions on inventories	(1,877)	(3,002)
Provisions on other current assets	(240)	(473)
Provisions for employee benefits	(269)	(76)
Provisions for risks and expenses	(611)	(652)
Operating provisions	*(2,996)*	*(4,203)*
Provision reversal on inventories	1,041	2,570
Provision reversal on other current assets	44	131
Provision reversal for employee benefits	2	43
Provision reversal for risks and expenses	319	709
Operating provision reversal	*1,406*	*3,454*
NET ALLOCATIONS TO PROVISIONS	**(1,590)**	**(750)**

6.4.6. Breakdown of operating income

Operating income	31.12.2022	31.12.2023
Current operating income	*16,373*	*18,497*
Income on assets disposals	3,894	(741)
Acquisition costs for business combinations	(2,969)	(1,994)
Other non-current operating income/expenses	(37)	(3,614)
Impairment of assets	-	25
OPERATING INCOME	**17,261**	**12,173**

The line item "Acquisition costs for business combinations" records all direct costs incurred by Lumibird for its external growth transactions. In 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. In 2023, these mainly relate to the acquisition of Prima Industrie's high-power laser and semiconductor businesses.

Gains and losses on asset disposals mainly relate to the restructuring of the Lidar Systems business in the Photonics division and the discontinuation of certain R&D projects in Canada.

Other non-recurring operating income and expenses break down as follows:

- 1 million euros in costs related to the restructuring of Lidar Systems, linked to the closure of the Ottawa site in Canada,
- 2.6 million euros in costs relating to the dispute between Lumibird SA and the owner of the Les Ulis site over the return of the premises.

6.4.7. Financial income

Financial income	31.12.2022	31.12.2023
Income from cash and cash equivalents	126	1,094
Cost of gross financial debt	(3,344)	(4,187)
Other financial income and expenses	393	(1,627)
FINANCIAL INCOME	**(2,825)**	**(4,720)**

Other financial income and expenses break down as follows:

Other financial income and expenses	31.12.2022	31.12.2023
Foreign exchange translation differences	761	(1,168)
Net allocations to financial provisions for employee benefits	(19)	(96)
Other net allocations to financial provisions	1	1
Capital gain/losses on disposal of financial assets	–	–
Other financial income and expenses	(349)	(363)
OTHER FINANCIAL INCOME AND EXPENSES	**393**	**(1,627)**

6.4.8. Tax

Tax	31.12.2022	31.12.2023
Current income taxes	(2,411)	(4,504)
Deferred tax	(673)	4,177
TOTAL TAX EXPENSES	**(3,084)**	**(327)**

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

Tax reconciliation	31.12.2022	31.12.2023
Income before tax	14,436	7,453
Tax rate of consolidating entity	25.00%	25,00%
Theoretical tax at the consolidating entity tax rate	*(3,609)*	*(1,863)*
Impact on theoretical tax of:		–
Rate change over the period	232	(1)
Rate differences for subsidiaries	133	550
Unrecorded tax / tax assets	(251)	(156)
Previous years tax losses unused	101	574
Tax / other permanent differences	311	580
ACTUAL TAX EXPENSES	**(3,084)**	**(327)**
Effective tax rate	21.36%	4.39%

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 2023, there was a €1,734,000 tax savings.

The main losses of the Lumibird Group as at 31 December 2023 are presented herewith:

	31.12.2023	Of which recognized	Of which unrecognized
Tax consolidation losses	5,477	5,477	–
Tax losses France	3,148	3,148	–
Tax losses Europe (excl. France)	7,972	4,555	3,418
Tax losses America	4,899	2,856	2,042
Tax losses Asia	357	341	16
Tax losses Other	–	–	–
TOTAL	**21,852**	**16,376**	**5,476**

For the record, the main losses of the Lumibird Group as at 31 December 2022 were as follows:

	31.12.2022	Of which recognized	Of which unrecognized
Tax consolidation losses	4,294	4,294	0
Tax losses France	1,768	1,768	0
Tax losses Europe (excl. France)	4,723	1,151	3,572
Tax losses America	8,041	5,721	2,320
Tax losses Asia	2,930	427	2,503
Tax losses Other	4	-	4
TOTAL	**21,760**	**13,360**	**8,400**

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 2023 recorded under operating income (for the portion concerning commercial transactions) and under financial results (for the portion concerning financial transactions) breaks down as follow:

	31.12.2023
Foreign exchange gain Europe	(670)
Foreign exchange gain Asia	(341)
Foreign exchange gain other	(158)
TOTAL	**(1,168)**

6.5.2. Exposure to interest rate risk

The bank loans and bonds taken out by the Group are at fixed rate for 42% and variable rates for 58%. After taking into account partial interest rate hedging on the acquisition bank debt and active cash invested at variable rates, the proportion of net debt (bank debt and bonds) at variable rates is reduced to 53%. The Group regularly assesses whether it would be appropriate to put in place additional interest rate hedging. The consolidated average cost of the net financial debt amounted to 3.23%, compared to 2.96% as at 31 December 2022.

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 2023, 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	95,038	111,893	16,761	55,238	39,894
Bonds	39,630	45,231	1,322	43,909	-
Financial lease and lease debt	9,829	11,035	2,842	5,941	2,252
Aid/ repayable advances	210	210	210	(0)	-
Accrued interests	305	305	305	(0)	-
Short-term bank borrowings and overdrafts	66	66	66	-	-
TOTAL FINANCIAL LIABILITIES	**145,077**	**168,739**	**21,505**	**105,088**	**42,146**
Tax liability (income tax)	2,974	2,974	2,974	-	-
Other liabilities (trade, tax and social debts)	57,394	57,394	52,775	4,619	-
TOTAL OTHER FINANCIAL LIABILITIES	**205,445**	**229,107**	**77,254**	**109,707**	**42,146**

Future minimum 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	10,786	2,736	5,798	2,252
Technical installations, equipment and tools	117	65	52	-
Other tangible assets	132	41	91	-
TOTAL MINIMUM FUTURE PAYMENTS	**11,035**	**2,842**	**5,941**	**2,252**

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	200	200	-	-
Trade receivables	51,581	41,000	10,133	448
Advances and prepayments	758	758	-	-
TOTAL LOANS AND RECEIVABLE AT AMORTISED COST	**52,540**	**41,959**	**10,133**	**448**

6.6. Dividends

Over the course of fiscal year 2023, 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 2023 by Lumibird SA (or its subsidiaries) for the fiscal year to its executives are distributed as follows:

- Non-corporate officer directors: €60,000
- Corporate officer directors: €577,000
- Employee officers who are not corporate officers (members of the executive committee): €1,672,000

For the compensation of non-executive directors employees, account has been taken of the gross compensation paid in 2023 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 or its customer risk.

Group sales in Israel amounted to €7.1 million (of which €6.1 million were generated by Lumibird SA). The Group continues to monitor the situation in the region, in compliance with export licence legislation and the recovery of its receivables.

6.10. Statutory auditor fees

Audit	31.12.2022 KPMG	31.12.2022 Mazars	31.12.2023 KPMG	31.12.2023 Mazars
Statutory auditing, certification, review of individual and consolidated financial statements				
-Lumibird SA	162	162	164	164
-Fully-consolidated subsidiaries	104	18	104	20
Other audits and services linked directly to statutory auditing assignment				
-Lumibird SA	4	11	-	22
-Fully-consolidated subsidiaries	-	-	-	-
Sub-total	***270***	***191***	***269***	***206***
Other services provided by networks to fully-consolidated subsidiaries				
-Legal, tax, social	53	100	-	0
-Other (to be specified if >10% of audit fees)	-	-	-	-
Sub-total	***53***	***100***	***-***	***0***
TOTAL	**323**	**291**	**269**	**206**

Section 5 Statutory auditors' report on the consolidated financial statements for the year ended 31 december 2023

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' Meeting 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 2023, 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.821-67 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 2023 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 non-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.821-53 and R.821-180 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 €72.6 million, with a risk of impairment of the related assets due to internal or external factors, including a decline in performance, changes in the economic environment, and unfavourable market conditions. The Group tests the assets for impairment in accordance with the methods described in Note 6.1.8 to the consolidated financial statements. Management performs the impairment tests based on the 5-year business plan and terminal value. Future cash flows were discounted at a rate of 10.85% 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 €37.4 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 CEO. 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 2023, KPMG was in the 6th year and Mazars in the 3rd 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.821-55 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.821-67 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.821-67 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.821-67 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 L821-67 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.821-27 to L.821-34 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.821-67 of the Commercial Code, the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Rennes, 4 april 2024

The Statutory Auditors

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

Section 6 Historical financial information

1. CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS

1.1. 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.

1.2. Consolidated financial statements of Lumibird for the year 2022

This information is presented in chapter 4 – section 4, pages 135 to 161 of the 2022 Lumibird Universal Registration Document which was filed with the French Financial Markets Authority on 14 April 2023 under the reference number D.23-0282.

1.3. Annual financial statements of Lumibird for the year 2021

This information is presented in chapter 4 – section 2, pages 107 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.

1.4. Annual financial statements of Lumibird for the year 2022

This information is presented in chapter 4 – section 2, pages 112 to 131 of the 2022 Lumibird Universal Registration Document which was filed with the French Financial Markets Authority on 14 April 2023 under the reference number D.23-0282.

2. MANAGEMENT REPORTS

2.1. 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.

2.2. Management report of Lumibird for the financial year 2022

This information is presented in chapter 4 – section 1, pages 90 to 111 of the 2022 Lumibird Universal Registration Document which was filed with the French Financial Markets Authority on 14 April 2023 under the reference number D.23-0282.

3. STATUTORY AUDITORS' REPORTS

3.1. 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.

3.2. Statutory auditors' reports on the consolidated financial statement for 2022

This information is presented in chapter 4 – section 5, pages 162 to 165 of the 2022 Lumibird Universal Registration Document which was filed with the French Financial Markets Authority on 14 April 2023 under the reference number D.23-0282.

3.3. 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.

3.4. Statutory Auditors' report on the annual financial statements for 2022

This information is presented in chapter 4 – section 3, pages 132 to 134 of the 2022 Lumibird Universal Registration Document which was filed with the French Financial Markets Authority on 14 April 2023 under the reference number D.23-0282.

4. STATUTORY AUDITORS' SPECIAL REPORTS

4.1. 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.

4.2. Statutory Auditors' special report on regulated agreements and commitments for 2022

This information is presented in chapter 2 – section 2, page 69 of the 2022 Lumibird Universal Registration Document which was filed with the French Financial Markets Authority on 14 April 2023 under the reference number D.23-0282.

5

NON-FINANCIAL INFORMATION

Section 1 Non-financial performance statement

This Declaration of Non-Financial Performance, prepared for the 2023 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 solutions to as many people as possible.

Strengthened by its 50 years of experience, and the mastering of the three most cutting edge technologies (solid lasers, laser diodes, and fibre laser), the Lumibird Group designs, manufactures, and distributes high-performing lasers for scientific (laboratories, research, universities), industrial (space, defence, lidar sensor), and medical (ophthalmology) applications. Lumibird is also contributing to the 4th technological revolution in the field of photonics through its positioning in the Lidar sensors and systems markets.

The Group's headcount at 31 December 2023 was 1,052, for reported sales of 203.6 million euros in published data. As a midsized group, 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 2023 the Group made 42% of its sales in Europe, 23% in the Canada, United States, and Latin America zone, 25% in the Asia-Pacific and 10% in the rest of the world, confirming year after year an even distribution of its revenues across its different geographical markets.

The results achieved since 2021 are the result of its ambition to position itself as a leader 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.

They confirm the Group's commitment to its strategy of innovation, continued automation of its production facilities and verticalization of its value chain.

Thus :

- its R&D strategy remains a major source of added value, in particular through patents registered, low recourse to external services, and full control of its 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 by relying on a high degree of industrialisation of its products 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, whether in terms of features or 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 lasers 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. In 2023, it is characterised by:

- The rollout of 2 divisions, Medical and Photonics, of which revenues reman well balanced, connected to the legal entities led by a common management team, in charge of 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 and Le Barp), in the United States (Bozeman and Chicopee), in Sweden (Göteborg), in Canada (Ottawa*) and in Italy (Turin),
- 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.

** Note: It should be noted that the Ottawa site was closed at the end of 2023 and that all activities have been repatriated to the Lannion site.*

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

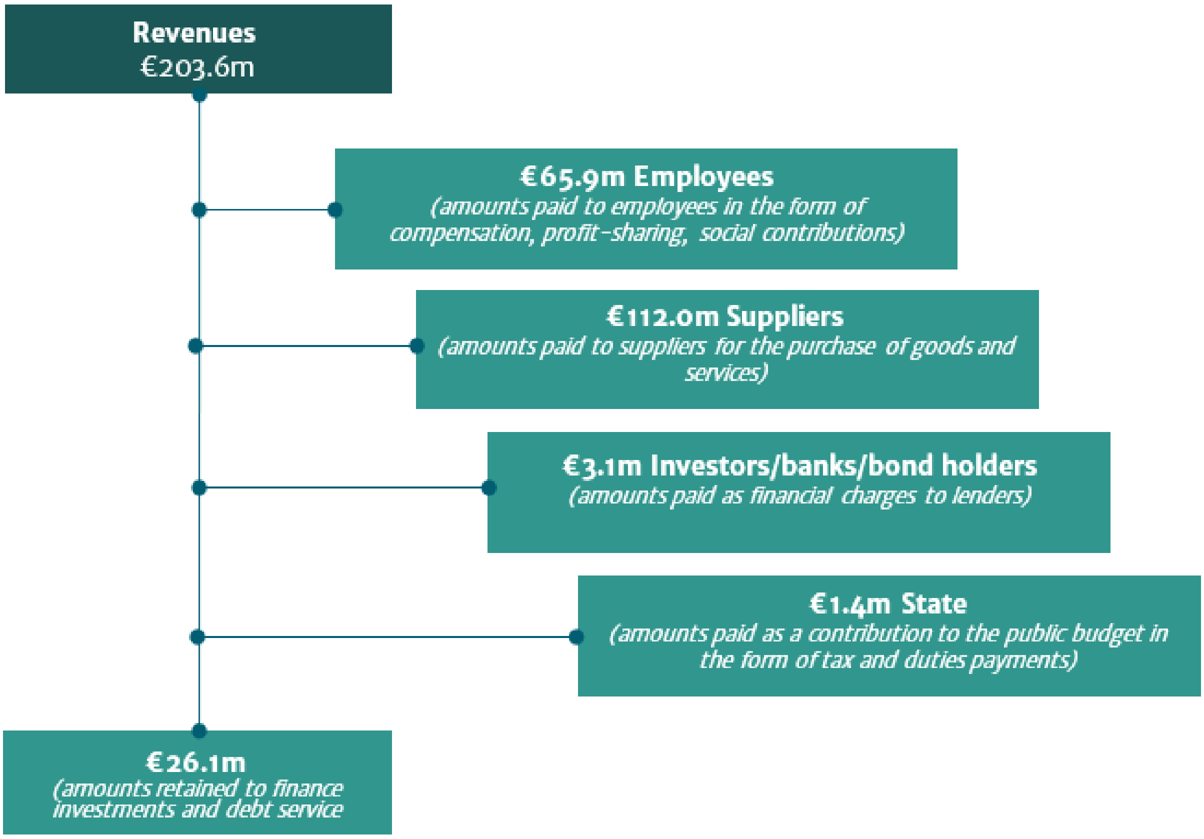
Purpose : Propose innovative laser solutions		
Ressources	Strategy	Added-value
Human		
1,052 employees in 13 countries (headcount at the date of this report)	Capitalising on the skills and know-how within the Group	A loyal team committed to strong values ¬ 2.0% growth in headcount on a like-for-like basis ¬ 9.1% departure rate of people working under open-ended contracts [*CDI*]
Intellectual		
12 R&D sites 196 R&D employees	Designing products in line with target market expectations	Intellectual property: ¬ €19.9 million in development expenses, 65% of which have been activated
Industrial		
10 production plans 539 production employees	Manufacturing products in line with target market expectations	Constant financial stability: ¬ EBITDA: €34.5 million ¬ COR: €18.5 million
Commercial		
15 sales subsidiaries 132 employees	Selling products in line with target market expectations	A growing business: ¬ Revenues: €203.6 million (+7%)
Financial		
Gross cash: €56.2 million Financial debt: €145.1 million Acquisition debts able to be drawn: €32 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: ¬ €25.8m of investment in 2023
Ethics: CSR commitments		
CSR Policy Purchasing Policy Code of conduct	Selling, distributing and installing our laser solutions while offering an after-sales service that ensures the sustainability of products and purchasing services, components by establishing sustainable partnerships with our suppliers.	Limited environmental footprint: ¬ GHG Issuance (scope 1 & 2): 1,593 $T_{eq}CO_2$ ¬ Moderate energy consumption: 7,999 MWh (of which 77% electricity) ¬ 9% of the electricity consumed is of green origin A shared added value ¬ Purchases of goods and services: €112.0 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.

Main stakeholders	Expectations	Methods of action
Shareholders (PP4)	Long-term visibility of strategy	Analysis, rating, *comply or explain*
	Regular communications, discussions with executive manager	Amount of insurance premiums and coverage fields
	Sustainable financial balance and profitability	Evolution of shares held
	Client satisfaction	Extent of financing proposed
	Risk management (industrial, financial, non-financial risks)	
	GHG emittance reduction	
Employees (PP2)	Attractiveness of positions (career development, interest of engagement, values)	Turnover (or attrition)
	Equity, equality	Employer-employee dialogue
	Consideration of well-being, health, and work safety	Reputation on social networks
	Consideration of an eco-citizen and eco-responsible process	
	Promoting well-being at work	
Clients (PP1)	Compliance with regulations	Indexing of the Group as providers (audit, commitment to responsible purchasing)
	Compliance with technical features of the product/ Studies	Non-renewal of agreements/contracts
	Contribution of innovative and sustainable technical solutions (management of obsolescence)	Non-payment of invoices
	Compliance with confidentiality of results	
	Good quality/price ratio	
	Consideration of an eco-citizen and eco-responsible process	
Suppliers and Providers (PP3)	Clear definition of technical specificities	Price
	Contracts for price, quantity, and term that provide sufficient financial visibility	Supply term
	Fighting corruption	Average invoice payment term
	Maintaining confidentiality	Signature of framework agreements

In 2023, the value created by the Group was shared with its stakeholders as follows:



2. CSR APPROACH

2.1. CSR strategy

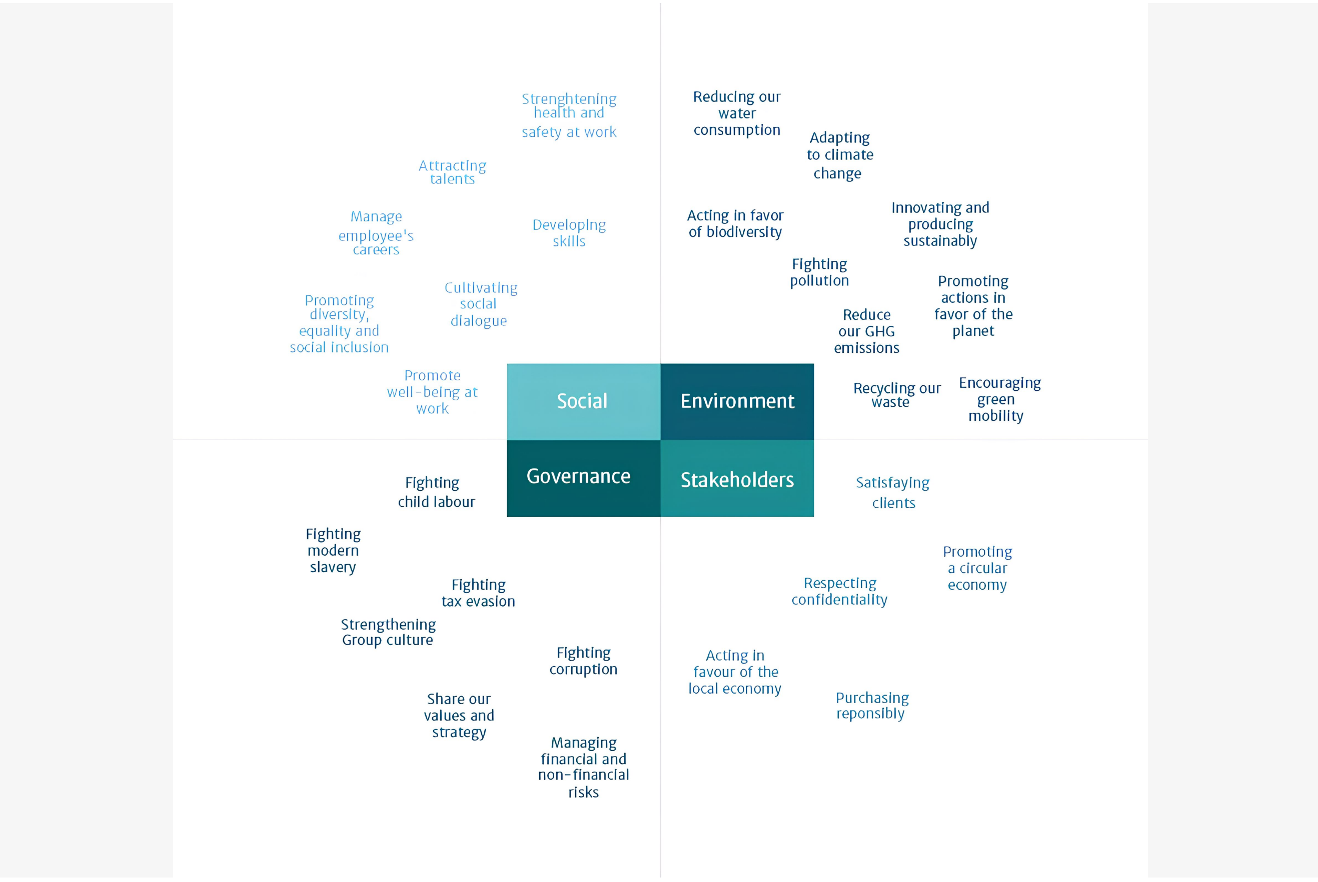
2.1.1. CSR challenges

The Corporate Social Responsibility (CSR) strategy implemented by Lumibird aims to promote, consolidate and perpetuate 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 global performance by making it possible to meet the following four core challenges:

- **Challenge 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. To fully satisfy their needs, Lumibird is committed to offering increasingly innovative products, developed in line with its convictions and strategy.
- **Challenge 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.
- **Challenge 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.
- **Challenge 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.

To meet these challenges 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. CSR policy 2023

With regard to these 4 challenges, 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.

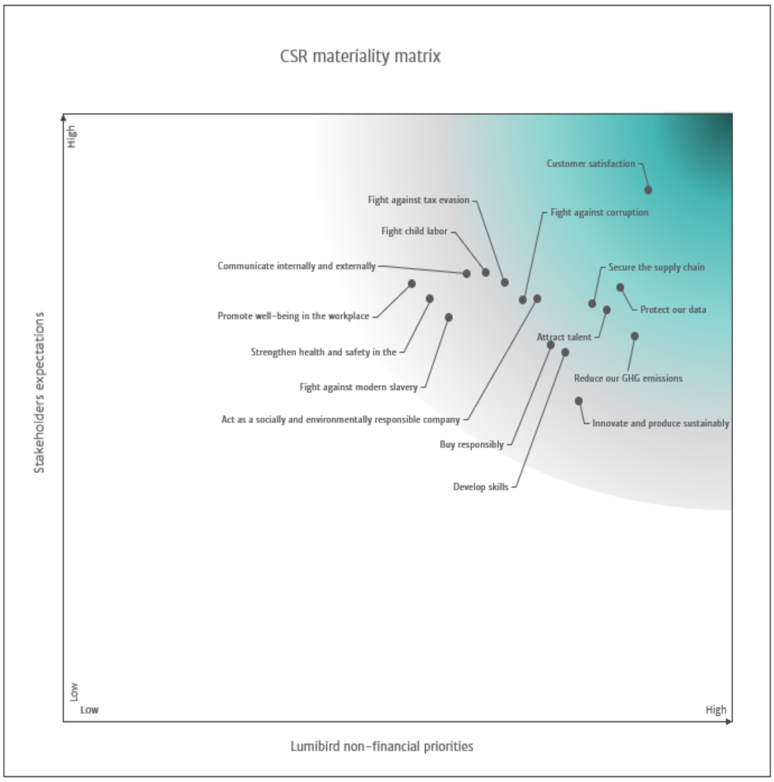
In 2021, a new CSR roadmap covering the period from 2022 to 2024 was definitively approved by the Executive Leadership Team, focused in priority on drawing up and putting in place an agile process that will be able to meet its current and future challenges. This led to the adoption of a charter that 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, the publication of its materiality matrix as well as a dashboard of key indicators, designed to measure in time the impacts of the actions taken.

The 2023 CSR dashboard has retained the same format as that adopted in 2022. It is still made up of 9 key indicators directly linked to the risks incurred by the Group and 2 additional indicators, reflecting our desire to go beyond regulatory obligations. Its aim is to measure the effectiveness of Lumibird's CSR policy and to help the Group make progress through changes in the values reported. With the exception of the gender equality index and the equity ratio, their respective scopes cover all of Lumibird's activities, at least on a like-for-like basis.

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

Risk coverage indicators							
CSR INDICATOR	CHALLENGE	SCOPE	UNIT	2022	2023	CHANGE	TREND
% of gross R&D expenditure / revenues	No.1	Group @100%	%	8.9	9.8	10%	↗
B to B client satisfaction index	No.1	Group @100% (B to B) excluding Convergent	/5	3.6	3.9	8%	↗
External training costs / employee	No.1	Group @100% excluding Convergent	€	147	173	18%	↗
% of employees made aware of phishing	No.1	Group @100% excluding Convergent	%	69	62	-10%	↘
Attrition rate	No.2	Group @100% excluding Convergent	%	10.0	9.1	-9%	↘
Workplace gender equality index	No. 2	France @ 100%	/100	86	94	9%	↗
Equity ratio (minimum wage)	No.4	France @100%	-	36.5	27.5	-25%	↘
% of CSR suppliers	No.3	Group @100% excluding Convergent	%	72	65.3	-9%	↘
Scope 1 & 2 GHGs / revenues	No.4	Group @100%	T CO2e / €m	5.1	7.8	53%	↗
Other CSR indicators							
CSR INDICATOR	CHALLENGE	SCOPE	UNIT	2022	2023	CHANGE	TREND
Water consumption / revenues	No.4	Group @100%	m^3 / €m	43.0	47.8	11%	↗
% of employees made aware of the code of conduct	No.4	Group @100% excluding Convergent	%	11%	>70%	N/A	↗

For further details on the conditions for calculating the various indicators, readers are invited to refer to §8: "Methodology". Lumibird also uses its materiality matrix to define the direction of its CSR policy, enabling it to adjust its priorities in line with the expectations of its stakeholders.



2.3. 2023 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 entire Group.

Specifically, in 2023, the risks and challenges of the business model were updated by the Executive Management, confirming the nature and criticality of the non-financial risks to which the Group remains exposed.

Over the same period, Lumibird pursued its policy of reducing water and energy consumption (scope 1 and scope 2), initiated in 2022, with results expected in 2024.

At the same time, the Group has deployed a set of complementary tools, enabling it, for the first time in its history, to assess all the greenhouse gas emissions (scope 1, 2 and 3) produced by its business model.

In addition, Lumibird has created a dedicated page on its new intranet site to promote more specific themes internally, such as the origins of climate change, the preservation of biodiversity and the benefits of practising sport.

Finally, as part of the implementation of the new sustainability reporting format (CSRD: Corporate Sustainable Reporting Directive) and its applicable standards (ESRS: European Sustainability Reporting Standards), for first publication in 2025, Lumibird has set up a working group to measure its degree of preparation and to anticipate the internal consequences of the application of these new non-financial information methods.

2.3.1. Measuring total greenhouse gas emissions

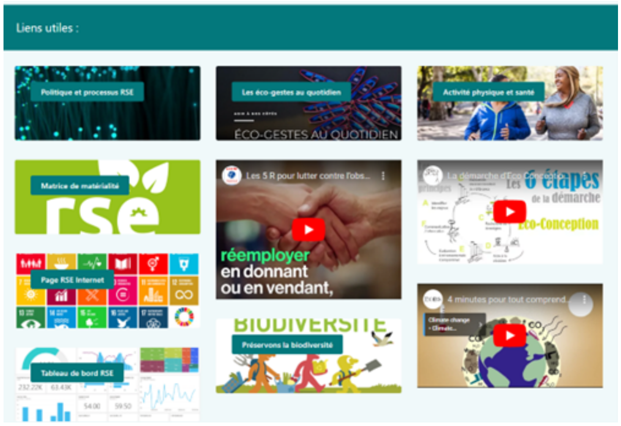
In order to assess all of its greenhouse gas emissions (scope 1, 2 and 3), Lumibird has developed a hybrid methodology, trying to use physical ratios rather than monetary ratios wherever possible, particularly for the items considered to be the most significant. When the data did not cover the entire Group, extrapolations based on the Pareto principle were used in order to get as close as possible to the reality of our emissions.

In 2023, Lumibird estimates that its business model generated 61,135 tCO_2e, 97% of which related to its scope 3 emissions.

For more details, please refer to section 4.5.1 "Greenhouse gas emissions".

2.3.2. CSR Intranet page

The promotion of more specific CSR themes sometimes finds its limits in the profusion of information conveyed internally. To limit this risk, the Group decided in 2023 to create a page dedicated to CSR on its intranet site, where information is prioritised according to its degree of importance, allowing people to deepen their understanding of the subject and its associated themes through a voluntary process.



Extract from the CSR intranet site

2.3.3. Anticipating new sustainability reporting standards

The aim of the new CSR reporting regulations is to improve the relevance and reliability of sustainability information published by companies. To achieve this, it is accompanied by a set of standards which provide a precise framework for the methodology to be applied, but which also considerably increase the amount of data to be collected in order to meet these new requirements.

To anticipate the impact of this major change in the management of its CSR policy, the Group has sought, since the publication of the provisional versions of the 12 applicable standards, to measure its state of readiness in order to accurately assess the amount of work inherent in the deployment of the CSRD and, in a second stage, to define the action plan necessary for the implementation of a reporting process in line with expectations.

2.4. CSR priorities for 2024

For 2024, the Group's priorities are :

- greater consideration for employee satisfaction. Specifically, during the year, a survey will be sent to all Group employees, and an analysis of the feedback will lead to the definition of priority areas for improvement, likely to contribute to an increase in overall performance,
- drawing up and formalising a general environmental policy. This will focus on updating the plan to reduce our greenhouse gas emissions (all scopes combined), improving the mobility plan and taking account of the new regulatory provisions designed to accelerate the ecological transition.
- structuring and deploying a process that complies with CSRD requirements. In the first stage, this will involve defining the appropriate methodology for collecting and analysing the data required for sustainability reporting. It will then focus on modifying the internal supervisory bodies responsible for checking that the newly-deployed process complies with the new ESRS standards. It will then lead to the adaptation of the Group's CSR policy and, finally, to the implementation of the IT tools needed to manage all ESG information.

3. MAIN ESG RISKS

3.1. Risk identification

At the beginning of 2023, 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 non-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.

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

Issues	Non-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 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
Building loyalty, motivating and developing our employees around a virtuous 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 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 taking environmental issues into account	CSR approach Ethical policy	6 Clean water and sanitation 7 Affordable and clean energy 4 Quality education 10 Reduced inequalities 8 Decent work and economic growth 12 Responsible consumption and production 15 Life on land 13 Mesures relatives à la lutte contre les changements climatiques 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 of 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 and systems.

If the Group were to be unable to deploy its innovative approach, it might notably 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 services: 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 in the long term its ability to quickly generate new revenues.

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

Lumibird relies on an information system evolving constantly, which 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 inevitably be affected.

3.6. Risks of economic dependence on some of its suppliers

In order to be able to manufacture its products, Lumibird calls on third-party suppliers, in particular so that it can procure specific components, such as laser 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, although less frequent, the shortage of certain electronic or mechanical components since 2021 further strengthens 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

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 efficiently fighting against modern slavery.

3.7. Risks linked to climate disruption

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 products
- the 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 notably resulted 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 sensors and systems, 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 notably covers 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 operational performance,
- 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 2023, the R&D teams were mobilised on 143 projects, 52% 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:

R&D	2022	2023	Change
R&D headcount (to date)	**184**	**196**	**+7%**
% of total workforce	*18.4%*	*18.6%*	*+1%*
GROSS R&D expenditure	**17.0 M€**	**19.9 M€**	**+17%**
% of revenues	*8.9%*	*9.8%*	*+10%*
Of which, capitalised expenditure	11.0 M€	12.8 M€	+16%
RESEARCH TAX CRÉDIT GENERATED (France)	**3.2 M€**	**3.3 M€**	**+3%**
RESEARCH TAX CREDIT GENERATED (excl. France)	**0.7 M€**	**0.4 M€**	**-44%**

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.

4.1.3. Consumer safety

The products manufactured and sold by the Group are intended to be used by professionals from the medical, industrial, scientific 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 2023, no claims or applications for proceedings were recorded concerning the products manufactured by the Group.

4.1.4. 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.

In addition, the standardisation of the Quality policy across the Group, underway for several years, continued to move forward in 2023. 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 2023, the continued implementation of Lumibird's Quality policy was reflected in:

- a significant step forward in the integration of the requirements of the new European regulation (2017/745), extended in its implementation until 2028 for our medical products. Quantel Medical, Ellex and Optotek were audited in 2023. They will be certified in 2024.
- In the Medical Division, the formalisation of a common process for monitoring technical standards, which have a direct impact on the management of the products concerned. The expected benefit is an easier and less time-consuming deployment for the teams involved.
- In the Photonics Division, certification and surveillance audits for the Villejust (ISO9001), Göteborg (ISO9001), Lannion (ISO 9001) and Bozeman (AS9100) production sites were successfully completed.

The details of valid certifications at 31.12.2023 are as follows:

Certifications	2022	2023
Number of production centers	11	10
Of which ISO 9001 certified	7	7
Of which ISO 14001 certified	1	1
Of which ISO 13485 certified	3	3
Of which MDSAP certified	2	2
Other certifications	1	1
Nb of certified production centers	9	8
% of certified production centers	**82%**	**80%**

Note: It should be noted that the Turin (Italy) and Chicopee (USA) sites, which were recently integrated into the Group when Convergent Photonics was acquired, do not currently have any certification. The opportunity to remedy this situation will be analysed in 2024 on the basis of the respective businesses of these two entities. On a like-for-like basis, the percentage of certified production centres remains unchanged from 2022.

4.1.5. 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, a B to B client satisfaction rating and the amount of external training per employee.

In 2023, in absolute terms, the amount allocated by the Group to its gross R&D expenditure rose by €2.9m (+17%), representing a 10% increase in effort when related to its revenues. This increase stems from the Group's determination to maintain its competitive edge in its main markets, by offering quality products at the cutting edge of innovation, as well as from the R&D investments made by the Lumibird Photonics Sweden subsidiary to respond to its new market opportunities.

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 (73% of Lumibird's global revenues). Based on the feedback received from the survey of its clients, the 2023 score is 3.9 /5, which represents an increase of 8%, reflecting the progress made thanks to the action plan launched in the Photonics division and the continuing efforts made in the Medical division.

In 2023, based on 100% of the workforce present on 31 December, the amount of external training per employee was €173, which, at constant scope, is a variation of +18% compared to 2022. This increase is the result of both maintaining the level of expenditure allocated in previous years and increasing the budget allocated to this item at the Adelaide site.

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, 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 keep them motivated and develop their skills. Thanks to the diversity of its professions and activities, the Group is well placed 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 a talent war between organisations, 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 employees 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, with a single Economic and Social Unit (UES) approach throughout France

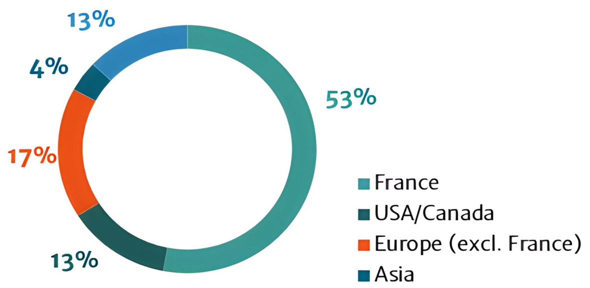
¬ its visibility, thanks to its participation in various trade fairs, its communication on social networks, and the hosting of trainees or work-study students at various levels to raise awareness of the Group and its professions.

4.2.2. Workforce

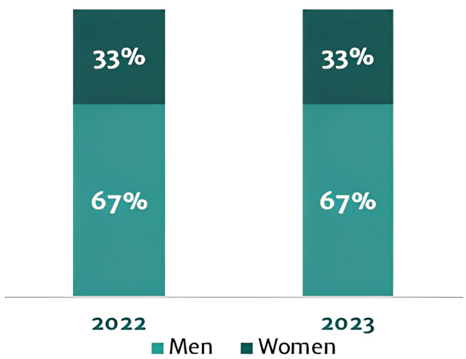
4.2.2.1. Workforce to date

To date (i.e. at 31.12)	31.12.2022	31.12.2023	Change
TOTAL GROUP WORKFORCE	**1,001**	**1,052**	**5%**
Number of permanent contracts	916	989	8%
% / Group workforce	92%	94%	-
Attrition rate (permanent contracts)	**10.0%**	**9.1%**	**-9%**
Number of fixed-termed contracts	85	63	-26%
% / Group workforce	8.5%	6.0%	-

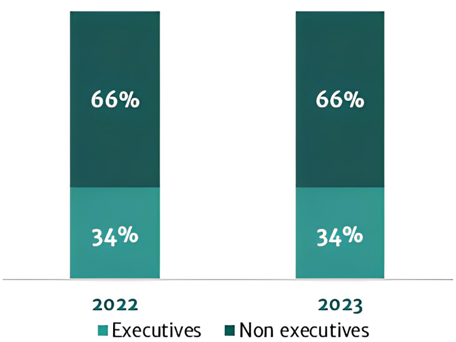
Workforce breakdown by geographic area



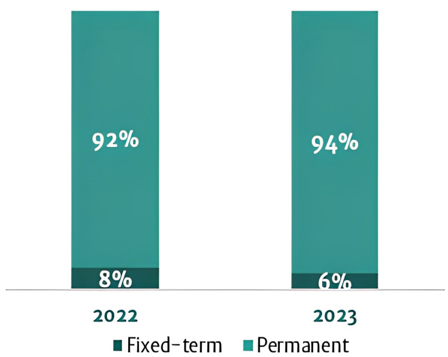
Workforce breakdown by gender



Workforce breakdown by activity



Workforce breakdown by contract type



4.2.2.2. Average workforce

Average workforce	31.12.2022	31.12.2023	Change
TOTAL GROUP AVERAGE WORKFORCE	**1,006**	**1,043**	**4%**
Of which men	681	698	2%
% men / Group workforce	68%	67%	-
Of which women	325	345	13%
% women / Group workforce	32%	33%	-
Of which executives	341	360	6%
% executives / Group workforce	34%	35%	-
Of which non-executives	665	683	13%
% / Group workforce	66%	65%	-
Pay equity index women/men	86 / 100	94 / 100	9%

4.2.2.3. Other HR data

HR data	31.12.2022	31.12.2023	Change
PERSONNEL COSTS (€m)	**63.8**	**65.9**	**3%**
Wages and social contribution	61.6	66.7	8%
Profit sharing	0.7	0.8	14%
Free shares	1.5	(1.5)*	-
Pay equity ratio (minimum wage)	36.5	27.5	-25%

(*) the performance targets on which the free shares were granted were not met

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,
- further strengthen its policy of access to the Group for people with disabilities: at December 31, 2023, the Group employed 3.2% of people with disabilities (including 4.8% in France), compared with 3.6% 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 workstation training,
- a training plan that adapts to the needs of each entity.

The training plan is built on the basis of annual performance 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 or situational exercises for the missions they are or will be entrusted with. In 2023, this principle was applied to more than half 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

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 women and men, 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 their professionnal life.

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.

In concrete terms, in 2023, the Group has increased the pay of more than 50% of its French employees and introduced the principle of a variable pay component, with a minimum value of €600. It has also signed two new agreements on profit-sharing and sustainable mobility.

Finally, for 2024, for sites outside France, a study based on a free share allocation plan and the generalisation of a variable remuneration component is already underway. The aim is to find a uniform and fair solution, applicable throughout the Group, to compensate for the social benefits enjoyed by French employees.

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 2023 is detailed in the table below:

Work accidents	2022	2023	Chge.
Number of accidents with more than one day off work:	8	9	-
Number of accidents with less than one day off work:	9	7	-
Total :	**17**	**16**	**- 6%**
Of which, number of accidents occurring on the way to and from work:	6	5	-
Number of days off work prescribed	110	203	-

As a result, the total number of accidents fell slightly, but resulted in more days off work.

In the United States, Lumibird has increased the rate at which it covers health insurance costs, so that employees working for its American subsidiaries can, if they so wish, benefit from better cover for their health expenses.

4.2.7. Indicators for monitoring HR risks

To monitor the efficiency and effectiveness of its human resources strategy, Lumibird has chosen attrition rate, gender equality index and 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	2022	2023	Change
Group excl Lumibird Photonics Sweden	10.0%	9.1%	-9%

On a like-for-like basis, the attrition rate for 2023 is 9.1%, 9% lower compared to the previous year. This result exceeds Lumibird's expectations, particularly in view of the war for talent that is raging in many of the countries where we operate. It rewards the efforts made over several years to retain the Group's employees.

To protect itself from the risks to talent and skills, the Group has chosen to add its gender equality index. In 2023, it was 94/100, an increase of 8 pts compared to 2022, as a result of the benchmark carried out at the beginning of the year and the resulting proactive policy on managing promotions and reducing pay differentials.

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 since 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 27.5, down 26% compared to 2022. It is the result of a combined effect, due to the reduction in income received in 2023 by the Group CEO and the revaluation applied to the lowest salaries.

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 significantly reinforced its anti-hacking strategy.

In concrete terms, in 2023, in addition to the actions deployed in previous years, the following initiatives have been undertaken to improve the Group's security posture:

- hardening of existing systems,
- the choice of a certified solution for IT security supervision,
- the introduction of strong authentication mechanisms on all existing external accesses,
- the deployment of organisational measures designed to strengthen control over existing accounts and access,

For 2024, a security policy and action plan have been defined:

- an overhaul of the information system backup and recovery system, using a specialist managed service provider,
- a feasibility study into the mechanisms needed to strengthen the security of privileged access.

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).

In 2023, the average value resulting from the 2 awareness campaigns is 62%, down 10% on 2022. This contrasting result is due to a significantly lower participation rate during the second training session, which was probably interpreted by a fringe of employees as a catch-up session.

Furthermore, although this value allows us to assess the degree of awareness of cyber attacks, it does not directly measure the level of risk incurred by Lumibird. As a result, this rate of employees trained in phishing will be replaced in 2024 by a new indicator, directly linked to the rate of failure in the exercises carried out to ensure that knowledge has been assimilated.

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,
- 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.

The year 2023 was marked by the easing of supply tensions on electronic components, the integration in our negotiations of purchases made by recently acquired entities and by the continued rationalisation of our supplier panel at Group level.

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 2023, using the same procedures as in previous years. It was launched with critical suppliers, who represented 52% 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 distribution of the ESG profiles of the panel surveyed. The analysis carried out on all the completed questionnaires (i.e. 31.4% of the 229 suppliers contacted, representing 32.4% of the total value of purchases in 2023) showed an average rating of 61/100, slightly down as comparerd with 2022, however, with the presence of a strong disparity in the exploitable sample. 65% of the population surveyed achieved a rating of over 50, with 29% rated between 20 and 50/100, and 6% under 20/100. Compared to the previous year, the Group has noted a shift in the population between the category mastering the fundamentals of CSR (i.e.: >50) and the intermediate category (i.e.: 20-50). The origin of this slight deterioration can be explained by the low proportion (26%) of suppliers who responded in both 2022 and 2023, in particular due to the constant increase in the number of suppliers that Lumibird uses.

Note: for Lumibird, a supplier is considered critical if it is essential to the continuity of its business model, regardless of the potential causes.

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 in the long-term.

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.

4.5.1.1. Scopes 1 and 2

The Group's environmental impact for scopes 1 and 2 is still limited and is measured primarily in terms of electricity consumption (77% of energy consumption is equivalent to 72% of carbon emissions). 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 to its industrial sites, which account for 96% of total emissions relating to scopes 1 and 2. Insofar as possible, the Group strives to control 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 by the departments directly concerned by them depending on requirements and regulatory constraints.

In 2023, the Group's energy consumption (scopes 1 and 2) was as follows:

Energy consumption	31.12.2022	31.12.2023 (Equivalent scope)	Change 2023/2022 (%)	31.12.2023 (Global scope)
Scope 1 (direct emissions)				
Natural gas (MWh)				
French sites	792	1,023	+29%	1,023
Other sites	680	588	-14%	795
TOTAL GAS	**1,472**	**1,611**	**+9%**	**1,818**
Scope 2 (indirect energy-related emissions)				
Electricity (MWh)				
French sites	2,938	3,339	+14%	3,339
Other sites	1,791	2,428	+36%	2,842
TOTAL Electricity	**4,729**	**5,767**	**+22%**	**6,181**
Scope 1 & 2				
TOTAL ENERGY (MWH)	**6,266**	**7,377**	**+18%**	**7,999**
TOTAL ENERGY (MWH / €M)	**38.6**	**-**	**-**	**39.2**

Concerning the GHG emission, the 2023 Group's energy consumption was as follow:

GHG	31.12.2022	31.12.2023 (Equivalent scope)	Change 2023/2022 (%)	31.12.2023 (Global scope)
French sites (in tCO2e)	357	423	+18%	423
Other sites (in tCO2e)	622	1,004	+61%	1,170
TOTAL GHG EMITTED (in tCO2e)	**979**	**1,427**	**+46%**	**1,593**
TOTAL GHG EMITTED (in tCO2e / M€)	**5.1**	**7.0**	**+37%**	**7.8**

Notes:

- The 2023 equivalent scope excludes the contribution of Convergent Photonics.
- The conversion factors into tCO2e used correspond to the values published in 2023 by the International Energy Agency (IEA).

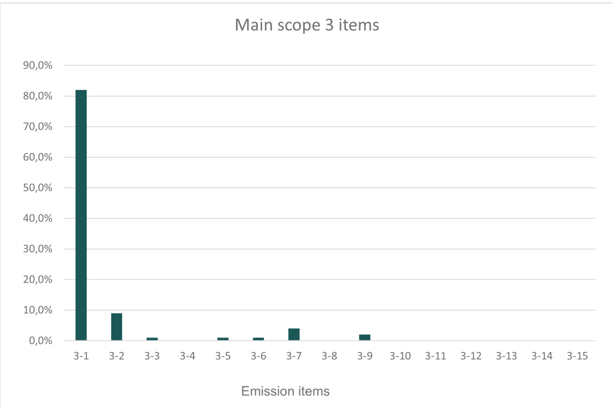
4.5.1.2. *Scope 3*

To help it assess its Scope 3 greenhouse gas emissions, Lumibird was assisted in 2023 by Veracy. This estimate was based on a hybrid methodology (see § 8.2 "Evaluation of Scope 3 GHG emissions"), combining a set of physical and monetary ratios, to obtain the most accurate value possible.

The quantities emitted by the Group according to the different sub-categories of Scope 3 are as follows:

Sub-categories of Scope 3	Emissions in tCO2e	Proportion in % (scope 3)
Emissions upstream of the value chain		
3-1 Purchased products and services	48,960	83
3-2 Fixed assets	5,267	9
3-3 Emissions from fuels and energy (not included in scope 1 and 2)	372	1
3-4 Upstream goods transport and distribution	0	0
3-5 Waste generated	524	1
3-6 Business travel	755	1
3-7 Commuting	2,251	4
3-8 Upstream leased assets	0	0
Other indirect upstream emissions	0	0
Emission down the value chain		
3-9 Downstream goods transport and distribution	1,218	2
3-10 Transformation of products sold	0	0
3-11 Use of products sold	0	0
3-12 End of life of products sold	195	0
3-13 Downstream leased assets	0	0
3- 14 Franchises	0	0
3- 15 Investments	0	0
Other indirect downstream emissions	0	0
TOTAL	**59,542**	**100**

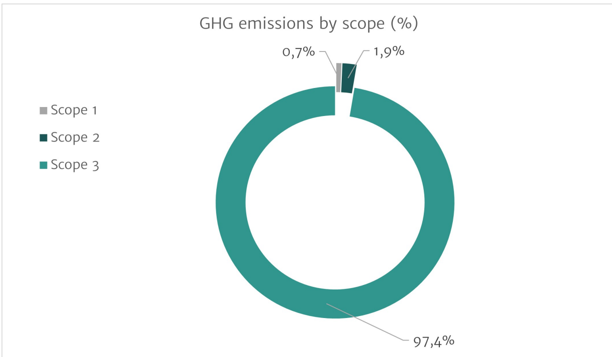
The respective contributions of Scope 3 emissions are shown in the graph below:



As expected, the Lumibird Group's main source of greenhouse gas emissions is purchased products and services. These alone account for 82% of Scope 3 emissions.

4.5.1.3. *Overall emissions of the Lumibird Group*

The Group's overall emissions break down as follows:



As a result of its activities, the Lumibird Group emitted a total of 61,135 tCO2e, or 300.3 tCO2e per million euros of sales generated.

For the coming years, our ambition in terms of reducing our emissions is twofold. It should take the form of :

- deploying a new reduction plan that now includes the most significant Scope 3 emissions,
- the gradual replacement of monetary ratios by new physical ratios, which will gradually enable us to refine our evaluation model.

As a reminder, it should be noted that the Group's plan to reduce energy consumption, initiated at the end of 2022 for a period of 2 years and covering scopes 1 and 2, aims to avoid the emission of 147 tCO2e. Under these conditions, the adoption of a generalised plan incorporating scopes 1, 2 and 3, and based on similar ambitions, should enable us to limit our emissions by several thousand tonnes of CO_2 equivalent over the next few years.

Note: Transport (3-6 "Business travel", 3-7 "Commuting" and 3-9 "Downstream goods transport and distribution") accounts for only 7% of total emissions. Consequently, unlike the carbon footprint generated by products and services purchased, the Group does not consider this to be a priority issue requiring the immediate deployment of an action plan.

4.5.2. Risk monitoring indicators

To measure the efficiency and effectiveness of its environmental policy, Lumibird has chosen its greenhouse gas emissions as its primary indicator (GES scope 1 and 2).

In 2023, in relation to its revenues, the Group's GHG emissions represented 7.8 tons of CO_2 equivalent / €m. Compared to 2022, the Lumibird Group's emissions have increased by 53%. This significant increase reflects a number of factors:

- sales below expectations,
- an increase in production floor space, which now requires minimum maintenance and is only making a partial contribution to sales at this stage,
- temporarily, the continued operation of certain facilities at the former Les Ulis and Ljubljana sites,
- recent acquisitions of new entities in countries with a high proportion of carbon-based electricity.

In 2024, the partial elimination of some of these causes should enable the Group to return to a level closer to 2022.

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 cells 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,
- continue to verticalise its business model, enabling it to avoid numerous shipments and, consequently, the use of unnecessary packaging.

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 and equipment 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 business model 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 2023 for these two additional indicators are presented in the table below:

CSR challenges	Indicator	Unit	2022 performance	2023 performance
Become a fully socially responsible and environmentally responsible company.	Water consumption in relation to revenues	m^3 / €m	43.0	47.8
	Proportion of employees made aware of the new code of conduct (*)	%	11% (*)	>70% (**)

(*) based on different local versions.

(**) based on a unique version.

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 2023, the Group consumed 47.8 m^3 per million euros generated, an increase of 11% compared with the previous year. Globally, over the same period, Lumibird used 9,726 m^3 of drinking water in connection with its activities, up 18% from its consumption in 2022 (8,210 m^3).

This deterioration is due to the increase in production surface area, which has so far contributed only partially to sales, and to the temporary retention of sites following the relocation of the Optotek (Slovenia) and Quantel Technologies / Lumibird (France) sites.

For 2024, the Group anticipates a return to around 40 m^3 / €m, once the benefits of the consumption reduction plan initiated last year have been cumulated, and the cyclical causes have disappeared.

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 its employees share the Group's values in terms of corruption, tax evasion and the fight against modern slavery.

By the end of 2023, thanks to the adoption of a Group-wide code of conduct, more than 70% of Lumibird employees had been informed of the entry into force of these new provisions.

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. A new version applicable to the entire Group was distributed in the last 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.

In 2023, the Group updated its IT charter, which includes procedures for protecting personal data through the proper use of IT tools.

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.

In 2023, the Code of Conduct, which deals in particular with the prevention and detection of corruption, was updated. It summarises the Group's commitments and principles in this area and defines the different types of behaviour to be avoided, which could constitute an act of corruption.

In addition, employees can now call on the Group's Compliance Committee if they become aware of situations or practices that contradict the rules. The Group has also set up a whistleblowing system in accordance with European Directive 2019/1937 of 23 October 2019 on the protection of whistleblowers, which can be accessed via an external web platform or by telephone.

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 2023, a first tax inspection for Lumibird SA was carried out concerning FY 2019 to FY 2021. It was completed without any tax adjustment. A second audit began last December on the Quantel technologies SAS subsidiary, and to date no adjustments have been requested.

6.4. Other ethical issues

In view of the Group's activities, there are no specific provisions relating to responsible, fair and sustainable food, the fight against food waste or respect for animal welfare.

7. OTHER CSR ACTIONS

7.1. Promotion of sport

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 and 2023, 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.

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.

7.4. Promoting links between the nation and the army

As a major player in the defence industrial and technological base, the Lumibird Group supports the commitment of two of its employees to the French National Guard and facilitates their availability during periods of commitment.

8. METHODOLOGICAL NOTE

8.1. CSR scorecard indicators

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 2023 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) Excl. Convergent	The B to B customer satisfaction measurement campaign for the year 2023 (73% of revenues took place between 5/12/23 and 15/2/24. The return rate in the Photonics division reached 12.5% on a panel of critical customers representing 25% of revenues. In the Medical division, the return rate reached 18% on all distributors contacted (B to B). The rate of usable returns is 34% (distributors) and 12.5%, respectively for the Medical and Photonics divisions.
External training costs / employee	Sustainability risk	Ratio expressed in € between the total cost of external training in 2023 and the headcount to date.	Group @ 100% Excl. Convergent	
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% Excl. Convergent	
Attrition rate	Sustainability risk	Proportion expressed as a % between the number of employees on permanent contracts who left the Group in 2023 and the headcount of employees on permanent contracts at Jan 1, 2023.	Group @ 100% Excl. Convergent	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% Excl. Convergent	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 32% of 2023 purchases in terms of value.
Scope 1 & 2 GHGs / revenues	Sustainability risk	Ratio between the Group's total 2023 emissions expressed in t CO2e, divided by 2023 revenues expressed in million euros.	Group @ 100%	Exclusively scope 1 and scope 2 The duration of the reference period is always 12 months, but depending on the availability of supporting documents, its start may vary from 1/11/2022 to 1/1/2023. The 2023 survey initiated by the Group began in December and will end in January 2024.
Water consumption / revenues	Other CSR indicator	Ratio between the Group's total 2023 consumption expressed in m3 divided by 2023 revenues expressed in million euros.	Group @ 100%	3% 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 As with Scope 1&2 GHG emissions, the reference period always lasts 12 months, but depending on the availability of supporting documents, its start date may vary from 1/11/2022 to 1/1/2023. In some very rare cases, due to a lack of available data, the start of the reporting period has coincided with 01/08/2022.
Equity ratio (minimum wage)	Sustainability risk	Ratio between the amount of gross compensation received by the Chairman-CEO in 2023 divided by the average minimum wage in force at 31.12.2023.	France @ 100%	For 2023, the Chairman-CEO's gross compensation comprises 2 salaries received from Lumibird SA and Keopsys Industrie SAS.

Indicator	Coverage	Conditions for calculation	Scope	Comments
Proportion of employees made aware of the code of conduct	Other CSR indicator	Ratio expressed as a % of an estimate based on the number of employees who have received the new version of the code of conduct applicable to the Group as a whole over the workforce to date excluding convergent employees (i.e. 1,111 EAD). The estimate is based on the number of individual emails as at 15-2-2024 from which we have subtracted the average daily number of employees joining the Group times 56 days to correspond to the sending date of 21-12-2023. Finally, we applied a weighting factor of 95% to this value and rounded the result down to the nearest ten in order to guarantee a percentage with very low uncertainty.	Group @ 100% Excl. Convergent	

8.2. Evaluation of Scope 3 GHG emissions

The GHG emissions produced in 2023 under Scope 3 concern the entire Group. The calculation methods applied to the most significant items in order to produce the published estimate are detailed in the table below:

Sub-categories	Conditions for calculation	Comments
3-1 Purchased products and services	External purchases exceeding 1% of the total amount made by 15 of the Group's subsidiaries were identified. Then, for each subsidiary, in order to harmonise the company statutory financial statements with the consolidated financial statements, a correction factor was calculated and applied to the total amount corresponding to the financial accounts R601000, R60100F, R607000, R60700F, before being extrapolated to the missing subsidiaries. In a final step, these amounts were transformed into tonnes of CO2 equivalent, using the ADEME emissions factors (E.F.), before being added together.	
3-2 Fixed assets	The evaluation of scope 3 GHG emissions resulting from the 2023 acquisitions was calculated on the basis of a macro-categorisation of 77.5% of the Group's new property, plant and equipment (in terms of value), extrapolated to the remaining 22.5% before being transformed into tonnes of CO2 using the monetary emissions factors contained in the ADEME's F.E. database.	
3-3 Emissions from fuels and energy (not included in scope 1 and 2)	Indirect emissions linked to the consumption of fuels and energy come mainly from the transport and distribution of fuels and the energy required to produce electricity. They are estimated according to the nature of the item at the origin of the direct consumption in question.	
3-4 Upstream goods transport and distribution		Included in "3-1 Purchased products and services"
3-5 Waste generated	The quantity of emissions generated by waste has been extrapolated on the basis of an Eco-flux diagnosis carried out in 2022 at the Lannion site, directly related to the EAD workforce for the other production sites and weighted by an additional factor of 10% for the commercial and administrative sites.	
3-6 Business travel		Corresponds to emissions from GHG 1-2 "Direct emissions from mobile combustion sources".
3-7 Commuting	The quantity of emissions generated by commuting to and from work was extrapolated from a questionnaire sent to 88% of employees, with a return rate of 41%.	
3-8 Upstream leased assets		Not significant.
Other indirect upstream emissions		Not significant
3-9 Downstream goods transport and distribution	This sub-category was calculated using the financial amounts in the consolidated item 624000, which concatenates the data from each subsidiary. The various amounts were then divided into 3 transport categories (air, sea and land) on the basis of a generic breakdown extrapolated from partial feedback from the transport companies working with the Group. Finally, they were converted into tonnes of CO2 equivalent using the appropriate emissions factors.	
3-10 Transformation of products sold		Not significant
3-11 Use of products sold		Not measured. Considered not significant.
3-12 End of life of products sold	Emissions relating to the end-of-life of products sold have been calculated based on the average weight of products sold by the Group and the total quantity of devices sold, using an extrapolation of the results for the Photonics division. In a second step, the total weight was transformed into tCO2e using the corresponding F.E..	
Downstream leased assets		Not significant
Franchises		Not significant
Investments		Not significant
Other indirect downstream emissions		Not significant

Section 2 Green taxonomy

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 2023, 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, investment (capex) and operating expenditure (opex) that contribute, directly or indirectly, through enabling activities, to the 6 objectives of the taxonomy for sustainable activities.

It should be noted that, in accordance with the guidelines applicable for the current year, only the first two objectives have been fully analyzed. The other four have only been examined for eligibility for the green taxonomy. Their alignment will be verified in 2024, with results to be published in the first quarter of 2025.

1.1. Taxonomy eligibility

As part of the eligibility analysis, Lumibird did not identify any revenue, fixed assets or operating expenses that fall within the objectives relating to the sustainable use and protection of aquatic and marine resources, the transition to a circular economy, the prevention and control of pollution and the protection and restoration of biodiversity and ecosystems.

1.1.1. Revenues

Given its positioning in its various markets, the Group contributes indirectly to mitigating climate change through its enabling activities, which address the wind turbine electricity generation markets. The measurements taken using our wind Lidar systems help us to choose the best locations for wind turbines and to optimise their operation.

In 2023, revenues from this market amounted to €8.8m, or 4.3% of the €203.6m generated over the same period. In accordance with the notes to the consolidated financial statements, the remainder of Lumibird's business, i.e. €194.8m, including €102m for the Medical division, does not meet the eligibility criteria defined for the 6 objectives of the taxonomy for sustainable activities.

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 2023, the gross value of the Group's property, plant and equipment and intangible assets increased by €25.8m in accordance with the column "Acquisition for the year" in the notes to the consolidated financial statements.

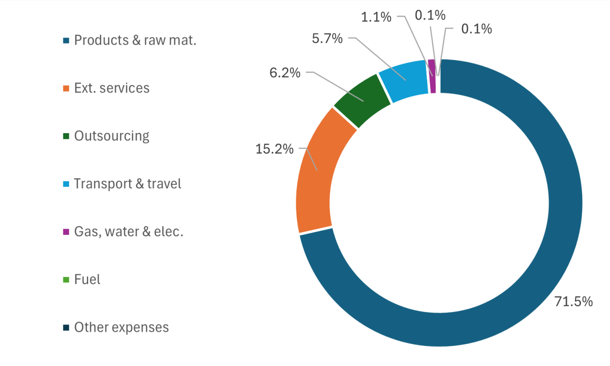
Under the Taxonomy for Sustainable Activities, the checks carried out focused on the Group's legal entities that made large-scale investments during the previous year.

- Investments in property, plant and equipment (i.e. excluding the reintegration of capital expenditure qualifying as investments under IFRS 16, applied for the purposes of consolidating the Group's financial statements under IFRS) granted by Lumibird SA, Quantel Medical SAS, Keopsys Industries SAS, Ellex Medical Pty Ltd, Lumibird Photonics Sweden AB, Lumibird Medical Inc and Optotek d. o.o, representing a total amount of €8.7m, were analysed line by line according to the criteria defined in the delegated documents, which specify the procedures applicable to the taxonomy. Of this amount, only €3.1m was found to meet the eligibility criteria for 4 separate activities:
  - 6.5 "Transport by motorbikes, private cars and commercial vehicles" ;
  - 7.4 "Installation, maintenance and repair of charging stations for electric vehicles inside buildings" ;
  - 7.6 "Installation, maintenance and repair of renewable energy technologies" ;
  - 7.7: acquisition and ownership of buildings.
- With regard to the expenses incurred under finance leases as defined by IFRS 16 and classed as investments (activity 6.5), it represented €2.2m over the same period, with 44% [LFA1] of the total eligible of which €1.9m were analysed in detail.

Finally, for the past year, the total amount examined was €10.6m, or 77.5% of the €13.8m potentially eligible. After analysis, the amount of CAPEX corresponding to the eligibility criteria is €5.0m.

1.1.3. Opex

The breakdown of the €111.9m of OPEX carried out by the Group in 2023 is shown below:



An analysis of the breakdown shows that 93% of operating expenses relate directly to Lumibird's core business, through purchases of raw materials (71.5%), recourse to external services, the vast majority of which are intangible (15.2%), and subcontracting indirectly linked to R&D and production (6.2%). As a result, only 7% of its operating expenses are potentially eligible for the green taxonomy.

Under these conditions, the Group decided to benefit from the materiality exception offered to companies. As such, no opex-related indicators are published for 2023.

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

1.2.1.1. Revenues

As far as eligible revenues are concerned, it fully meets the applicable technical criteria (i.e.: "installation, maintenance and repair of wind turbines and ancillary technical equipment") defined in paragraph 7.6 "Installation, maintenance and repair of renewable energy technologies", of EU Regulation 2020/852 on the substantial contribution to climate change mitigation.

Its respective contribution to the various objectives is summarised in the table below:

	Share of revenues over total revenues	
Objectives	Aligned with the taxonomy by objective	Eligible to the taxonomy by objective
CCM	4.3%	4.3%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	0.0%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

For further details, please refer to section 1.4.

1.2.1.2. Capital expenditure

The technical criteria applied to eligible CAPEX (within the meaning of IFRS16) are detailed in the methodological note in section 1.3.

For all vehicles leased by the Group that are eligible for 6.5 "Transport by motorbikes, passenger cars and light commercial vehicles" activity, a criterion for emissions of less than 50g of CO2/km has been applied. Across a fleet of 104 vehicles adapted for our various use cases, four passenger cars respect this threshold.

Concerning the installation of electric charging stations eligible for activity 7.4 "Installation, maintenance and repair of electric vehicle charging stations inside buildings", the qualitative criterion of installation, maintenance or repair of electric vehicle charging stations is met in full.

With regard to the installation of photovoltaic panels eligible for activity 7.6 "Installation, maintenance and repair of renewable energy technologies", the qualitative criterion of installation, maintenance and repair of solar photovoltaic systems and ancillary technical equipment is also fully met.

Lastly, 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 was used. However, in 2023, none of the buildings occupied by the Group passed this very selective threshold.

1.2.2. Other applicable criteria (DNSH and minimum guarantees)

According to the Group's analysis, the aligned revenues and acquisitions, made during the year 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 its activities in the wind energy markets and the purchasing and leasing of goods follow the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

On a practical level, all of the sales relating to the marketing of wind Lidar only concerned the Ottawa site. The DNSH analysis of the objective of adapting to climate change carried out on the sales generated by wind Lidar in accordance with activity 7.6 "Installation, maintenance and repair of renewable energy technologies" only focused on the objective of mitigating climate change. As such, it did not take into account the other environmental objectives.

As a result, none of the 28 climate risks assessed for the Ottawa site (see Appendix A of the Delegated Regulation) call into question whether the activity meets the objective of adapting to climate change, and the turnover generated is therefore well aligned.

Note: The Ottawa site was closed at the end of 2023 and all activity repatriated to the Lannion site. In 2024, the DNSH analysis relating to the continuation of the Lidar Vent activity will therefore concern the latter, for publication in the 1st half of 2025.

1.2.3. Aligned amount

Under these conditions, the Group considers that all the eligible amounts that meet the technical criteria are aligned with the objectives of the green taxonomy.

In concrete terms, of the €8.8m in sales generated on the wind energy markets, 100% meet the alignment criteria.

In terms of CAPEX, of the €5.0m eligible, only 2.0% is aligned, i.e. 0.4% of all capital expenditure incurred by Lumibird in 2023.

1.3. Methodological note

The analysis methods used by the Group for the green taxonomy are described in the table below:

Scope	Eligibility	Alignment	DNSH	Minimum guarantees	Comments
Revenues	Analysis based on the various markets: "Defence", "Space", "Medical", "Industrial & Scientific", "Environment, Topography & Security", then on the segments of the "Environment, Topography & Security" market only likely to meet both the eligibility and enabling function criteria. On the basis of this approach, only the segments addressing wind energy markets compatible with activity 7.6 "Installation, maintenance and repair of renewable energy technologies" were retained.	The technical criterion applied corresponds to a substantial contribution to climate change mitigation through the installation, maintenance and repair of wind turbines and ancillary technical equipment..	Internal analysis based on the very nature of the technology used and its impact on other objectives, as well as its compliance with applicable legislation.	Through its code of conduct and CSR charter, Lumibird considers that it complies with the minimum guarantees set out in the OECD Guidelines for Multinational Enterprises and the United Nations Principles on Business and Human Rights.	The 2023 revenues eligible for green taxonomy only concerns the climate change mitigation objective.
CAPEX	This analysis was based on the nature of the CAPEX carried out by the Group in 2023 and the probability that they would apply to the actions defined for the 6 objectives of the green taxonomy.In this context, Lumibird considered that only the following actions were potentially applicable to its tangible fixed assets: - Circular economy: 3. 2 "Renovation of existing buildings", 3.5 "Use of concrete in civil engineering" and 5.1 "Repair, refurbishment and remanufacturing"; - Climate change mitigation: 4.1 "Electricity generation using solar photovoltaic technology", 6. 5 "Transport by motorbikes, passenger cars and commercial vehicles", 6.6 "Road freight transport", 7.2 "Renovation of existing buildings", 7.3 "Installation, maintenance and repair of energy-efficient equipment", 7.4 "Installation, maintenance and repair of charging stations for electric vehicles inside buildings", 7. 5 "Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy performance of buildings", 7.6 "Installation, maintenance and repair of renewable energy technologies" and 7.7 "Acquisition and ownership of buildings".	The technical criteria applied correspond to a substantial contribution to climate change mitigation through : 6.5: "Until 31 December 2025, the specific CO2 emissions, as defined in Article 3(1)(h) of Regulation (EU) 2019/631, are below 50 g CO2/km (low or zero emission light commercial vehicles)"; 7.4: "The installation, maintenance or repair of charging stations for electric vehicles"; 7. 6: "The installation, maintenance and repair of solar photovoltaic systems and ancillary technical equipment"; 7.7: "The primary energy demand , which defines the energy performance of the building resulting from construction, is at least 10% lower than the threshold established for the requirements for nearly zero-energy buildings in the national measures designed to implement Directive 2010/31/EU of the European Parliament and of the Council . The energy performance is certified by an energy performance certificate".	Internal analysis based on the very nature of the technology used and its impact on other objectives, as well as its compliance with applicable legislation.	Through its code of conduct and CSR charter, Lumibird considers that it complies with the minimum guarantees set out in the OECD Guidelines for Multinational Enterprises and the United Nations Principles on Business and Human Rights.	Fixed assets completed in 2023 and eligible for the green taxonomy only concern the climate change mitigation objective.
OPEX	Materiality exemption	N/A(*)	N/A(*)	N/A(*)	93% of OPEX directly linked to the Group's activity

1.4. Taxonomy for sustainable activities indicators

1.4.1. Revenues

FY 2023			Year						Criteria of absence of significant prejudice
Economic activities	code	Revenues	Share of revenues year N	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity
				Yes/No,N/EL	Yes/No,N/EL	Yes/No,N/EL	Yes/No,N/EL	Yes/No,N/EL	Yes/No,N/EL
A-TAXONOMY - ELIGIBLE ACTIVITIES									
A1-Sustainable activities eligible for taxonomy									
Laser sources and Lidar sensors for wind turbine power generation	7.6	€8,806,161.58	4.3%	YES	N/EL	N/EL	N/EL	N/EL	N/EL
Revenues from environmentally sustainable activities (aligned with taxonomy)		*€8,806,161.58*	*4.3%*	*100%*	*0%*	*0%*	*0%*	*0%*	*0%*
Of which enabling		€8,806,161.58	4.3%	100%	0%	0%	0%	0%	0%
Of which transitional				-					
A2. Non-sustainable activities eligible for taxonomy									
				EL, N/EL	EL, N/EL	EL, N/EL	EL, N/EL	EL, N/EL	EL, N/EL
Revenues from taxonomy-eligible but environmentally non-sustainable activities (not aligned with the taxonomy) (A.2)		*-*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
A -REVENUES FROM TAXONOMY-ELIGIBLE ACTIVITIES (A.1 + A.2)		**€8,806,161.58**	**4.3%**	**4.3%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
B-NON TAXONOMY - ELIGIBLE ACTIVITIES									
Revenues from non taxonomy-eligible activities		€194,752,595.72	95.7%						
TOTAL		**€203,558,757.30**	**100.0%**						

1.4.2. Opex

FY 2023	Year								critèrion of absence of significant prejudice
Economic activities	code	OPEX	Share of OPEX year N	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity
		€	%	Yes/No,N/EL	Yes/No,N/EL	Yes/No,N/EL	Yes/No,N/EL	Yes/No,N/EL	Yes/No,N/EL
A-TAXONOMY ELIGIBLE ACTIVITIES									
A1-Sustainable activities eligible for taxonomy									
OPEX from environmentally sustainable activities (aligned with taxonomy)				*–*	*–*	*–*	*–*	*–*	*–*
Of which enabling				–	–	–	–	–	–
Of which transitional				-	-				
A2. Non-sustainable activities eligible for taxonomy									
				EL,N/EL	EL,N/EL	EL,N/EL	EL,N/EL	EL,N/EL	EL,N/EL
OPEX from taxonomy-eligible but environmentally non-sustainable activities (not aligned with the taxonomy) (A.2)				*–*	*–*	*–*	*–*	*–*	*–*
A -OPEX FROM TAXONOMY-ELIGIBLE ACTIVITIES (A.1 + A.2)				**–**	**–**	**–**	**–**	**–**	**–**
B-NON TAXONOMY ELIGIBLE ACTIVITES									
OPEX from non taxonomy-eligible activities									
TOTAL				**–**	**–**				

Criteria for the absence of significant harm (DNHS)									
Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum guarantees	Share of revenues aligned on taxonomy (A.1.) or taxonomy-eligible (A.2.), year N-1	Enabling activity category	Transitional activity category
Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	E	T
A-TAXONOMY-ELIGIBLE ACTIVITIES									
A1-Sustainable activities eligible for taxonomy									
YES	YES	YES	YES	YES	YES	YES	0.0%	E	
YES	YES	YES	YES	YES	YES	YES	0.0%	[redacted]	
YES	YES	YES	YES	YES	YES	YES		E	[redacted]
								[redacted]	
A2. Non-sustainable activities eligible for taxonomy									
[redacted]									
[redacted]								[redacted]	
[redacted]							0.0%	[redacted]	
							0.0%	[redacted]	
B-NON TAXONOMY - ELIGIBLE ACTIVITIES									

Crriteria for the absence of significant harm (DNHS)									
Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum guarantees	Share of OPEX aligned on taxonomy (A.1.) or taxonomy-eligible (A.2.), year N-1	Enabling activity category	Transitional activity category
Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	E	T
A-TAXONOMY-ELIGIBLE ACTIVITIES									
A1-Sustainable activities eligible for taxonomy									
							0.0%	[redacted]	
									[redacted]
								[redacted]	
A2. Non-sustainable activities eligible for taxonomy									
[redacted]									
[redacted]								[redacted]	
[redacted]							0.0%	[redacted]	
[redacted]							**0.0%**	[redacted]	
B-NON TAXONOMY ELIGIBLE ACTIVITES									

1.4.3. Capex

FY 2023			Year						criterion of absence of significant prejudice
Economic activities	code	CAPEX	Share of CAPEX year N	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity
				Yes/No,N/EL	Yes/No,N/EL	Yes/No,N/EL	Yes/No,N/EL	Yes/No,N/EL	Yes/No,N/EL
A-TAXONOMY-ELIGIBLE ACTIVITIES									
A1-Sustainable activities eligible for taxonomy									
Long-term rental / leasing contracts Group vehicles	6.5	€42,131.57	0.2%	YES	YES	YES	YES	YES	YES
Installation of charging stations	7.4	€23,513.90	0.1%	YES	YES	YES	YES	YES	YES
Installation of photovoltaic panels	7.6	€46,885.90	0.2%	YES	YES	YES	YES	YES	YES
CAPEX from environmentally sustainable activities (aligned with taxonomy)		*€112,531.37*	*0.4%*	*100%*	*0%*	*0%*	*0%*	*0%*	*0%*
Of which enabling				–	–				
Of which transitional				-	[redacted]				
A2. Non-sustainable activities eligible for taxonomy									
				EL, N/EL	EL, N/EL	EL, N/EL	EL, N/EL	EL, N/EL	EL, N/EL
Thermal vehicle acquisition	6.5	€13,285.48	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Long-term leases on Group buildings	7.7	€1,237,310.42	4.8%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Long-term leases for Group vehicles	6.5	€646,371.48	2.5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Construction of new Optotek building	7.7	€323,727.41	1.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Construction of new Keopsys building	7.7	€2,663,945.32	10.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
CAPEX from taxonomy-eligible but environmentally non-sustainable activities (not aligned with the taxonomy) (A.2)		*€4,884,640.13*	*18.9%*	*EL*	*N/EL*	*N/EL*	*N/EL*	*N/EL*	*N/EL*
A -CAPEX FROM TAXONOMY-ELIGIBLE ACTIVITIES (A.1 + A.2)		**€4,997,171.49**	**19.4%**	**EL**	**N/EL**	**N/EL**	**N/EL**	**N/EL**	**N/EL**
B-NON TAXONOMY-ELIGIBLE ACTIVITIES									
CAPEX des activités non éligibles à la taxinomie		€20,784,713.53	80.6%						
TOTAL		**€25,781,885.02**	**100.0%**						

Criteria for the absence of significant harm (DNHS)									
Climate change mitigation	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Minimum guarantees**	**Share of CAPEX aligned on taxonomy (A.1.) or taxonomy-eligible (A.2.), year N-1**	**Enabling activity category**	**Transitional activity category**
Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	H	T
A- TAXONOMY-ELIGIBLE ACTIVITIES									
A1-Sustainable activities eligible for taxonomy									
YES	YES	YES	YES	YES	YES	YES			
YES	YES	YES	YES	YES	YES	YES			
YES	YES	YES	YES	YES	YES	YES			
YES	*YES*	*YES*	*YES*	*YES*	*YES*	*YES*		[redacted]	[redacted]
									[redacted]
								[redacted]	
A2. Non-sustainable activities eligible for taxonomy									
[redacted]									
[redacted]								[redacted]	
[redacted]							**0.0%**	[redacted]	
B-NON TAXONOMY-ELIGIBLE ACTIVITIES									

Section 3 Report of the independent third-party body on the consolidated non-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 3-1895 (accreditation for which sites list and scope are 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 non-financial performance statement (hereinafter the "Information" and the "Statement", respectively), prepared in accordance with the entity's procedures (hereinafter the "Reporting Criteria"), for the year ended 31 December 2023, presented in the management report of Lumibird (hereinafter the "Company" or the “Entity”), 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 non-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 the major risk “Risk on the Group’s talents and expertise”, the Group does not have a formalised policy applied on all entities.

3. PREPARATION OF THE NON-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 Report.

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 non-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 also the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy),
- 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.

We conducted our work in order to provide a reasoned opinion expressing a moderate level of assurance on the historical, observed and extrapolated information.

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 information provided for in Article 8 of Regulation (EU) 2020/852 (green taxonomy), the vigilance plan and the plan to combat corruption and tax evasion),
- the sincerity of the information provided for in Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- 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).

This report has been drawn up in accordance with the CSR_SQ_Audit_Programme_DPEF.

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 four people and took place between January 2024 and March 2024 over a total intervention period of three weeks.

We conducted interviews with the people in charge of preparing the Statement, representing in particular the CSR, finance and human resources 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,

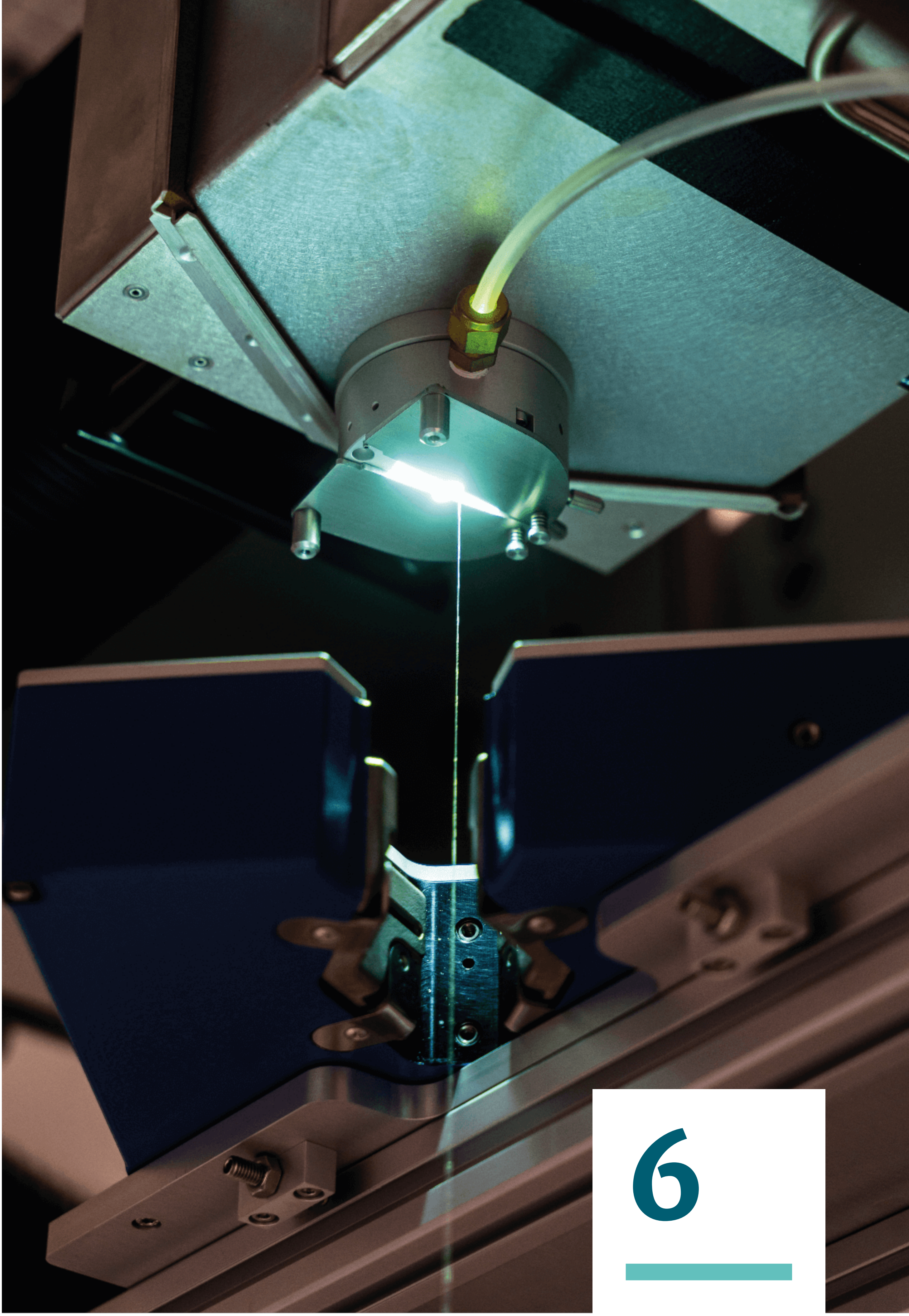
MAZARS SAS

Paris La Défense, 15 March 2024

Ludovic SEVESTRE Associé	Emmanuel THIERRY Associé RSE & Développement Durable

Appendix: Information reviewed in detail tests

- Gross R&D expenditure,
- B-to-B customer satisfaction index,
- CSR supplier rate (Suppliers with a Lumibird questionnaire index >50),
- Number of employees trained on phishing risks,
- External training expenditure/employee (EAD),
- Attrition rate,
- GHG (scope 1 & 2) / revenues,
- GHG scope 3
- Water consumption,
- Pay equity ratio (median salary),
- Gender equality index.



6

ANNUAL GENERAL MEETING 29 APRIL 2024

Section 1 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 2023,
- Board of Directors' special reports on share subscription or purchase options for the financial year ended December 31, 2023 and on free share allocations for the year ended December 31, 2023,
- 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 2023 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 2023,
- Allocation of earnings for the year ended 31 December 2023,
- Approval of the consolidated financial statements for the year ended 31 December 2023,
- Reappointment of KPMG as joint statutory auditor,
- Appointment of Mr Etienne de Lasteyrie as a member of the Board of Directors,
- Setting of the global compensation package awarded to Directors,
- Approval of the regulated agreements and commitments as provided for in Articles L. 225-38 et seq. of the French commercial code,
- Approval of the information relating to the compensation of corporate officers for the year ended 31 December 2023 presented in the Board of Directors' corporate governance report, 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 CEO, for the year ended 31 December 2023,
- Approval of the compensation policy applicable to the members of the Board of Directors for the financial year 2024,
- Approval of the compensation policy applicable to the Chairman and CEO for the financial year 2024,
- Approval of the compensation policy applicable to the Deputy CEO for the financial year 2024,
- Appointment of MAZARS as joint certifier of sustainability information,
- Appointment of KPMG SA as joint certifier of sustainability information,
- 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 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,
- 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 2023)

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 2023, as presented to it, showing a profit of 1,593,949 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 18,417 euros, generating a notional additional income tax of 4,604 euros.

Second resolution
(Allocation of earnings for the year ended 31 December 2023)

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 2023 and approved by this meeting show a profit for the financial year of 1,593,949 euros, **decides** to allocate this profit to retained earnings, the positive balance of which is thus brought from 83,186,681 euros to 84,780,630 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 2023)

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 2023, as presented to it, showing a profit of 7,125,698 euros.

Fourth resolution

(Reappointment of KPMG as incumbent joint statutory auditor)

The General Meeting, having reviewed the Board of Directors' report on the proposed resolutions, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, **decides** to reappoint KPMG SA as incumbent Joint Statutory Auditor for a period of six (6) financial years, i.e. until the General Meeting called to approve the financial statements for the year ended 31 December 2029.

Fifth resolution

(Appointment of Mr Etienne de Lasteyrie 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 appoint Mr Etienne de Lasteyrie 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 2029.

Mr Etienne de Lasteyrie has indicated in advance that he will accept his appointment as a member of the Board of Directors.

Sixth 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 60,000 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.

Seventh resolution

(Approval of the regulated agreements and commitments as provided for in Articles L. 225-38 et seq. 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** approves the regulated agreements and commitments referred to in this report, in accordance with Article L.225-38 of the French Commercial Code.

Eighth resolution

(Approval of the information relating to the compensation of corporate officers for the year ended 31 December 2023 presented in the Board of Directors' corporate governance report, 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' corporate governance report 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 2023 presented in the Board of Directors' corporate governance report, included in Chapter 2 of the Company's 2023 Universal Registration Document, in accordance with section I of Article L.22-10-9 of the Commercial Code.

Ninth 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 CEO, for the year ended 31 December 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, **approves**, in accordance the provisions of Article L.22-10.34 II. of the French commercial code, the fixed, variable and exceptional items of the total compensation and benefits of any kind paid or awarded to Marc Le Flohic, Chairman and CEO, for the year ended 31 December 2024, as presented in the Board of Directors' corporate governance report, included in Chapter 2 of the Company's 2023 Universal Registration Document.

Tenth resolution

(Approval of the compensation policy applicable to the members of the Board of Directors for the financial year 2024)

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 items 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 2024 fiscal year, as presented in the Board of Directors' corporate governance report, included in Chapter 2 of the Company's 2023 Universal Registration Document.

Eleventh resolution

(Approval of the compensation policy applicable to the Chairman for the financial year 2024)

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 items 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 2024 fiscal year, as presented in the Board of Directors' corporate governance report, included in Chapter 2 of the Company's 2023 Universal Registration Document.

Twelth resolution

(Approval of the compensation policy applicable to the deputy CEO for the financial year 2024)

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 items 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 2024 fiscal year, as presented in the Board of Directors' corporate governance report, included in Chapter 2 of the Company's 2023 Universal Registration Document.

Thirteenth resolution

(Appointment of MAZARS as joint certifier of sustainability information)

The General Meeting, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, having reviewed the report of the Board of Directors on the draft resolutions, decides to appoint MAZARS as joint auditor of the sustainability information, for the remainder of its term of office as statutory joint auditor, i.e. until the General Meeting called to approve the financial statements for the year ending 31 December 2026, it being specified that MAZARS will be represented by a natural person who meets the conditions required to perform the task of certifying sustainability information in accordance with the conditions set out in Article L. 821-18 of the French Commercial Code.

MAZARS has indicated that it accepts these functions and that it is not affected by any incompatibility or prohibition likely to prevent its appointment.

Fourteenth resolution

(Appointment of KPMG SA as joint certifier of sustainability information)

The General Meeting, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, having reviewed the report of the Board of Directors on the draft resolutions, decides to appoint KPMG SA as joint auditor of the sustainability information for a period of 3 years, i.e. until the General Meeting called to approve the financial statements for the year ending 31 December 2026, it being specified that KPMG SA will be represented by a natural person who meets the conditions required to perform the task of certifying sustainability information in accordance with the conditions set out in Article L. 821-18 of the French Commercial Code.

KPMG SA has indicated that it accepts these functions and that it is not affected by any incompatibility or prohibition likely to prevent its appointment.

Fifteenth 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, voting in accordance with 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:

- 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 French Financial Markets Authority guidelines in force, 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 Extraordinary General Meeting of 28 April 2023 in its seventeenth 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 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
- 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, 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:

- 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 2023, 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 French Financial Markets Authority'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,
- 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 28 April 2023 in its 16th resolution, is valid for 18 months from the date of this Meeting.

3.2. To be submitted to the extraordinary general meeting

Sixteenth 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, voting in accordance with 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 referred to in (i) and the transferable securities referred to 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 the Extraordinary General Meeting of 28 April 2023,

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 setting of the issue price is less a potential maximum discount of 20%,

(ii) the Company's weighted average share price on Euronext Paris market 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, where applicable, the exercise of share allotment rights attached to the securities to be issued for a period not exceeding 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 28 April 2023 in its 24th resolution.

Seventeenth 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.

Section 2 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 2023 and allocation of earnings (1st to 3rd resolutions),
- The reappointment of KPMG as incumbent joint statutory auditor (4th resolution),
- The appointment of Me Etienne de Lasteyrie as a member of the Board of Directors (5th resolution),
- Setting of the global compensation package awarded to Directors (6th resolution),
- Approval of the regulated agreements and commitments as provided for in Articles L. 225-38 et seq. of the French commercial code (7th resolution),
- Approval of the information relating to the compensation of corporate officers for the year ended 31 December 2023 presented in the Board of Directors' corporate governance report, in accordance with Article L. 22-10-20 of the French commercial code (8th 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 for the year ended 31 December 2023 (9th 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 2024 (10th to 12th resolutions),
- Appointment of MAZARS and KPMG SA as joint certifiers of sustainability information (13th and 14th 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 (15th resolution),

Submitted to the extraordinary general meeting:

- 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 (16th resolution),
- Granting of powers to carry out formalities (17th 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 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 2023, 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 2023 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 2023 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 83,186,681 84 euros to 84,780,630 euros.

II. Reappointment of an incumbent joint statutory auditor

Reappointment of KPMG as incumbent joint statutory auditor (4th resolution)

You are invited, as per the 4th resolution, to approve the renewal of the term of office of KPMG SA as incumbent joint statutory auditor, 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 2029.

III. Appointment of co-certifiers of sustainability information

Appointment of MAZARS and KPMG SA as joint certifiers of sustainability information (13th and 14th resolutions)

You are invited, as per the 12th and 13th resolutions, to approve the appointment of MAZARS and KPMG SA as joint certifiers of sustainability information for a period of three years, i.e. until the general meeting called to approve the financial statements for the financial year ending 31 December 2026.

IV. Governance and regulated agreements

Appointment of Mr Etienne de Lasteyrie as a member of the Board of Directors (5th resolution)

You are invited, as per the 5th resolution, to approve the appointment of Mr Etienne de Lasteyrie 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 2029.

The appointment of Mr Etienne de Lasteyrie 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 Mr Etienne de Lasteyrie, whose candidacy as director is submitted to the ordinary general meeting of shareholders, is appended to this report (**Appendix 1**).

Approval of the regulated agreements and commitments as provided for in Articles L. 225-38 et seq. of the French commercial code (7th resolution) (Ordinary General Meeting)

You are **invited** to approve, in the light of the Statutory Auditors' special report referred to in Article L.225-40-1 of the French Commercial Code, the regulated agreements and commitments referred to in Articles L.225-38 et seq. of the French Commercial Code that have been entered into during the past financial year and since 1 January 2024, namely:

- the acquisition by Lumibird from ESIRA of 50,000 Lumibird shares under its share buyback programme; and
- the service agreement between Lumibird and Coutris Conseil International, a company affiliated to Jean-François Coutris, ESIRA's permanent representative on the Board of Directors.

It should be noted that ESIRA will not be taking part in the vote on the approval of these agreements.

V. Compensation

Setting of the global compensation package awarded to Directors (6th resolution) (Ordinary General Meeting)

You are asked to set at a total of 60,000 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' corporate governance report 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 2023 presented in the Board of Directors' corporate governance report, in accordance with Article L. 22-10-9 of the French commercial code (8th resolution) (Ordinary General Meeting)

Under the 8th 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 2023 presented in the Board of Directors' corporate governance report 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 2023 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, for the year ended 31 December 2023 (9th resolution) (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 items of the global compensation and benefits of any kind paid or awarded to Marc Le Flohic, CEO, for the year ended 31 December 2023.

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 2023 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 2024

(10th 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 2024.

The compensation policy applicable to the members of the Board of Directors for the 2024 financial year that 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, which is included in Chapter 2 of the Company's 2023 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 2024 (11th and 12th 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 2024 fiscal year.

The compensation policy applicable to the CEO and to the Deputy CEO for the 2024 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 2023 Universal Registration Document. You are invited to consult it for more information on these elements of compensation.

VI. 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 (15th resolution) (Ordinary General Meeting)

The Ordinary General Meeting of 28 April 2023, by the terms of its 16th 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, 2023, in Chapter 4 of the Company's 2023 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 French Financial Markets Authority 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
- (v) 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 the Company's General Meeting on 28 April 2023 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
- (vi) 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
- (vii) 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 2023. 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 28 April 2023 in its 16th 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 (16th resolution) (Extraordinary General Meeting)

The Extraordinary General Meeting of 28 April 2023 has, pursuant to its 24th 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 28 October 2024, you are invited, under the 16th 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 setting of the issue price 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 the General Meeting on 28 April 2023. 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 28 April 2023 in its 24th 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

Etienne de Lasteyrie joined Ricol Lasteyrie in 2003 in the Financial Expertise department, before focusing exclusively on financial strategy issues and participating in the creation of the Corporate Finance department. He has advised numerous family-owned companies on their external growth and financing issues. Following the sale of Ricol Lasteyrie to EY in 2015, Etienne de Lasteyrie became a partner at EY and a member of the Transaction Advisory Service executive committee. In 2019, he founded Lasteyrie & Associés and has since been developing the valuation (independent valuation and party assistance) and advisory (M&A assistance and financing research) activities.

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
Mr Etienne de Lasteyrie Professional address: 25 rue François 1er, 75008 Paris	-	Director	Manager of Lasteyrie & Associés	**During FY 2023:** Director of C.C.V. BEAUMANOIR **Other previous offices held in the last five years:** N/A

7

ADDITIONAL INFORMATION ON THE LUMIBIRD GROUP

Section 1 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, to the organisation responsible for clearing the securities, or directly to 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,

4 April 2024

Mr Marc Le Flohic
CEO of Lumibird

3. PARTIES RESPONSIBLE FOR THE AUDIT OF THE FINANCIAL STATEMENTS

3.1. Incumbent statutory auditors:

KPMG SA (1)

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 (2) 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.

3.2. Deputy statutory auditors:

N/A(3)

4. PEOPLE RESPONSIBLE FOR THE FINANCIAL INFORMATION

Mr Marc Le Flohic
CEO
info@lumibird.com

Ms Sonia Rutnam
Group General Secretary in charge of Transformation
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) KPMG SA's term of office will expire at the end of the Lumibird shareholders' general meeting scheduled for 29 April 2024. Lumibird shareholders will therefore be asked to reappoint KPMG SA as joint statutory auditor of Lumibird SA for a term of six financial years, i.e. until the Ordinary General Meeting called to approve the financial statements for the year ending 31 December 2029.

(2) 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.

(3) 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.

Section 3 Public documents available

For the period for which this Registration Document is valid, the following documents (or copies of these documents) can be consulted at Lumibird's registered office at 2 rue Paul Sabatier, 22300 Lannion, France:

- the Company's certificate of incorporation and articles of association,
- the Company's Statutory Auditors' reports and the financial statements for the last three years,
- all reports, correspondence and other documents, assessments and declarations prepared by an expert at the Company's request, when these documents are provided for under the law, and more generally all other documents provided for under the law.

The abovementioned documents can be consulted, in physical format, at Lumibird's registered office or, for the documents concerning Lumibird, and specifically the regulatory disclosures covered by the AMF's general regulations, in electronic format on the website www.lumibird.com.

Section 4 Cross reference tables

1. CROSS REFERENCE TABLE WITH THE HEADINGS IN ANNEXES I AND II OF DELEGATED REGULATION N°2019/980

Rubriques	Paragraphe(s) et page(s) du Document d'Enregistrement Universel
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. 219)
1.2 Declaration by those responsible	Chapter 7, Section 2, § 2 (p. 219)
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	Page de couverture (p. 3)
2. STATUTORY AUDITORS	
2.1 Names and addresses of the statutory auditors	Chapter 7, Section 2, § 3 (p. 219)
2.2 Changes of statutory auditors	Chapter 7, Section 2, § 3 (p. 219)
3. RISK FACTORS	Chapter 3, Section 1 (p. 70 à 80)
4. INFORMATION ABOUT THE ISSUER	
4.1 Legal and commercial name of the issuer	Chapter 7, Section 1, § 1 (p. 216)
4.2. Place of registration, registration number and legal entity identifier ('LEI') of the issuer	Chapter 7, Section 1, § 3 (p. 216)
4.3. Date of incorporation and the length of life of the issuer	Chapter 7, Section 1, § 5 (p. 216)
4.4. Head office 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 et 4 (p. 216)
5. BUSINESS OVERVIEW	
5.1. Principal activities	Chapter 1, Section 1, § 1 à 5 (p. 24 à 28)
5.2. Principal markets	Chapter 1, Section 1, § 2 et 3 (p. 24 à 26)
5.3. Important events in the development of the issuer's business	Chapter 1, Section 1, § 1 à 5 (p. 24 à 28)
5.4. Strategy and objectives	Chapter 4, Section 1, § 6.3 et 6.4 (p. 102)
5.5. Dependence on patents or licences, industrial, commercial or financial contracts or new manufacturing processes	Chapter 1, Section 1, § 6 (p. 29)
5.6. Basis for any statements made by the issuer regarding its competitive position	Chapter 1, Section 1, § 5 (p. 28)
5.7. Investments	Chapter 4, Section 1, § 1.4.2 (p. 95)

Rubriques	Paragraphe(s) et page(s) du Document d'Enregistrement Universel
6. ORGANISATIONAL STRUCTURE	
6.1. Brief description of the group	Chapter 4, Section 1, § 2.2 (p. 97 and 98)
6.2. List of the significant subsidiaries	Chapter 4, Section 1, § 2.2 (p. 97 a,d 98) Chapitre 4, Section 4, § 6.2.2 (p. 141)
7. OPERATING AND FINANCIAL REVIEW	
7.1. Financial condition	Chapter 4, Section 1, § 1 and 2 (p. 90 to 98) Chapter 4, Section 2 (p. 110 to 128) Chapter 4, Section 4 (p. 132 to 157)
7.2. Operating results	Chapter 4, Section 1, § 1 and 2 (p. 90 to 98) Chapter 4, Section 3 (p. 129 to 131) Chapter 4, Section 5 (p. 163 to 166)
8. CAPITAL RESOURCES	
8.1. Information concerning the issuer's capital resources	Chapter 4, Section 1, § 1.3.3 (p. 93) Chapter 4, Section 2, § 7 (p. 120 and 121) Chapter 4, Section 4, § 4 (p. 134)
8.2. Sources and amounts of the issuer's cash flows	Chapter 4, Section 1, § 1.4 (p. 95 and 96) Chapter 4, Section 2, § 3 (p. 112) Chapter 4, Section 4, § 5 (p. 134)
8.3. Information on the borrowing requirements and funding structure of the issuer	Chapter 4, Section 1, § 1.3.3 (p. 94) Chapter 4, Section 2, § 10 (p. 124) Chapter 4, Section 4, § 6.3.3.4 (p. 150 to 152)
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. 95 and 96)
9. REGULATORY ENVIRONMENT	Chapter 4, Section 1, § 7 (p. 101 to 103)
10. TREND INFORMATION	Chapter 4, Section 1, § 6.3 et 6.4 (p. 101)
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. 34 to 44)
12.2. Administrative, management and supervisory bodies and senior management conflicts of interests	Chapter 2, Section 1, § 1.2.3 (p. 37)
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. 44 to 56)
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, § 3.1.3.3 (p. 51)
14. BOARD PRACTICES	
14.1. Date of expiration of the current term of office	Chapter 2, Section 1, § 1.2.1 (p. 35 to 36)
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. 37)

Rubriques	Paragraphe(s) et page(s) du Document d'Enregistrement Universel
14.3. Information about the issuer's audit committee and remuneration committee	Chapter 2, Section 1, § 1.4 (p. 43)
14.4. Statement as to whether or not the issuer complies with the corporate governance regime(s) applicable	Chapter 2, Section 1 (p. 34)
14.5. Potential material impacts on the corporate governance	N/A
15. EMPLOYEES	
15.1. Number of employees	Chapter 5, Section 1, § 4.2.2 (p. 180 and 184)
15.2. Shareholdings and stock options for directors and managers	Chapter 2, Section 1, § 3.1.3.5 et 3.1.3.6 (p. 51)
15.3. Description of any arrangements for involving the employees in the capital of the issuer	Chapter 4, Section 1, § 11 (p. 103 and 104)
16. MAJOR SHAREHOLDERS	
16.1. Shareholders with an interest in the issuer's capital or voting rights above 5%	Chapter, Section 1, § 12.8 (p. 105 to 107)
16.2. Different voting rights for major shareholders	Chapter 4, Section 1, § 12.2 (p. 104) Chapter 4, Section 1, § 12.8.2 (p. 104)
16.3. Control of the issuer	Chapter 4, Section 1, § 12.8.2 (p.104)
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. 57) Chapter 2, Section 2 (p. 65 et 66) Chapter 4, Section 1, § 3 (p. 98 to 100) Chapter 4, Section 4, § 6.7 (p. 156)
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. 162)
18.2. Interim financial information	N/A
18.3. Auditing of historical annual financial information	Chapter 4, Section 6 (p. 162)
18.4. Pro forma financial information	N/A
18.5. Dividend policy	Chapter 4, Section 1, § 8.2 (p. 104)
18.6. Legal and arbitration proceedings	Chapter 3, Section 1, § 4.6 (p. 79)
18.7. Significant change in the issuer's financial position	Chapter 4, Section 1, § 6.1 (p. 101)
19. ADDITIONAL INFORMATION	
19.1. Share capital	Chapter 4, Section 1, § 12 (p. 104 to 109)
19.2. Memorandum and Articles of Association	Chapter 7, Section 1 (p. 216 to 218)
20. MATERIAL CONTRACTS	Chapter 1, Section 3, § 7 (p. 29 to 30)
21. DOCUMENTS AVAILABLE	Chapter 7, Section 3 (p. 220)

2. CROSS REFERENCE TABLE WITH THE ANNUAL FINANCIAL REPORT (ARTICLES L451-1 AND SEQ. OF THE MONETARY AND FINANCIAL CODE)

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