



*Société anonyme* (public limited company) with a Board of Directors and capital of €4,833,226.30  
Registered office: Biopôle Clermont-Limagne – 3 rue Emile Duclaux – 63360 Saint-Beauzire, France  
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## **UNIVERSAL REGISTRATION DOCUMENT COMPRISING THE ANNUAL FINANCIAL REPORT, MANAGEMENT REPORT AND 2019 CORPORATE GOVERNANCE REPORT**



This Universal Registration Document was filed on April 29, 2020 with the Autorité des marchés financiers (“AMF”), as the competent authority in respect of (EU) Regulation no. 2017/1129, without prior approval in accordance with Article 9 of the said regulation.

The Universal Registration Document may be used in support of a public offering of securities or the admission to trading of financial securities on a regulated market if it is supplemented by a transaction note and, if applicable, a summary note and all amendments made to the Universal Registration Document. The set of documents is approved by the AMF in accordance with (EU) Regulation no. 2017/1129.

Pursuant to Article 19 of (EU) Regulation No. 2017/1129, the following elements are included by reference in this Universal Registration Document:

- the parent company financial statements for the fiscal year ended December 31, 2017 and the related Statutory Auditors’ report as presented in paragraphs 20.1 (pages 137 to 157) and 20.4 (pages 158 to 162) of the Registration Document filed with the AMF on April 26, 2018 under the number R.18-030;
- the review of the Company’s results and financial position for the fiscal year ended December 31, 2017 presented in Chapter 9 (pages 76 to 82) of the Registration Document filed with the AMF on April 26, 2018 under the number R.18-030;
- the parent company financial statements for the fiscal year ended December 31, 2018 and the related Statutory Auditors’ report as presented in paragraphs 20.1 (pages 146 to 166) and 20.4 (pages 167 to 170) of the Registration Document filed with the AMF on April 8, 2019 under the number D.19-0287;
- the review of the Company’s results and financial position for the fiscal year ended December 31, 2018 presented in Chapter 9 (pages 76 to 82) of the Registration Document filed with the AMF on April 8, 2019 under the number D.19-0287.

The information included in these two Registration Documents, other than those referred to above, is replaced or updated by the information included in this Universal Registration Document. These two Registration Documents are available at the Company’s registered office and on its internet site [www.carbios.fr](http://www.carbios.fr).

Copies of this Universal Registration Document are available free of charge at CARBIOS’ registered office, Biopôle Clermont-Limagne – 3 rue Emile Duclaux – 63360 Saint-Beauzire, the Company’s website ([www.carbios.fr](http://www.carbios.fr)) and the AMF’s website ([www.amf-france.org](http://www.amf-france.org)).

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**Translation for information purpose only. In case of discrepancy between the French and the English version of this Universal Registration Document, the French version should prevail.**

<b>1.</b>	<b>PRESENTATION OF CARBIOS AND ITS ACTIVITIES .....</b>	<b>5</b>
1.1.	<i>Overview of activities.....</i>	6
1.2.	<i>The advantage of bioprocesses developed by CARBIOS.....</i>	6
1.3.	<i>Market context and opportunities .....</i>	8
1.4.	<i>Strategy and objectives.....</i>	8
1.5.	<i>Enzymatic recycling of PET plastics and fibers .....</i>	14
1.6.	<i>Biodegradation of PLA plastics.....</i>	20
1.7.	<i>CARBIOS' other areas of development.....</i>	25
1.8.	<i>Important agreements.....</i>	27
1.9.	<i>Regulatory environment .....</i>	30
1.10.	<i>Organizational chart .....</i>	32
1.11.	<i>Analyses and comments.....</i>	33
1.12.	<i>Risk factors.....</i>	46
<b>2.</b>	<b>CORPORATE GOVERNANCE .....</b>	<b>54</b>
2.1.	<i>Administrative bodies and Executive Management.....</i>	55
2.2.	<i>Operations with affiliates.....</i>	70
<b>3.</b>	<b>2019 ANNUAL FINANCIAL STATEMENTS .....</b>	<b>82</b>
3.1.	<i>Historical financial information.....</i>	83
3.2.	<i>Verification of historical financial information .....</i>	104
3.3.	<i>Pro forma financial information.....</i>	109
3.4.	<i>Dividend policy .....</i>	109
3.5.	<i>Legal and arbitration proceedings .....</i>	109
3.6.	<i>Significant change in the issuer's financial position.....</i>	109
3.7.	<i>Additional information concerning CARBIOLICE .....</i>	109
<b>4.</b>	<b>INFORMATION ON THE COMPANY AND ITS SHARE CAPITAL .....</b>	<b>115</b>
4.1.	<i>Share capital .....</i>	116
4.2.	<i>Principal shareholders.....</i>	123
4.3.	<i>Articles of Incorporation and bylaws .....</i>	125
4.4.	<i>Information concerning the issuer .....</i>	135
4.5.	<i>Trends in share price .....</i>	138
4.6.	<i>Employees .....</i>	139
<b>5.</b>	<b>ADDITIONAL INFORMATION.....</b>	<b>147</b>
5.1.	<i>Person responsible .....</i>	148
5.2.	<i>Persons responsible for auditing the financial statements .....</i>	148
5.3.	<i>Information from third parties, expert statements and declarations of interest.....</i>	149
5.4.	<i>Declaration of approval from the competent authority.....</i>	149
5.5.	<i>Documents available to the public.....</i>	149
5.6.	<i>Cross-reference tables.....</i>	149
5.7.	<i>Glossary.....</i>	154

In this document, the terms:

- **“CARBIOS”** or the **“Company”** refer to CARBIOS;
- **“Universal Registration Document”** refers to this document.

#### *Forward-looking information*

This Universal Registration Document contains statements regarding the Company’s objectives and areas of development. These statements are sometimes identified by the use of the future and conditional tenses and terms of a forward-looking nature such as “consider,” “envisage,” “think,” “aim,” “expect,” “intend,” “should,” “hope,” “estimate,” “believe,” “wish,” “may,” or, as the case may be, the negative form of these same terms, or any other variant or similar terminology.

Readers should note that these objectives and areas of development depend on circumstances or facts whose occurrence or completion is uncertain.

These objectives and areas of development are not historical data and should not be interpreted as guarantees that the stated facts and data will occur, the assumptions be verified or the objectives achieved. By their nature, these objectives may not be achieved and the statements or information contained in this Universal Registration Document may prove to be incorrect, and the Company is not obliged in any way to update them, subject to the regulations in force, in particular the General Regulation of the *Autorité des Marchés Financiers*.

This Universal Registration Document also contains information relating to the Company’s business activity as well as the market and industry in which it operates. This information comes from, among other places, studies conducted by internal and external sources (analyst reports, specialized studies, industry publications, all other information published by market research companies, companies and public bodies). The Company believes that this information gives a true and fair view of the market and industry in which it operates and accurately reflects its competitive position; however, although this information is considered reliable, it has not been independently verified by the Company.

#### *Risk factors*

Investors are also invited to take into account the risk factors described in section 1.3 “Risk factors” in the Universal Registration Document before making their investment decision. The occurrence of one or more of these risks could have an adverse effect on the business, outlook, financial position, results and outlook of the Company. Other risks not yet identified or considered not to be significant by the Company may have the same adverse effect and investors may lose all or part of their investment.

#### *Rounding*

Some figures (including data expressed in thousands or millions) and percentages presented in the Universal Registration Document have been rounded. If applicable, the totals presented in the Prospectus may differ slightly from those that would have been obtained by adding the exact (unrounded) values for these figures.

## 1. PRESENTATION OF CARBIOS AND ITS ACTIVITIES

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<b>1. PRESENTATION OF CARBIOS AND ITS ACTIVITIES .....</b>	<b>5</b>
1.1. Overview of activities .....	6
1.2. The advantage of bioprocesses developed by CARBIOS.....	6
1.3. Market context and opportunities .....	8
1.3.1. An environmental challenge: mastering the end of life of plastics .....	8
1.3.2. The circular economy: an essential transition.....	8
1.3.3. The world has declared its intentions in terms of recycling.....	9
1.4. Strategy and objectives.....	8
1.4.1. Strategy and objectives regarding industrial development .....	8
1.4.2. Funding.....	9
1.4.3. Business model.....	11
1.4.4. Summary of the stage of development of CARBIOS' technologies .....	12
1.4.5. Intellectual property.....	12
1.5. Enzymatic recycling of PET plastics and fibers .....	14
1.5.1. Innovation .....	14
1.5.2. Developments and outlooks.....	14
1.5.3. Distinctions and publication in the scientific journal Nature .....	18
1.5.4. The PET plastics and polyester fibers market.....	19
1.5.5. Competitive advantages of CARBIOS' enzymatic recycling process .....	21
1.6. Biodegradation of PLA plastics.....	20
1.6.1. Innovation .....	22
1.6.2. CARBIOLICE: An industrial and commercial joint venture .....	22
1.6.3. Industrial joint-development agreement with Novozymes .....	24
1.6.4. Distinctions .....	23
1.6.5. The PLA market .....	24
1.6.6. Competitive advantages.....	24
1.7. CARBIOS' other areas of development.....	26
1.7.1. Enzymatic recycling of PLA .....	26
1.7.2. The biodegradation of PLA textiles and 3D printed parts .....	25
1.7.3. PLA bioproduction.....	27
1.8. Important agreements.....	27
1.9. Regulatory environment .....	31
1.9.1. The "Single Use Plastics" Directive .....	31
1.9.2. Energy Transition Law for Green Growth.....	31
1.9.3. "Circular Economy" legislative package .....	31
1.9.4. No-waste circular economy law .....	32
1.10. Organizational chart .....	33
1.11. Analyses and comments.....	34
1.11.1. Review of financial position and results.....	34
1.11.2. Cash and capital resources .....	40
1.11.3. Research and Development, intellectual property .....	43
1.11.4. Information on trends .....	44
1.11.5. Profit (loss) forecasts or estimates.....	45
1.12. Risk factors.....	46
1.12.1. Risks associated with the development of technologies.....	46
1.12.2. Financial risks .....	47
1.12.3. Risk of dependence on key partners .....	47
1.12.4. Risks of dependence on key personnel .....	48
1.12.5. Risks associated with Intellectual Property.....	49
1.12.6. Regulatory risks .....	50
1.12.7. Risks associated with raw materials .....	52
1.12.8. Risks associated with the emergence of competing technologies .....	52
1.12.9. Risks related to the Covid-19 epidemic .....	53

## 1.1. Overview of activities

CARBIOS is a green chemistry company whose innovations provide solutions to the sustainable development issues manufacturers currently face. Since its creation in 2011, the Company has designed and developed industrial bioprocesses to improve the environmental and economic performance of plastic and textile polymers. As part of their research and development work, the teams at CARBIOS and its academic and industrial partners have worked to identify the microorganisms and/or enzymes likely to degrade polymers selected from the most used thermoplastic families in the plastics industry (aliphatic and aromatic polyesters, such as PLA, PET, PBAT, etc., polyolefins, such as PE and PP, and polyamides, such as PA6).

This work has enabled the creation of several innovative processes, including two that are particularly promising, and for which industrial and commercial operations are envisaged, i.e.:

- **ENZYMATIC RECYCLING:** A biological process for recycling plastic and textile waste by returning it to its original monomers. The monomers obtained are identical to the virgin monomers and are repolymerized to produce new plastics of the same quality;
- **BIODEGRADATION:** Include enzymes in a plastic material, of fossil origin or bio-sourced, to make it biodegradable. This is the creation of a new generation of biodegradable plastics whose lifespan is controlled and adapted to use.

Based on the objectives set upon CARBIOS' initial public offering in December 2013, the Company has reached key milestones in the area of enzymatic recycling and biodegradation. The Company has achieved a large portion of its objectives now that it has microorganisms and/or proprietary enzymes that degrade some aromatic and aliphatic polyesters of which common plastics are partially or totally comprised.

This progress, which constitutes new end-of-life recovery methods for plastics, has led to the creation of several strategic partnerships, i.e.:

- 1: The implementation in April 2019 of a strategic partnership with Nestlé Waters, PepsiCo and Suntory Beverage & Food Europe as part of the Consortium founded with L'Oréal to support the industrialization of the enzymatic recycling technology for PET plastics and fibers developed by CARBIOS;
- 2: The creation in 2016 of the joint venture CARBIOLICE, in partnership with Limagrain Ingrédients and the SPI fund operated by Bpifrance, to industrialize the PLA biodegradation process developed by CARBIOS. The commercial launch of this technology is planned for 2020 under the EVANESTO® brand;
- 3: The implementation in 2019, then in 2020, of two exclusive agreements with the world leader in enzyme production, Novozymes, in order to industrialize each of the processes indicated above.

As part of its Research and Development activities, CARBIOS continues to work with the academic world, and notably with the expertise of the teams at the enzymatic engineering research center at the *Institut National des Sciences Appliquées* (National Institute for Applied Sciences – INSA) in Toulouse, with which the Company created a cooperative laboratory in January 2020.

In accordance with the various agreements put in place<sup>1</sup>, exploitation of the technologies resulting from these research collaborations may give rise to financial payments from the Company to the different entities that have taken part in developing the technologies.

CARBIOS has been listed on the Euronext Growth Paris market since December 19, 2013.

## 1.2. The advantage of bioprocesses developed by CARBIOS

In nature, micro-organisms degrade the more or less complex compounds present in their immediate environment and use them as a source of carbon for their growth. When the carbon sources present are comprised mainly of plastics, the only microorganisms able to survive in these complex environments are those that have developed the ability to degrade and assimilate the polymers that make up plastics.

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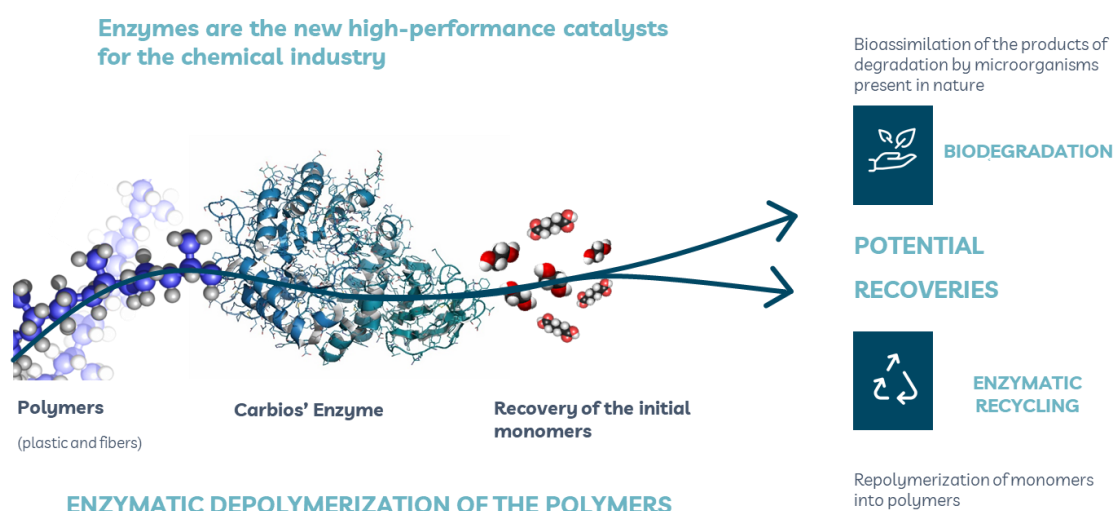
<sup>1</sup> Please refer to Chapter 1.8 of this Universal Registration Document for details of the terms of past and current collaboration agreements.

To degrade these complex materials, microorganisms produce biocatalysts called enzymes, which act as pairs of scissors specific to the material that they degrade.

When applied to industrial processes, enzymes make it possible to achieve complex chemical reactions in a highly selective manner. Using the potential of enzymes allows manufacturers to accelerate production processes under conditions that are less demanding and costly than chemical processes in terms of energy and to use a level of selectivity that limits undesirable byproducts. Enzymes are currently used in numerous applications (detergents, biofuels, food processing, textiles or paper), but using them for the biodegradation and recycling of polymers had never been considered. The enzymes used industrially today are either provided by enzyme producers such as Novozymes, DuPont Genencor Science, ABF Ingrédients (via AB Enzymes) or DSM, or produced onsite to be directly integrated into industrial production processes.

CARBIOS has chosen to develop industrial processes that use the exceptional properties of these catalytic tools, the enzymes. CARBIOS therefore selected microorganisms from natural biodiversity that can degrade the polymers of interest, namely the polymers that are most commonly used in plastics (polyesters, polyamides or polyolefins) and those that are most likely to be used. CARBIOS then identified the enzymes responsible for the degradation of the polymers in these microorganisms and optimized them to satisfy the industrial development needs of the relevant applications.

The green chemistry applied by CARBIOS reaps the benefits of the experience gained in several industrial sectors that already use enzymatic processes. The introduction of enzymes by CARBIOS into the value chains of the plastics industry, in particular for the recovery of end-of-life plastics, is a world first whose potential and relevance in the target markets are supported by the results already achieved and the partnerships established with several industry leaders in their fields, including with Novozymes, L'Oréal, Nestlé Waters, PepsiCo, Suntory Beverage & Food Europe and TechnipFMC.



For each of its processes, CARBIOS can claim the following competitive advantages:

- **ENZYMATIC RECYCLING**

The enzymatic recycling process developed by CARBIOS aims to eliminate the constraints of the current processes by taking advantage of the exceptional specificity of the enzymes, enabling:

- (i) recycling of plastics without the need for sophisticated sorting, in particular making it possible to recycle multi-layer, colored and/or opaque plastics and polyester fibers, and
- (ii) recycling of plastics according to circular economy principles, through the recovery of the purified monomers, which can then be repolymerized into plastic polymers of a quality equivalent to the original polymer (no loss of value unlike mechanical recycling);

- **BIODEGRADATION**

CARBIOS' innovative alternative offers a positive response to some disadvantages of the biodegradable plastics currently developed:

(i) the development of new biodegradable plastics with a real capacity for biodegradation under domestic conditions, unlike the majority of currently so-called biodegradable products that only biodegrade under industrial conditions (temperature above 50° C), and

(ii) the development of new plastics designed to be competitive and which can replace fossil-based plastics in the most common applications.

### **1.3. Market context and opportunities**

In light of the environmental consequences of growing global demand for plastics and the difficulty that companies have with controlling their end-of-life through conventional processes, turning plastic and textile waste into resources is essential and is currently one of the major focuses of the circular economy.

To meet these objectives, industries must make profound changes and take up new challenges that create industrial opportunities.

#### **1.3.1. An environmental challenge: mastering the end-of-life of plastics**

A symbol of the consumption society, plastics have invaded our daily lives and have become unavoidable. Plastics, which today are still mainly of fossil origin, take around 400 to 500 years<sup>2</sup> to degrade under natural conditions. With the development of our industrial societies, the generation of plastic waste has continued to grow and has led to an accumulation of plastic in the environment, creating multiple nuisances. It is estimated that by 2050, there will be more plastic than fish in the oceans<sup>3</sup>, so it is urgent to act. Currently, end-of-life plastic waste is managed in one of three ways: recycling, incineration or landfills. Each of these approaches has different economic and environmental impacts. The OECD considers that 14 to 18% of plastic waste generated every year on a global scale is collected for recycling and 24% is incinerated. The remainder, almost 60%, accumulates in landfills and in the environment where it contributes to polluting our soils, rivers and marine environments<sup>4</sup>.

Better management of the end-of-life of plastic materials is not only a major challenge of our time but also an unprecedented business opportunity to initiate this transition towards a circular economy model, thanks to innovation. Government policies are moving in this direction<sup>5</sup>, notably by setting binding targets for incorporating recycled materials into new products. Under pressure from consumers and NGOs, some manufacturers such as PepsiCo, Nestlé Waters and Coca-Cola European Partners are going even further by committing to incorporating 50 to 100% of recycled materials into some of their bottle brands by 2025. Given the current recycling rates, it will only be possible to achieve these targets by developing new solutions that respect the environment and preserve the quality of the recycled raw materials in order to enable their use in all initial applications.

#### **1.3.2. The circular economy: an essential transition**

The circular economy is by nature restorative and regenerative. It aims to preserve the value and intrinsic quality of products and materials at every stage of their use. In contrast to the linear model of “producing, consuming and disposing,” the circular economy creates the conditions for the development of a virtuous system where use replaces consumption, while limiting the wasting of raw materials and sources of energy.

The circular economy involves a more efficient use of fossil resources, reduction of waste and lower energy consumption, the guidelines for the strategic development of a new, efficient and sustainable industrial ecology.

CARBIOS is fully committed to this circular economy and positive recovery approach through the development of biological processes that represent a radical technological and industrial breakthrough, namely an innovative type of chemistry based on the use of enzymes to reinvent the plastic and textile polymer lifecycle.

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<sup>2</sup> World Wildlife Fund (Australia) in 2018

<sup>3</sup> Source: World Economic Forum, Ellen MacArthur Foundation and McKinsey & Company in 2016

<sup>4</sup> Source: OECD Environment Directorate in 2018

<sup>5</sup> E.g.: EU “Circular Economy” legislative package, No-waste circular economy law, EU “Single Use Plastics” Directive, etc.

### 1.3.3. The world has declared its intentions in terms of recycling

In numerous countries, the implementation of new regulatory provisions is intensifying. Europe has led the way with commitments on sustainable development as part of the adoption of the European Commission's "Circular Economy" legislative package establishing common objectives for waste management among Member states. In 2019, the European Commission's "Single Use Plastics" Directive<sup>6</sup> reinforced this legislative package with the aim of reducing the environmental impact of single use plastics, notably by increasing the collection rates to be achieved and by imposing the incorporation of recycled materials in PET bottles within the European Union.

Since January 1, 2018, China has also banned the importation of certain plastic waste from third countries<sup>7</sup>. This ban, which has reduced global exports of plastic waste, is forcing waste-exporting countries to implement alternative solutions for the treatment of previously exported waste. In addition to these import restrictions, in its 13<sup>th</sup> five-year plan, China plans to initiate a transition towards a circular economy model for the collection and recycling of plastic waste.

This approach is significant given that the Chinese market represents 23% of the global consumption of PET.

The USA, unlike Europe and China, has not yet implemented legislative measures to improve the collection and recycling of plastic waste. Currently, numerous US states aim simply to find a way to eliminate the waste that was previously partly exported to China. This situation is expected to continue since the remaining countries that still accept plastic waste from abroad are in the process of closing their doors, including Vietnam<sup>8</sup> and Thailand<sup>9</sup> which have announced forthcoming measures in this vein. American drink manufacturers (such as PepsiCo<sup>10</sup>) have also made ambitious commitments that can only be achieved by improving collection and recycling, particularly of PET plastic waste<sup>11</sup>. Accordingly, the plastics industry is already putting pressure on the federal authorities so that \$500 million in public financing is allocated to modernizing recycling infrastructures<sup>12</sup> over the next five years.

This global trend marks an intensification in the fight against environmental pollution with the aim of initiating a transition to more sustainable solutions with neutral environmental impact. In addition, they represent powerful backing for innovation in the fields of recycling and biodegradation, the core of the bioprocesses developed by CARBIOS.

## 1.4. Strategy and objectives

### 1.4.1. Strategy and objectives regarding industrial development

The introduction of enzymes in the value chain of the plastics industry is a world first by CARBIOS, whose technological advances in this field have brought about unique know-how.

Since its creation, CARBIOS has implemented a pragmatic innovation strategy that focuses on the creation of industrial value to provide manufacturers with "turnkey" biological processes for specific areas of application.

CARBIOS initially built upon over 10 years of Research and Development (patents, results and know-how) from academic laboratories. It then set up several collaborative research and development programs bringing together the best public (INRAE, TWB, INSA Toulouse (TBI Laboratory<sup>13</sup>) and CNRS) and private sector experts.

In light of the results already achieved through its work, CARBIOS intends today to become a major player in the worldwide plastic and recycling markets by providing reliable and innovative solutions while meeting the challenges of our time and creating long-term value for its shareholders.

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<sup>6</sup> Source: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018L0852&rid=1>

<sup>7</sup> Source: China Daily, July 21, 2017 issue, [http://www.chinadaily.com.cn/cndy/2017-07/21/content\\_30197305.htm](http://www.chinadaily.com.cn/cndy/2017-07/21/content_30197305.htm)

<sup>8</sup> Source: <https://resource-recycling.com/recycling/2019/04/02/officials-say-vietnam-to-end-plastic-imports-in-2025/>

<sup>9</sup> Source: <https://thethaiger.com/hot-news/plastics/thailand-to-ban-import-of-plastic-waste>

<sup>10</sup> Source: <https://www.pepsico.com/news/press-release/pepsico-accelerates-plastic-waste-reduction-efforts09132019>

<sup>11</sup> Source: <https://www.plasticsnews.com/news/napcor-us-lacks-recycled-pet-meet-consumer-brands-pledges>

<sup>12</sup> Source: <https://www.plasticsnews.com/article/20190307/NEWS/190305416/industry-coalition-eyes-500m-federal-push-for-domestic-recycling>

<sup>13</sup> In July 2019, the Laboratoire d'Ingénierie des Systèmes Biologiques et Procédés (LISBP) became the Toulouse Biotechnology Institute "TBI" laboratory.



### Collaborative research

The bioprocesses developed by CARBIOS are based on a unique combination of biotechnology and plastics manufacturing. These innovative technologies rely on many fields of expertise such as microbiology, enzymology, polymer chemistry, plastics engineering and process engineering.

The collaborative model set up by CARBIOS, since the Company's creation, has enabled the mobilization of significant scientific and technical resources to ensure the best chances of success in the development of its industrial bioprocesses, while providing the Company with world exclusivity for the results obtained as part of this work.

After several years of successful collaborative research dedicated to discovering and optimizing degradation enzymes and polymer synthesis, CARBIOS has just implemented a new strategic alliance with INSA Toulouse via its TBI laboratory in order to set up an internationally renowned enzymatic engineering research center for the recycling and biosynthesis of plastics<sup>14</sup>. This laboratory, called PoPLaB (Plastic Polymers and Biotechnologies) was inaugurated on January 28, 2020. Its teams will aim to optimize the processes under development and extend CARBIOS' technologies to other applications and polymers of interest to industry.

### Application development for its own use

CARBIOS carries out the application development of its bioprocesses in its own facilities.

To date, the Company has an R&D laboratory, a plastics processing pilot plant, a pilot plant dedicated to the enzymatic recycling of PET plastics and polyester fibers, and a cooperative enzymatic engineering research laboratory for plastics recycling and biosynthesis.

The Company will also begin construction on an enzymatic recycling demonstration plant for PET plastics and polyester fibers, which is due to be located in St-Fons in the Rhône valley. This demonstration plant is expected to be commissioned during 2021.

These installations aim to enable the development of products and processes that meet manufacturers' specifications whilst enhancing the intellectual property and unique know-how of CARBIOS.

CARBIOS is currently concentrating its efforts internally on the pilot and industrial demonstration phases, in order to optimize the parameters of its bioprocesses and ensure mastery of the related know-how, before licensing the application bioprocesses to industrial partners for the operations phase.

### Industrial roll-out

In accordance with the strategy implemented, CARBIOS plans to industrialize its bioprocesses via major partners capable of implementing and rolling out its technologies on a large scale.

For the manufacturer, this industrialization phase consists of setting up industrial production and marketing of the products from the technology designed and developed by CARBIOS. These processes are designed to be integrated into existing industrial facilities.

## **1.4.2. Funding**

In order to achieve the objectives described above and make the necessary investments, the Company has called on several sources of funding.

On January 17, 2019<sup>15</sup>, CARBIOS and Toulouse White Biotechnology (TWB) obtained funding of €7.5 million granted by the *Programme d'Investissement d'Avenir* (PIA) operated by ADEME. Over a period of 39 months, this funding will support the upscaling of CARBIOS' industrial and commercial project in the field of the enzymatic recycling of PET fibers and plastic waste. This funding, which consists of subsidies and advances that are repayable if the project is successful, will be paid in installments throughout the CE-PET project term. In December 2019, CARBIOS announced that it had

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<sup>14</sup> Please refer to the January 17, 2020 press release: <https://carbiosa.fr/en/carbios-announces-strategic-alliance-with-the-national-institute-of-applied-sciences-of-toulouse-insa/>.

<sup>15</sup> Please refer to the January 17, 2019 press release: <https://carbiosa.fr/en/carbios-and-twb-receive-e7-5-million-funding-to-accelerate-the-industrialization-of-the-biorecycling-of-pet-plastics-and-fibers/>.

successfully validated the first stage of this project and had received a total of €1.4 million in relation to this in 2019<sup>16</sup>. As project leader and coordinator, CARBIOS could receive up to €4.1 million for this project.

On June 25, 2019<sup>17</sup>, CARBIOS announced the success of a capital increase for a category of beneficiaries via an accelerated book-building process. The Company placed 2,245,886 new shares with a nominal value of €0.70 per share, at a price of €6.45 per share, issue premium included, for a total amount of €14,485,964.70, which represents 48.22% of the Company's share capital prior to the transaction on an undiluted basis, i.e. a dilution of 32.53%. **Copernicus AM, L'Oréal through its private equity fund BOLD (Business Opportunities for L'Oréal Development), Michelin Ventures and Truffle Capital** subscribed to the capital increase, in accordance with the undertakings they had made, for a total amount of €10,499,980.80, which represents 1,627,904 new shares or 72.48% of the total number of new shares issued as part of this capital increase. This support is a strong sign of the legitimacy acquired by the Company and its management team.

At the date of filing of this Universal Registration Document and on the basis of cash items and its projected operating expenses, the Company believes that it will be able to meet its future payments for the next twelve months.

#### **1.4.3. Business model**

CARBIOS' business development model is based on the industrialization and marketing of its products and/or enzymes, technologies and bioprocesses through concessions of operating licenses for its know-how and intellectual property, directly or through joint ventures, to major manufacturers in the sectors concerned by the Company's innovations. The licenses granted will generate revenues in the form of upfront payments, license fees or dividends.

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<sup>16</sup> Please refer to the December 3, 2019 press release: <https://carbios.fr/en/carbios-receives-e-1-4m-from-ademe-following-the-success-of-the-first-milestone-of-its-ce-pet-research-project/>.

<sup>17</sup> Please refer to the June 25, 2019 press release: <https://carbios.fr/en/carbios-announces-successful-14-5-million-euros-accelerated-bookbuilding-capital-increase/>.

#### 1.4.4. Summary of the stage of development of CARBIOS' technologies

Summary table of CARBIOS processes, their applications and their stage of development

PROCESSES	ENZYMATIC RECYCLING		BIODEGRADATION
POLYMERS	PET (plastics)	PET (textiles)	PLA
APPLICATIONS	Packaging (bottles, trays, films)	Clothing, linens and furnishings (duvets, pillows, etc.)	Packaging, agricultural films, bags, industrial films, disposable tableware
DEVELOPMENT STAGE	Pilote	Pilote	Industrial
ESTIMATED DATE OF FIRST INCOME FOR THE INDUSTRIAL OPERATION OF PROCESSES DEVELOPED BY CARBIOS	Made in 2019 <sup>(1)</sup>		Made in 2016 <sup>(2)</sup>
ESTIMATED DATE OF MARKETING CARBIOS PROCESSES TO FINAL CUSTOMERS	2021 <sup>(3)</sup>		2020 <sup>(4)</sup>
INDUSTRIAL DEVELOPMENT PARTNERS	L'Oréal, Nestlé Waters, PepsiCo, Suntory Beverage & Food Europe, Novozymes and TechnipFMC	Novozymes and TechnipFMC	Carbiolice and Novozymes

<sup>(1)</sup> Previously forecast for 2017, the first revenues from the PET enzymatic recycling technology was conditional on the implementation of the technical program from the "Consortium" agreement signed in December 2017 by CARBIOS and L'ORÉAL. This was implemented in April 2019 when Nestlé Waters, PepsiCo and Suntory Beverage & Food Europe joined the Consortium and the first industrial operating revenues were received by the Company during the 2019 fiscal year.

<sup>(2)</sup> Fixed fee of €8 million received in 2016 under a patent and know-how license agreement signed with CARBIOLICE SAS.

<sup>(3)</sup> As a test, the first volumes will be produced in 2021 at an industrial demonstration plant, before large-scale marketing via the concession of a first license in 2023, allowing the start of construction of a first industrial unit.

<sup>(4)</sup> Previously forecast for 2019, the first revenues from the biodegradation technology licensed to CARBIOLICE should be received in 2020 with the commercial launch of the EVANESTO® solution.

Processes related to polymers other than those mentioned above (such as other polyamides, polyolefins, or polyesters, etc.) may be developed as part of the Company's ongoing Research and Development work.

#### 1.4.5. Intellectual property

The Company's commercial success largely depends on its ability to obtain patents to protect its innovations, its products and the resulting processes.

To guarantee the exploitation of its Research and Development's results, CARBIOS has, since its creation, pursued an active policy of securing and strengthening its innovations through protection of its results starting from the upstream phase and consolidated by improvements made during development. It may be supplemented by the acquisition of know-how and rights from third parties necessary for the industrial implementation of the innovation developed.

CARBIOS is the owner, or co-owner, with each of its partners of the results obtained in each program defined within the THANAPLAST™ and CE-PET<sup>18</sup> programs. For all of these results, it holds exclusive worldwide exploitation rights in the

<sup>18</sup> For more information on the CE-PET project, please refer to section 1.5.2 of this Universal Registration Document.

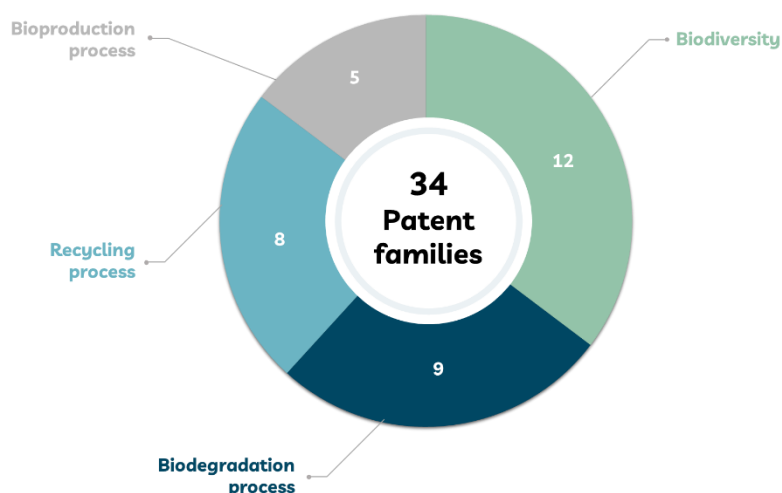
Company's fields of activity. Moreover, CARBIOS is the sole owner of the results of the services provided to it under the service provision contracts concluded by the Company and holds the exclusive worldwide exploitation rights in the Company's fields of activity.

The Company dedicates a significant share of its resources to protecting its innovations. As at December 31, 2019, gross investments made by CARBIOS in patents amounted to €1,290 thousand, of which €357 thousand in 2019.

#### 1.4.5.1. Change in the patent portfolio in 2019

During 2019, CARBIOS' patent portfolio was enhanced with eight new patent applications on its own behalf. The new applications registered concern biodiversity related to the degradation of PET and PLA and to optimizations for recycling processes and the production of biodegradable plastics developed by the Company. The Company transferred to PK MED two patent families filed in 2017, along with the priority right over an application filed in 2019. All of the patent families transferred cover the adaptation of the biodegradable plastics production process (inclusion of enzymes in polymers) to medical applications (inclusion of therapeutic molecules in polymers).

At the end of 2019, the CARBIOS intellectual property portfolio included 34 families of patents (including one under an exclusive worldwide license with the CNRS and University of Poitiers), representing 128 patents filed across the world's key regions and covering the Company's areas of development (biodiversity, enzymatic recycling process, biodegradable plastic production process and bioproduction). CARBIOS has thus ensured that it can guarantee a strategic competitive advantage over sizeable markets to its current and future industrial partners.



#### 1.4.5.2. Trademarks

The Company has registered the following trademarks:

- two French CARBIOS word marks registered with the INPI (*Institut National de la Propriété Industrielle*) for asset classes 1, 5, 16, 17 and 42, on March 28, 2012 and May 4, 2011, under numbers 3908795 and 3828679;
- an international CARBIOS word mark registered with the WIPO (World Intellectual Property Organization) on September 13, 2012, under number 1149637, for asset classes 1, 5 and 42, applicable in the European Union, the United States, China, Algeria and Morocco;
- a French word mark THANAPLAST™ registered for asset classes 1, 16, 40 and 42 on March 15, 2012 with the INPI under number 3905275;
- an international word mark, THANAPLAST™, registered with the WIPO on September 13, 2012, under number 1135512, for asset classes 1, 16, 40 and 42.

In France and the rest of the European Union, a trademark is protected for 10 years from filing and this protection can be renewed indefinitely.

## 1.5. Enzymatic recycling of PET plastics and fibers

### 1.5.1. Innovation

Unlike the current plastic recycling processes, which are mainly thermomechanical, the recycling process developed by the Company is a biological process.

This bioprocess can take place independently on a single polymer or iteratively on several polymers one after the other. This innovative approach involves an enzyme that is used to specifically depolymerize a single polymer contained in the various plastics or textiles to be recycled. Following this stage, the monomer(s) stemming from the depolymerization of the polymer will be purified, before being re-polymerized, thus allowing infinite recycling. Following this first stage, any non-degraded plastic or textile residues will go onto a second stage, using enzymes allowing the specific depolymerization of other polymers.

For the first time in the industry's history, the infinite recycling of plastic and textile waste into new plastic materials, without any sophisticated prior sorting, has become possible.

CARBIOS' plastic and textile recycling bioprocesses make it possible to:

- recycle plastics and textiles ad infinitum by going back to the initial monomers, which can be re-used in all the applications of the original material; and
- retrieve all of the properties of the original materials in the recycled materials.

This contrasts with conventional thermomechanical processes, which reduce the properties and quality of the regenerated polymer, and thus its use in primary application products.

In mixed polymer waste, each of the enzymes used in CARBIOS' bioprocesses only act on a specific type of polymer, whether in a heterogeneous blend of plastic and/or textile waste or in complex (multi-layer) plastics. It releases the plastic's elementary components, the monomers.

These recycled monomers have the same properties as those stemming from petrochemical or biorefining processes. They can be re-used for the same applications without any loss in performance and be recycled indefinitely.

As at the date of this Universal Registration Document, CARBIOS has an enzymatic recycling process that is able to process plastics partly or wholly composed of PET plastic or polyester fibers.

### 1.5.2. Developments and outlooks

In line with the objectives set upon the Company's initial public offering, the PET enzymatic recycling process developed by the Company is today at the industrial pilot stage.

Building on the results already obtained, the Company now plans to bring this technology to the industrial demonstration stage, which is the last step before the large-scale roll out through concessions of operating licenses of its know-how and intellectual property, directly or through joint ventures, to industrial partners.

On November 20, 2018, the Company announced the signature of a letter of intent with KEM ONE for the construction of an industrial demonstration plant in Lyon's Chemicals Valley, to be operated by the Company itself<sup>19</sup>.

**During the 2019 fiscal year, CARBIOS' scientific developments in the area of PET enzymatic recycling resulted in the following progress:**

In February 2019, CARBIOS announced that it had produced the first PET bottles with 100% Purified Terephthalic Acid (PTA) from the enzymatic recycling of used plastics<sup>20</sup>.

In reaching this key milestone, which is a world first, CARBIOS demonstrated that its enzymatic recycling process allowed the virtuous cycle of a return to virgin PET. The work previously carried out on enzyme optimization also contributed to reinforcing the industrial competitiveness of this proprietary technology.

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<sup>19</sup> Refer to the November 28, 2018 press release: <https://carbiosa.fr/en/carbios-and-kem-one-sign-a-letter-of-intent-to-implement-a-pet-biorecycling-demonstration-plant-operated-by-carbios-in-the-french-chemical-valley/>.

<sup>20</sup> Refer to the February 27, 2019 press release: <https://carbiosa.fr/en/carbios-produces-first-pet-bottles-from-100-recycled-plastic-waste-using-companys-breakthrough-technology/>

In line with the objectives, these developments highlight the high potential of plastic waste recycling through an enzymatic process in terms of efficiency and respect for the environment. They open up promising prospects for the treatment of a wide variety of waste.

CARBIOS' proprietary technology is a new industrial opportunity which enables used plastics to be considered as the renewable raw material of the future. In addition, this innovation is a response to the increasing presence on the market of packaging made from opaque or multi-layer PET, which is causing disruption in the current waste treatment channels. This issue should encourage the emergence of new solutions, such as those developed by CARBIOS, to treat this waste, which is currently mainly sent to landfills or incinerated.

For the recycling of complex plastics combining several types of polymers, this innovation, which uses a highly specific PET enzyme, makes it possible to recover the PET part of the material. The other polymers composing the material to be recycled will have to undergo the conventional treatment currently performed by plastic waste recycling firms.

In line with its objectives, CARBIOS is currently continuing the industrial piloting phase of this technology, through the CE-PET project supported by the ADEME before the forthcoming commissioning of its industrial demonstration plant planned for 2021.

**The pilot phase carried out as part of the CE-PET project aims to meet three main technical objectives:**

- 1- Ensure the development of the pilot-scale PET enzymatic recycling process for PET plastic waste;
- 2- Adapt and optimize the process for the recycling of PET textile clothing, linens and upholstery waste (duvets and pillows with high PET content) up to the pilot scale;
- 3- Ensure the competitiveness of the process.

To this end, CARBIOS and its academic partner TWB will develop new enzymes whose activity, thermostability and adsorption will be improved compared to the enzymes previously developed by CARBIOS so as to ensure the best possible yield and productivity for the depolymerization stage and fully adapt the recycling process to PET polyester fibers.

In this project, CARBIOS is also focusing on optimizing the pre-treatment stages for waste (plastics and textiles), depolymerization and monomer purification. Validation of the quality of the monomers obtained is achieved by rPET<sup>21</sup> repolymerization tests and transformation into products (bottles and fibers).

The main areas of focus of the CE-PET project are the following:

Main vectors of development of the CE-PET project	Partners involved
<ul style="list-style-type: none"><li>• Production and optimization of PET depolymerases</li></ul>	CARBIOS/TWB
<ul style="list-style-type: none"><li>• Development and piloting of the PET plastic waste enzymatic recycling process</li></ul>	CARBIOS/TWB
<ul style="list-style-type: none"><li>• Development and piloting of the PET textile waste enzymatic recycling process</li></ul>	CARBIOS/TWB
<ul style="list-style-type: none"><li>• Competitiveness of the PET waste enzymatic recycling process and securing the sector</li></ul>	CARBIOS

In December 2019, CARBIOS announced that it had successfully validated the first stage of this project and had received a total of €1.4 million in 2019<sup>22</sup>. As a reminder, as project leader and coordinator, CARBIOS could receive up to €4.1 million for this project.

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<sup>21</sup> rPET: recycled PET

<sup>22</sup> Please refer to the December 3, 2019 press release: <https://carbiosa.fr/en/carbios-receives-e-1-4m-from-ademe-following-the-success-of-the-first-milestone-of-its-ce-pet-research-project/>.

As at end 2019, for its PET enzymatic recycling process, CARBIOS had safeguarded its unique know-how and protected this innovative process via eight patent families covering the recycling process and seven patent families covering PET-related biodiversity. In 2019, CARBIOS also announced that several patents protecting this process had been issued in the USA<sup>23</sup>, Europe and Japan<sup>24</sup>.

#### 1.5.2.1. Industrialization model

The success of CARBIOS's industrialization model lies in its ability to build strategic industrial partnerships. Green Chemistry companies and the final users of plastic materials and textiles need validation of numerous technical and economic elements before engaging in structuring partnerships.

To facilitate the implementation of such agreements, the Company favors the signature of "Joint Development" or "Consortium" agreements, which combine R&D cooperation and competitiveness analyses.

#### 1.5.2.2. Launch of a PET Consortium

In accordance with the strategy put in place, in April 2019, CARBIOS and L'Oréal<sup>25</sup> announced a major partnership with Nestlé Waters, PepsiCo and Suntory Beverage & Food Europe, which joined the Consortium previously founded by CARBIOS and L'Oréal to industrialize the PET enzymatic recycling technology designed and developed by the Company. Under the terms of this four-year agreement, the Consortium's partners aim to industrialize CARBIOS technology and thus increase the availability of high-quality recycled plastics to contribute to meeting their commitments to sustainable development. In the context of this collaboration, technical stages and support from the partners in structuring a new value chain are planned to accelerate the industrialization of CARBIOS' recycling technology and create a true circular economy for plastics.



#### 1.5.2.3. Joint-development agreement with Novozymes

On January 30, 2020<sup>26</sup>, CARBIOS also announced the signature of an exclusive joint-development agreement with Novozymes, the world leader in enzyme production. This collaboration guarantees the production of CARBIOS' proprietary enzyme for PET degradation during the demonstration and industrial deployment phases. For the Company, this agreement represents a key stage in demonstrating the environmental benefit of its technology and guaranteeing a sustainable infinite recycling solution for PET-based products, such as drinks bottles, containers, plastic packaging and

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<sup>23</sup> Please refer to the March 28, 2019 press release: <https://carbiosa.fr/en/carbios-announces-grant-of-u-s-patent-for-its-pet-recycling-technology/>.

<sup>24</sup> Please refer to the October 8, 2019 press release: <https://carbiosa.fr/en/carbios-new-patents-granted-in-europe-and-japan/>.

<sup>25</sup> Please refer to the April 29, 2019 press release: <https://carbiosa.fr/en/nestle-waters-pepsico-and-suntory-beverage-food-europe-join-consortium-founded-by-carbios-and-loreal-to-support-the-worlds-first-enzymatic-technology-for-the-recycling-of-plastic/>.

<sup>26</sup> Please refer to the January 30, 2020 press release: <https://carbiosa.fr/en/carbios-enters-joint-development-agreement-with-novozymes-to-produce-its-proprietary-enzyme-for-complete-recycling-of-pet-plastics-and-fibers/>.

textiles, for its future customers. It also reinforces the credibility of the business model envisaged by the Company for the large-scale roll-out of its proprietary PET plastic and fiber recycling technology.

#### 1.5.2.4. Engineering collaboration with TechnipFMC

Since February 2017, CARBIOS and TechnipFMC, world leader in engineering in the areas of energy, chemistry and bio-sourced industries, have collaborated on the industrial development of CARBIOS' PET recycling process. In 2019, CARBIOS and TechnipFMC signed an engineering services contract covering the definition of a demonstration unit for terephthalic acid (TA) and ethylene glycol (EG) monomers through the recycling of used PET to consolidate the upscaling of CARBIOS' process and ensure its industrial competitiveness. Via this contract, CARBIOS benefits from both TechnipFMC's industrial know-how in bioprocesses and its expertise in PET polymerization technologies. CARBIOS holds the full intellectual property rights for the research and work conducted under this agreement. This engineering collaboration is continuing in 2020 to prepare for the construction of the industrial demonstration plant, planned for the KEM ONE site in St-Fons, in the Rhône valley<sup>27</sup>.



3D modelling of the PET enzymatic recycling industrial demonstration plant with commissioning planned for 2021, on the KEM ONE site in St-Fons (Credit: TechnipFMC)

At each stage of its development, CARBIOS thus seeks to enter into agreements with industrial partners to consolidate the maturing of its innovative bioprocesses and ensure their future utilization.

Based on the strategic partnerships set up by the Company to support the acceleration in the industrial development of its PET enzymatic recycling technology, CARBIOS confirms its ambition of bringing this technology to the industrial and commercial stage, through concessions of operating licenses of its know-how and intellectual property, directly or through joint ventures, to industrial partners in the sectors concerned by the Company's proprietary innovation. The licenses granted will generate revenues in the form of upfront payments, license fees or dividends.

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<sup>27</sup> Please refer to the April 15, 2020 press release: <https://carbiosa.fr/en/carbios-and-technipfmc-to-build-demonstration-plant-for-depolymerization-of-waste-pet-plastics-to-monomers/>.



### 1.5.3. Distinctions and publication in the scientific journal “Nature”

In May 2019<sup>28</sup>, CARBIOS announced that it had been selected as a **winner of the *Appel des 30!*** for its project to establish an industrial demonstration plant for its PET plastic and fiber enzymatic recycling technology in the Rhône valley. Through this industrial demonstration plant, CARBIOS hopes to bolster the technical and economic performance of its proprietary innovation and define all of the parameters required to grant the first licenses for the use of this technology by 2023. CARBIOS is fully in line with the collective momentum of the *Appel des 30!* for the transformation of the existing ecosystem into breakthrough industrial projects that are both profitable and advantageous for society and the environment.

In June 2019<sup>29</sup>, CARBIOS announced that it had received **the “Efficient Solution” label from the Solar Impulse Foundation** for its PET enzymatic recycling technology. The Solar Impulse Foundation’s mission is to select and promote 1,000 profitable solutions to protect the environment from around the world. This label is awarded to innovations that combine criteria of technical feasibility, positive social and environmental impact and economic viability. As a member of the World Alliance for Efficient Solutions, CARBIOS has submitted its enzymatic recycling technology, which makes a circular economy possible for plastics, for the award of this label. This label is a recognition of the work that addresses environmental issues, the rational use of energy, the reduction of carbon pollution and the achievement of the United Nations Sustainable Development Goals. The products, services, clean technologies and processes that have received this label have demonstrated profitability and sustained economic growth while they protect the environment and optimize the use of natural resources.

In April 2020<sup>30</sup>, CARBIOS announced the **publication of an article in the prestigious scientific journal “Nature”** entitled **“An engineered PET-depolymerase to break down and recycle plastic bottles”**. This article was co-authored by scientists at CARBIOS and its renowned academic partner, Toulouse Biotechnology Institute (TBI). The article describes the development of a novel enzyme which can biologically depolymerize all polyethylene terephthalate (PET) plastic waste followed by recycling into new bottles. After several years of research, CARBIOS and TBI have succeeded in improving the depolymerization performance of PET waste: the enzyme depolymerizes 90% of post-consumption PET in only 10 hours. By combining engineering and molecular design, the thermostability and activity of the PET-depolymerase have been improved to allow it to very effectively conduct the reaction of PET into terephthalic acid and mono-ethylene glycol, achieving a productivity of 16.7 g/L/h of terephthalic acid from a suspension of 200 g/kg of PET waste.

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<sup>28</sup> Please refer to the May 10, 2019 press release: <https://carbiosa.fr/en/carbios-winner-of-the-third-edition-of-lappel-des-30/>.

<sup>29</sup> Please refer to the June 3, 2019 press release: <https://carbiosa.fr/en/carbios-awarded-a-solar-impulse-efficient-solution-label/>.

<sup>30</sup> Please refer to the April 8, 2020 press release: <https://carbiosa.fr/en/carbios-announces-the-publication-of-an-article-on-its-enzymatic-recycling-technology-in-the-prestigious-scientific-journal-nature/>.



Cover of the scientific journal “Nature” on CARBIO enzymatic recycling technology (April 9, 2020)

#### 1.5.4. The PET plastics and polyester fibers market

Since its creation, CARBIO has chosen to focus on PET recycling, which is a promising market today, that is both growing and accessible. The revolution that has begun within the plastics industry to promote recycling and to set up true innovative circular economy solutions supports the relevance of the strategy implemented by our Company.

##### Size of targeted markets

PROCESSES	DESCRIPTION OF MARKETS	PRODUCTION		GROWTH RATE	TARGET MARKETS (WASTE)	
		World	Europe		World	Europe
PET recycling (plastics)	PET packaging (bottles, trays and other containers, etc.)	24 MT <sup>1</sup>	3,8 MT <sup>1</sup>	3,4% <sup>1</sup>	24 MT <sup>1</sup>	3,8 MT <sup>1</sup>
PET recycling (textiles)	PET textiles (clothing, technical fibers, rugs, carpets, etc.)	42 MT <sup>1</sup>	0,1 MT <sup>1</sup>	6% <sup>1</sup>	42 MT <sup>1</sup>	10 MT <sup>1</sup>

<sup>1</sup> Source: IHS Markit in 2018

##### PET recycling

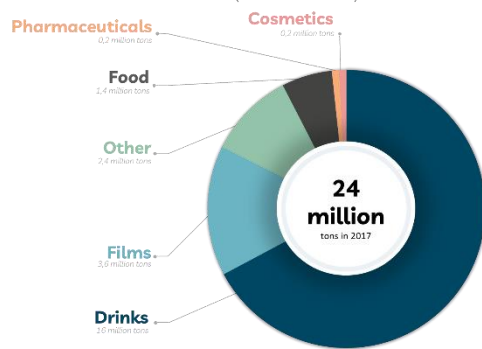
The market of resins and films made of PET (bottles, packaging, etc.) – a polyester of fossil origin widely used by manufacturers – represented global production of around 24 million metric tons in 2017<sup>31</sup> with an annual growth rate of 3.4%<sup>32</sup>. This production could reach over 30 million metric tons in 2025. The market for PET fibers (textiles, rugs, carpets,

<sup>31</sup> Source: IHS Markit in 2018

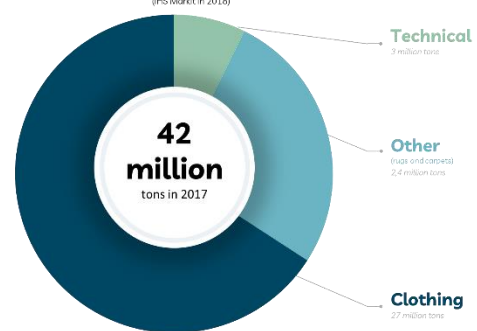
<sup>32</sup> Source: IHS Markit in 2018

pillows, duvets, etc.) represented an estimated global production of 42 million metric tons in 2017<sup>33</sup> with an annual growth rate of 6%<sup>34</sup>, which would take the market to 67 million metric tons in 2025.

**Breakdown of the virgin PET resin consumption market by application segment**  
(source IHS Market in 2018)



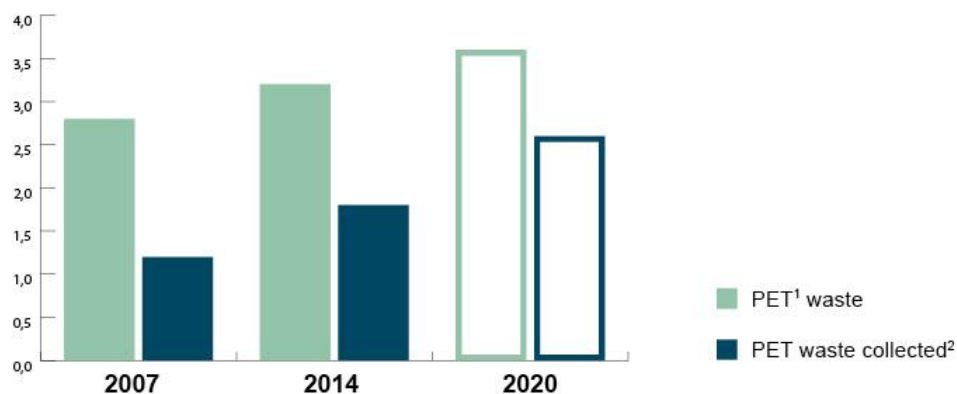
**Breakdown of the virgin PET textiles consumption market by application segment**  
(IHS Market in 2018)



Almost all PET products marketed, whether resins or fibers, turn into waste. PET, which offers significant advantages (weight, durability and flexibility) compared to alternative materials, is therefore a priority target for recycling. However, the recycling rates for waste vary widely and are greatly hindered by current techniques.

In Europe, the demand for resin-grade virgin PET for use in the manufacture of plastic bottles was estimated at 3.4 million metric tons in 2018<sup>35</sup> and the share of waste that they generate is 2 million metric tons, just over 59%<sup>36</sup>.

### HISTORY AND FORECAST OF QUANTITIES OF PET WASTE (RESINS AND FILMS) PRODUCED AND COLLECTED IN THE EUROPEAN UNION (IN MILLIONS OF METRIC TONS)



Smoothed growth rate of PET waste: 2%  
(calculated between 2007 and 2014 then projected until 2020)  
Smoothed growth rate of PET waste collected: 6%  
(calculated between 2007 and 2014 then projected until 2020)

<sup>1</sup> Source: PlasticsEurope in 2015

<sup>2</sup> Source: Petcore Europe in 2015

CARBIOS' PET enzymatic recycling process would make it possible to treat 100% of resin-grade PET waste, representing an additional 1.4 million metric tons in Europe, which is currently incinerated or sent to landfills as it cannot be recycled<sup>37</sup>.

<sup>33</sup> Source: PCI Wood Mackenzie in 2018

<sup>34</sup> Source: IHS Market in 2018

<sup>35</sup> Source: European Federation of Bottled Waters, Plastics Recyclers Europe and PetCore Europe in 2020

<sup>36</sup> Source: European Federation of Bottled Waters, Plastics Recyclers Europe and PetCore Europe in 2020

<sup>37</sup> Source: Company

Such recycling would save around 4 metric tons of additional CO<sub>2</sub> equivalent<sup>38</sup>, thereby helping to reduce greenhouse gas emissions.

CARBIOS' approach would also make it possible to increase the proportion of bottles and other containers produced from recycled PET, and thus reduce the share used for secondary applications (such as fibers), which are currently the main destination for recycled PET.

The PET plastics market, and particularly that of plastic bottles, is both accessible and highly attractive due to its large volume and the fact that the current collection systems are increasingly efficient. CARBIOS thus intends to offer that market, subject to development factors, a competitive process compared with the current recycling process, by enabling the re-introduction of the monomers stemming from the recycling of PET into the PET production chain.

Beyond that first large-scale market, the potential of this bioprocess is much broader. CARBIOS' PET plastics enzymatic recycling technology was made applicable to the recycling of PET fibers in March 2018<sup>39</sup>.

The results obtained by the Company in the area of PET plastic and fiber waste recycling are a real technological breakthrough, allowing the Company to envisage the rapid deployment of its technology on a high value-added market.

#### **1.5.5. Competitive advantages of CARBIOS' enzymatic recycling process**

Current recycling practices do not provide a satisfactory response to market needs, either in terms of volumes treated, or in terms of recovery.

Today, only a small proportion of PET waste is recycled. Thermomechanical recycling, which is currently the only industrial process, has limitations, as only clear plastic may be recycled in closed loops ("bottle-to-bottle"), with a loss of quality in each cycle, making it difficult to obtain new products from 100% recycled PET.

By allowing the recycling of all PET plastic waste and fibers, without the need for sophisticated sorting, by separately recovering the purified monomers from each polymer present in the materials, CARBIOS' enzymatic recycling process has an undeniable competitive advantage over thermomechanical recycling. Thus, while it is practically impossible to retrieve a polymer of the same quality as that of the initial polymer through currently available recycling processes, CARBIOS' process should make it possible to produce a recycled PET with the same quality as the original polymer that can be used for all – and even the most demanding – applications. In addition, the selective nature of the enzymatic process implemented by CARBIOS' technology makes it possible to treat all PET plastic waste, including colored, opaque or complex plastic waste which, when it is collected, is currently either recycled into lower value secondary applications, incinerated or sent to landfills.

For information on CARBIOS' potential competitors in PET recycling, the reader is invited to consult section 1.12.8 "Risks associated with the emergence of competing technologies" in this Universal Registration Document.

### **1.6. Biodegradation of PLA plastics**

#### **1.6.1. Innovation**

The innovation of the biodegradation bioprocess developed by CARBIOS consists in introducing biological catalysts inside plastics that render them biodegradable.

CARBIOS enzymated plastics, biodegradable under domestic conditions, are mainly intended for markets requiring single-use or short lifespan plastics (plastic bags, packaging, wrappers, mulching films for agriculture, etc.).

After use, CARBIOS enzymes – which are incorporated into the plastics from the design phase – break these polymer matrices down into basic molecules that can be assimilated by environmental microorganisms.

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<sup>38</sup> Source: SICTOM and Eco-Emballages in 2015

<sup>39</sup> Refer to the March 12, 2018 press release: <https://carbiosa.fr/en/carbios-announces-the-development-of-a-new-process-enabling-to-depolymerize-pet-polyester-fibers-from-textile-waste/>.

Complete biodegradation takes only a few months (versus 400 to 500 years<sup>40</sup> for ordinary plastics). CARBIOS' enzymated formulas are suited to plastics processing equipment and standard extrusion conditions. They do not alter the polymers' industrial performance or utilization properties.

Among the polymers mainly intended for markets requiring single-use or short lifespan plastics, CARBIOS has chosen initially to focus its efforts on PLA (polylactic acid), a biosourced polymer. This polymer is characterized by chains of monomers with bonds that can be hydrolyzed by specific enzymes to release the original monomers (lactic acids) that can be digested by the microorganisms present in industrial or domestic composting units. The industrialization of this innovation resulted in the creation of CARBIOLICE in 2016<sup>41</sup>.

In parallel, CARBIOS' research is working to identify new applications for enzymated PLA, in order to broaden the scope of application of its technology.

### **1.6.2. CARBIOLICE: An industrial and commercial joint venture**

Created in 2016 by the shared ambition of CARBIOS, Limagrain Ingrédients and the SPI fund (*Sociétés de Projets Industriels*) operated by Bpifrance, CARBIOLICE is a French joint venture based in Riom (France). This company provides oversight and industrial and commercial demonstration of the biodegradation process developed by CARBIOS and licensed to CARBIOLICE to create a new generation of bioplastics that are fully compostable under domestic conditions. This company's objective for 2020 will be to commercially exploit its license for the PLA enzymatic biodegradation technology developed by CARBIOS through the production and marketing of innovative biodegradation solutions to achieve zero waste for certain plastics and packaging that, by their nature, cannot be recycled.

This technological innovation is called EVANESTO®, and it will be implemented in the form of an enzymatic additive that is easily incorporated into conventional plastic and packaging manufacturing processes. It accelerates their biodegradation and guarantees compostability under domestic conditions. Plastics with this additive can be handled like biowaste and thus contribute to the reduction of the volume of household waste to be treated.

Through its production unit with capacity of 4,000 metric tons per year, which will ensure the production of the EVANESTO® technological solution, CARBIOLICE will address on a global level specific fields of application, namely for flexible film markets (mulching films, bags and bag manufacturing, industrial films, wrapping films or food packaging), for all rigid applications in the agricultural and horticultural sectors, for rigid food packaging and for disposable kitchen tumblers, glasses, cutlery, straws and plates made from plastic.

#### **1.6.2.1. License concessions**

On August 30, 2016, CARBIOS granted an exclusive world license to CARBIOLICE for the operation of the enzymatic biodegradation technology for all mixes (plastic compositions and masterbatches) based on specific polyesters, and notably PLA, for certain specific applications. This concession was supported by the signature of a shareholders' agreement on August 31, 2016 between CARBIOS, Limagrain Ingrédients and the SPI fund operated by Bpifrance, which defines the rights and obligations of the parties relating to the creation of CARBIOLICE.

In an amendment to the license agreement dated June 28, 2018, the scope of the license was extended to new patent families, applications and products. The license now covers a total of nine patent families, eight of which belong wholly or partly to CARBIOS (six fully owned and two jointly owned) and one family for which CARBIOS has exclusive rights of exploitation under an exclusive worldwide license.

On August 30, 2016, for the granting of patent licenses and know-how by CARBIOS to CARBIOLICE, CARBIOS recorded non-monetary operating revenue of €8 million, of which the counterparty was a receivable from CARBIOLICE,

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<sup>40</sup> World Wildlife Fund (Australia) in 2018

<sup>41</sup> Additional information on CARBIOLICE's financial statements as at December 31, 2019 is presented in section 3.7 of this document. As at the date of this document, CARBIOS holds a 52.70% stake in CARBIOLICE, which is, however, a non-consolidated company.

subsequently converted into an equity interest in that company. As at the date of this Universal Registration Document, CARBIOS holds a 52.70% stake in CARBIOLICE. This license agreement also provides for the payment to CARBIOS of royalties on the sales of products integrating CARBIOS' patented enzymatic biodegradation technology. The amendment to the license agreement dated June 28, 2018 also provides, in consideration for the extension of the number of patent families licensed to CARBIOLICE, for the payment to CARBIOS of an additional lump sum conditional upon achievement by CARBIOLICE of a defined amount of revenue. CARBIOS did not recognize any operating revenue in respect of this license for the 2018 and 2019 fiscal years, as the marketing of the first products that include the CARBIOS technology is slated for 2020.

In support of this license, a research services agreement between CARBIOS and CARBIOLICE was signed for an amount of €1,248 thousand before tax, over a period of two years beginning on February 15, 2017. In consideration for the extension to the scope of the license granted by CARBIOS to CARBIOLICE, this research service agreement was extended to February 15, 2021 by an amendment dated December 10, 2018 for an overall amount of €2,500 thousand before tax (including the initial €1,248 thousand). This contract allows CARBIOLICE to benefit from the additional assistance of CARBIOS in the development of products that will be marketed.

#### **1.6.2.2. Funding of CARBIOLICE**

With the transfer of assets from Limagrain Ingrédients (industrial facilities, business assets, patents and trademarks), along with the CARBIOS license and the cash contributed by the three partners (CARBIOS, Limagrain Ingrédients and the SPI fund), the CARBIOLICE project totals €29.5 million. The three partners have committed to investing a total of €18 million in the project, released in four phases over a four-year period, on the achievement of technical and commercial milestones.

- The first tranche of funding of €4 million, of which €1.5 million was provided by CARBIOS, took place on the business start-up in September 2016.
- A second tranche of funding of €3.35 million, with payment initially planned for 2019, was released in advance in July 2018 (including €1.1 million from CARBIOS) given the acceleration of CARBIOLICE's developments, i.e. the implementation of a new business plan and the filing of several patent applications confirming the achievement of new milestones.
- A third tranche of funding of €3.35 million (including €1.1 million from CARBIOS) was released in July 2019, in line with the initial commitments.
- A fourth and final tranche of funding of €7.3 million (including €2.3 million from CARBIOS), subject to achievement of technical and commercial milestones, and notably the effective marketing of the EVANESTO® additive, is planned for 2020.

Given the respective contributions and commitments from the three partners of CARBIOLICE as detailed above, CARBIOS' holding is expected to be diluted so that it holds no more than 47.5% of the share capital of this company at the end of 2020.

These investments will ensure the growth of the business and support the industrial and commercial development of the EVANESTO® solution from CARBIOS' technology.

#### History of equity contributions in CARBIOLICE

(In euros)	CARBIOS	Limagrain Ingrédients	SPI
Creation of the entity	1	-	-
Incorporation of the company	98	1	-
Initial distribution of share capital	99	1	-
Initial distribution of share capital (%)	99.00%	1.00%	0.00%
CARBIOS cash contribution	1,499,901	-	-
<b>Conversion of CARBIOS receivables into CARBIOLICE equity interests</b>	8,000,000	-	-
<b>Partial transfer of assets of Limagrain Ingrédients</b>	-	3,500,000	-
<b>SPI cash contribution</b>			2,500,000
Distribution of share capital at December 31, 2016	9,500,000	3,500,000	2,500,000
Distribution of share capital at December 31, 2016 (%)	61.29%	22.58%	16.13%
Distribution of share capital at December 31, 2017	9,500,000	3,500,000	2,500,000
Distribution of share capital at December 31, 2017 (%)	61.29%	22.58%	16.13%
Cash contribution 2 <sup>nd</sup> installment	1,100,000	250,000	2,000,000
Distribution of share capital at December 31, 2018	10,600,000	3,750,000	4,500,000
Distribution of share capital at December 31, 2018 (%)	56.23%	19.90%	23.87%
<b>Cash contribution 3<sup>rd</sup> installment</b>	<b>1,100,000</b>	<b>250,000</b>	<b>2,000,000</b>
<b>Distribution of share capital at December 31, 2019 (%)</b>	<b>52.70%</b>	<b>18.02%</b>	<b>29.28%</b>

#### 1.6.3. Industrial joint-development agreement with Novozymes

In January 2019, CARBIOS and CARBIOLICE signed a co-development agreement with Novozymes, the global leader in enzyme production<sup>42</sup>. Under the terms of this global multi-year agreement, Novozymes will produce CARBIOS' proprietary enzymes for the biodegradation of PLA on an industrial scale. Novozymes commits to becoming, over the long term, the exclusive supplier to CARBIOLICE. This new agreement is fully in line with the industrial deployment objective for the enzymatic biodegradation technology designed and developed by CARBIOS.

#### 1.6.4. Distinctions

On November 20, 2019, CARBIOS announced that CARBIOLICE had won the 2019 EuropaBio competition for the most innovative SME in Europe in the industrial biotechnologies category<sup>43</sup>. This distinction recognizes an innovation that is a world first. By providing an unprecedented alternative resulting from CARBIOS research and CARBIOLICE's developments, the EVANESTO® technology provides an effective solution for the eco-responsible management of the end-of-life of single-use or short lifespan plastics.

<sup>42</sup> Please refer to the January 29, 2019 press release: <https://carbiosa.fr/en/carbios-and-carbiolice-enter-into-a-joint-development-agreement-with-novozymes-for-long-term-supply-of-enzymes-at-industrial-scale/>.

<sup>43</sup> Please refer to the November 20, 2019 press release: <https://carbiosa.fr/le-prix-europabio-2019-de-la-pme-biotech-la-plus-innovante-deurope-est-decerne-a-carbiolice-filiale-de-carbios/>.

### 1.6.5. The PLA market

The development of bio-sourced plastics started over 20 years ago, through the development of green chemistry, and the desire to market products stemming from renewable resources, as an alternative to products derived from petrochemicals in order to address (i) the dwindling of oil resources, (ii) the greenhouse gas issue and (iii) the preservation of the environment.

Even though they have been around for a long time, bio-sourced plastics accounted for less than 1% of global plastic production in 2019<sup>44</sup>, but show strong growth prospects. In 2019, the bioplastics market amounted to around 2.1 million metric tons<sup>45</sup> and it should reach 2.4 million metric tons in 2024<sup>46</sup>.

PROCESS	MARKET DESCRIPTION	PRODUCTION		WORLDWIDE GROWTH RATE
		World	Europe	
PLA Production	PLA is currently used for medical, textile, packaging and other applications. PLA is expected to be a substitute for PET, PE, PS and PA <sup>1</sup>	275k metric tons <sup>1</sup>	7 to 9k metric tons <sup>1</sup>	15% <sup>2</sup>

<sup>1</sup> Source: Nova Institute in 2011, European Bioplastics in 2011

<sup>2</sup> Source: Corbion in 2016, NatureWorks in 2011 and COFCO in 2016

Global annual production capacity of PLA was estimated at around 275,000 metric tons in 2018<sup>47</sup> and demand should continue to increase over the coming years. According to producers, the production capacity could reach around 400,000 metric tons in 2020, representing average growth of 15% a year<sup>48</sup>. Despite the fact that 50% of the PLA production capacity is in the United States (and stems from a single producer – NatureWorks), PLA demand is strongest in Europe, while the strongest growth in the PLA market is expected to occur in Asia, particularly in Thailand, Japan, China and India<sup>49</sup>.

Today, the market remains relatively small compared to that of conventional polymers, but the announced growth in demand for PLA is, however, certain and will be supported by a number of factors:

- the increase in production capacities;
- the development of technologies based on second-generation (agri-food residues) and third-generation raw materials (use of CO<sub>2</sub>, etc.); and
- greater awareness of the importance of sustainable development and the environmental impacts of conventional plastics.

PLA is today mainly used for food packaging, which accounted for 33% of the global PLA market in 2017<sup>50</sup>. The second most represented application was disposable tableware (22%)<sup>51</sup>. In smaller proportions, there is also PLA in electronics and medical applications, sectors that will be increasing with the arrival of PLA of a higher technical standard.

Generally speaking, through their wide range of properties, bio-sourced polymers can now compete with conventional fossil-based polymers in various fields (packaging, automotive, textile, biomedical, etc.).

Among these bio-polymers, polylactic acid (PLA) is currently one of the most promising, thanks to its remarkable properties, suitable for a wide range of applications.

### 1.6.6. Competitive advantages

CARBIOS' innovations in the field of biodegradation should allow the offering of plastic products for which it will be possible to control the biodegradation rate, in order to ensure the required lifespan, according to the intended use. In

<sup>44</sup> Source: PlasticsEurope in 2019, European Bioplastics and Nova Institute in 2018

<sup>45</sup> Source: European Bioplastics and Nova Institute in 2019

<sup>46</sup> Source: European Bioplastics and Nova Institute in 2019

<sup>47</sup> Source: Nova Institute in 2011, European Bioplastics in 2011, Total Corbion in 2018 and COFCO in 2018

<sup>48</sup> Source: NatureWorks in 2011

<sup>49</sup> Source: QYResearch in 2017

<sup>50</sup> Source: QYResearch in 2017

<sup>51</sup> Source: QYResearch in 2017



this context, combining sustainability and biodegradability under so-called environmental conditions is one of the major challenges of the enzymatic biodegradation process developed by CARBIOS. These new plastics ensure a significant competitive advantage over currently marketed biodegradable plastics (whose lifespan is not controllable and/or degradation is insufficient) and should allow them to capture a significant share of the relevant markets.

As the exclusive worldwide license-holder of the PLA biodegradation technology designed and developed by CARBIOS, CARBIOLICE should be able to exploit this competitive advantage for the specific applications covered by the license agreement.

For information on CARBIOS' potential competitors in PLA plastic biodegradation, the reader is invited to consult section 1.12.8 "Risks associated with the emergence of competing technologies" in this Universal Registration Document.

## **1.7. CARBIOS' other areas of development**

As part of its research and development work, CARBIOS aims to extend its recycling and biodegradation processes to other polymers and other applications of interest to industry.

The work carried out to date has focused on the following three areas:

1. **Enzymatic recycling of PLA;**
2. **The biodegradation of PLA textiles and 3D printed parts;**
3. **The bioproduction of biosourced polymers including PLA.**

Other focuses of innovation have already been identified to adapt processes developed by CARBIOS to waste containing polymers other than PLA and PET, such as polyamides (PA6, PA6.6, etc.), polyolefins (polyethylene PE, polypropylene PP, etc.), elastomers (natural rubber, etc.) for which CARBIOS could work to identify new enzyme/polymer couples.

### **1.7.1. Enzymatic recycling of PLA**

The enzymatic recycling of PLA waste is a process allowing the PLA to be depolymerized and returned to its original monomer, lactic acid. The monomers obtained are purified and repolymerized to produce new recycled PLA products of the same quality as those made using virgin PLA plastics.

As early as 2013, CARBIOS demonstrated its ability to depolymerize PLA to obtain lactic acid. These results were boosted by the success of the 90% depolymerization of PLA in 48 hours; the process was then optimized to allow the 90% depolymerization of PLA in 24 hours. This progress led to the successful launch of the next phase, consisting in the proof of concept of a closed-loop recycling process involving the production of virgin PLA from lactic acid stemming from the PLA enzymatic recycling process.

CARBIOS thus demonstrated the circularity of the PLA recycling process. The catalytic activity of the enzyme used has also been proven on commercial objects in PLA (flexible and rigid packaging).

For the enzymatic recycling of PLA, CARBIOS is targeting a nascent market since the availability of PLA waste is still low. At the date of this Universal Registration Document, the Company does not intend to launch the industrial or commercial utilization of this technology.

### **1.7.2. The biodegradation of PLA textiles and 3D printed parts**

In addition to the plastics applications already licensed to CARBIOLICE, PLA has considerable development potential for short lifespan textile applications, such as hygiene products (baby diapers, feminine hygiene, adult incontinence or wipes), disposable protection equipment (gowns, hairnets, etc.), mulching felts and tea bags and coffee capsules. These applications represent a global market of over 5 Mt, with strong growth notably due to the increase in the global population<sup>52</sup>. Biodegradation has a particular interest in these applications where recycling is complex due to the presence of organic materials (e.g. diapers) and/or dispersion in the environment (e.g. mulching felt).

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<sup>52</sup> Source: Smithers Pira in 2017

The enzyme incorporation technology developed for the biodegradation of PLA plastics needs to be adapted due to the higher extrusion temperatures in textile spinning than in the plastics industry. For this reason, a new process is currently being developed and has already been subject to a patent application in 2019. The development will continue within CARBIOS' laboratory before the process is licensed.

During this development, proof of concept has already been obtained for a growing sector: additive manufacturing, better known as 3D printing, via the deposit of melted materials or Fused Deposition Modeling (FDM), which is the most widely used today for PLA and which has seen an expansion into mass markets over the last few years. This development will be continued once market interest has been confirmed.

### **1.7.3. PLA bioproduction**

This process is complementary to enzymatic recycling as it enables the biological repolymerization of monomers into polymers of interest for industry. This method addresses an entirely new market and makes it possible to envisage an alternative route for producing PLA from lactic acid. Current industrial processes for the production of PLA consist of four successive stages:

1. A first bio-refining stage to obtain fermentable sugars (glucose and sucrose) from the various types of biomass;
2. A sugar fermentation stage to produce lactic acid;
3. A chemical stage of lactic acid condensation to obtain a cyclic dimer of lactic acid (lactide); and finally
4. A chemical polymerization stage to obtain PLA.

As part of its research work, CARBIOS has been focusing on the development of a new production method that is more efficient and less costly than current techniques. The process developed consists in the direct biological polymerization of lactic acid to obtain a PLA homopolymer of high molecular weight. CARBIOS previously demonstrated, with its partners from INRAE and INSA (TWB and TBI), the feasibility of its *in vivo* enzymatic polymerization process to convert lactic acid into PLA resulting in a high molecular-weight homopolymer. This supplemental process to PLA enzymatic recycling would permit PLA reproduction from the recycled monomers while omitting the current chemical polymerization stage, which is complex and costly.

At the date of this Universal Registration Document, the Company considers that the PLA bioproduction market is not sufficiently mature to continue these developments for the purpose of the industrial or commercial exploitation of this technology. The concession or sale of a license at an "upstream" stage could be envisaged with sector manufacturers.

## 1.8. Important agreements

The main agreements to which the Company is party are the following:

### Agreements associated with the development of the Company's technologies

- Since July 1, 2018, the enzyme optimization work conducted within TBI and CRITT is work eligible for ADEME funding within the CE-PET<sup>53</sup> project for which CARBIOS received the funding notification on January 10, 2019<sup>54</sup>. As part of this CE-PET project, CARBIOS and TWB obtained funding of €7.5 million from the *Programme d'Investissement d'Avenir* (PIA) operated by ADEME. Over a period of 39 months, this funding will support the upscaling of CARBIOS' industrial and commercial project in the field of recycling of PET fibers and plastic waste. This funding, which consists of subsidies and advances that are repayable if the project is successful, will be paid in installments throughout the CE-PET project term. In December 2019, CARBIOS announced that it had successfully validated the first stage of this project and had received a total of €1.4 million in 2019<sup>55</sup>. Within the framework of this project, as project leader and coordinator, CARBIOS will strive to accelerate the industrialization of its technology for the enzymatic recycling of PET fibers and plastic waste. For this, it may obtain up to €4.1 million. The contract signed between TWB and CARBIOS on July 9, 2019 as part of this project is governed by the rules defined by the TWB consortium agreement, and provides, in accordance with TWB's rules regarding competitive agreements, that CARBIOS will have full ownership of the results obtained under this project.
- On January 17, 2020, the Company announced a strategic alliance with INSA Toulouse through its TBI laboratory to set up an internationally renowned enzymatic engineering research center for the recycling and biosynthesis of plastics<sup>56</sup>. This laboratory, called PoPLaB (Plastic Polymers and Biotechnologies) was inaugurated on January 28, 2020. Within this framework, CARBIOS announced that it had become a sponsor of the INSA Toulouse Foundation.

### Agreements associated with the establishment of the industrial demonstration plant

- Since February 2017, CARBIOS and TechnipFMC, world leader in engineering in the areas of energy, chemistry and bio-sourced industries, have collaborated on the industrial development of CARBIOS' PET enzymatic recycling process. On March 1, 2019, a Study, Engineering and Purchasing Support agreement entered into force between CARBIOS and TechnipFMC, with an option for the monitoring of supplies, markets and the coordination of an engineering project on the definition of a terephthalic acid (TA) and ethylene glycol (EG) monomer demonstration unit through the recycling of used PET. CARBIOS holds the intellectual property rights for the research and work conducted under this agreement. As part of this initial one-year agreement, TechnipFMC will also support CARBIOS in the construction and start-up phase of the industrial demonstration plant, operated by CARBIOS on the industrial site of KEM ONE in Saint-Fons (Rhône)<sup>57</sup>.
- CARBIOS and KEM ONE signed a letter of intent in November 2018 for the construction of the aforementioned industrial demonstration plant. Within this framework, the companies defined the principles of their collaboration for a period of six months, extended by an amendment for a duration of five months. Under this letter of intent, CARBIOS undertakes to study the feasibility of the construction of its demonstration plant on the Saint-Fons site and KEM ONE undertakes to contribute its best efforts to mobilize all stakeholders and support CARBIOS in defining the conditions for the provision of the real estate, the main utilities and the services required as well as the procedures with the various public authorities.

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<sup>53</sup> For more information on the CE-PET project, please refer to section 1.5.2 of this Universal Registration Document.

<sup>54</sup> Please refer to the January 17, 2019 press release: <https://carbiosa.fr/en/carbios-and-twb-receive-e7-5-million-funding-to-accelerate-the-industrialization-of-the-biorecycling-of-pet-plastics-and-fibers/>.

<sup>55</sup> Please refer to the December 3, 2019 press release: <https://carbiosa.fr/en/carbios-receives-e-1-4m-from-ademe-following-the-success-of-the-first-milestone-of-its-ce-pet-research-project/>.

<sup>56</sup> Please refer to the January 17, 2020 press release: <https://carbiosa.fr/en/carbios-announces-strategic-alliance-with-the-national-institute-of-applied-sciences-of-toulouse-insa/>.

<sup>57</sup> Please refer to the April 15, 2020 press release: <https://carbiosa.fr/en/carbios-and-technipfmc-to-build-demonstration-plant-for-depolymerization-of-waste-pet-plastics-to-monomers/>.

#### Key partnerships related to the PET project

- On October 27, 2017, the Company announced that on September 30, 2017, it had signed an agreement with L'Oréal to create a consortium for a five-year period to promote the circular economy through innovative plastic recycling solutions. The purpose of this agreement is to bring together a number of industrial and commercial companies that wish to support the Company in the industrialization of its enzymatic recycling technology. This agreement does not provide for the transfer of industrial property rights. As a follow-up to this consortium creation agreement, on December 31, 2017, the Company signed a consortium agreement with L'Oréal for a four-year period from its launch date, i.e. April 19, 2019, that relates specifically to the enzymatic recycling of PET (the "Consortium"). On April 29, 2019, CARBIOS and L'Oréal announced the arrival of three other partners in the Consortium: Nestlé Waters, PepsiCo and Suntory Beverage & Food Europe<sup>58</sup>. The Consortium's partners hope to industrialize CARBIOS' technology and thus increase the availability of high-quality recycled plastics to support their commitments to sustainable development. Technical stages are planned and the Consortium's partners pay an annual flat-rate contribution to support CARBIOS' developments to meet their expectations in terms of the recyclability of their products. In the context of this Consortium, to accelerate the industrialization of the process developed by CARBIOS, the partners further agreed to support the Company in the structuring of the new value chain for the recycled PET resulting from this innovative process.
- On January 28, 2020, the Company signed a co-development agreement with Novozymes, world leader in enzyme production, for the production of its proprietary enzyme dedicated to the recycling of PET plastics and fibers. This collaboration will guarantee the production of its proprietary PET degradation enzyme during the demonstration and industrial deployment phases of the enzymatic PET recycling technology developed by CARBIOS.

#### Agreements associated with CARBIOLICE<sup>59</sup>

- On August 30, 2016, CARBIOS granted CARBIOLICE an exclusive worldwide license for the utilization of its PLA-based plastics enzymatic biodegradation technology. In an amendment to the license agreement dated June 28, 2018, the scope of the license was extended to new patent families, applications and products.
- This concession was supported by the signature of a shareholders' agreement on August 31, 2016 between CARBIOS, Limagrain Ingrédients and the SPI fund operated by Bpifrance, which defines the rights and obligations of the parties relating to the creation of CARBIOLICE.
- In support of this license, a research services agreement between CARBIOS and CARBIOLICE was signed on February 15, 2017 for a duration of two years, extended up to February 15, 2021 by an amendment on December 10, 2018 for a total of €2,500 thousand.
- In January 2019, CARBIOS and CARBIOLICE signed a co-development agreement with Novozymes, the global leader in enzyme production<sup>60</sup>.

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<sup>58</sup> Please refer to the April 29, 2019 press release: <https://carbiosa.fr/en/nestle-waters-pepsico-and-suntory-beverage-food-europe-join-consortium-founded-by-carbios-and-loreal-to-support-the-worlds-first-enzymatic-technology-for-the-recycling-of-plastic/>.

<sup>59</sup> Please refer to paragraphs 1.6.2, 1.6.3 and 2.2.1 of this Universal Registration Document concerning CARBIOLICE.

<sup>60</sup> Please refer to the January 29, 2019 press release: <https://carbiosa.fr/en/carbios-and-carbiolice-enter-into-a-joint-development-agreement-with-novozymes-for-long-term-supply-of-enzymes-at-industrial-scale/>.

#### Financial commitments related to the exploitation of the results

- Since 2015, CARBIOS has benefited from a license on a patent family protecting a production process for biodegradable plastics through the inclusion of an enzyme and filed jointly by the CNRS, Poitiers University and Valagro. These agreements have already resulted in the payment of €800 thousand to the co-owners as repayment following the upfront payment received by CARBIOS in 2016 at the time of the license concession to CARBIOLICE. Subsequent remuneration from this agreement will come in the form of royalties to the joint owners in correlation with the revenues generated by CARBIOLICE's exploitation of this family of patents.
- As part of the THANAPLAST™ project which ended on June 30, 2017, CARBIOS is still bound by the commitments made on the returns payable by CARBIOS to its partners in the event of exploitation<sup>61</sup> of the results obtained under the THANAPLAST™ project.
  - o For the part of the project dedicated to PLA biodegradation, six patent families from the project were granted as a license to CARBIOLICE and gave rise, or will give rise, to a retrocession in the form of flat-rate amounts or royalties. Thus, in July 2017, CARBIOS signed an operating agreement with INRAE Transfert, on behalf of INRAE, INSA Toulouse and the CNRS, for a patent family jointly owned by INRAE/INSA/CNRS for an enzyme for the degradation of polyesters developed at the TBI as part of the research collaboration agreement with INRAE within the THANAPLAST™ project. CARBIOS is 50% co-owner of this patent family and benefits from an exclusive worldwide utilization license and a utilization sub-licensing right for this family of patents. The signing of this utilization agreement follows CARBIOS' granting of a license to CARBIOLICE on August 30, 2016 concerning this family of patents in particular. This agreement has already resulted in a payment of €50 thousand to INRAE Transfert as repayment following the upfront payment received by CARBIOS in 2016. Subsequent remuneration from this agreement will come in the form of royalties to INRAE Transfert in correlation with CARBIOS' revenues generated by CARBIOLICE's utilization of this family of patents.
  - o In December 2019, CARBIOS also signed a utilization agreement with INRAE Transfert, on behalf of INRAE, INSA Toulouse and the CNRS, for a patent family for a second enzyme for the degradation of polyesters developed with TBI as part of the collaborative services contract within the THANAPLAST™ project and optimized under a competitive research contract signed with INRAE, under the aegis of TWB. Under the terms of this agreement, CARBIOS has the exclusive ownership of the intellectual property rights over this enzyme, and has committed, as a counterparty, to compensate INRAE if this technology is utilized. After the signature of an amendment to the license granted to CARBIOLICE including the said patent family on June 28, 2018, CARBIOS and INRAE Transfert signed an operating agreement providing for the payment of a flat-rate amount of €25 thousand at the signature of the agreement in December 2019 and additional payments associated with the revenues received by CARBIOS in the event of the effective direct or indirect utilization of the said patent family.
  - o In addition, six patent families fully owned by CARBIOS were filed under the THANAPLAST™ project for the enzymatic recycling process for polyesters, and in particular PET. In the event that these families are exploited or licensed for future exploitation, they could also result in a financial retrocession to INRAE in the form of lump sums since three of them came from work conducted under the research services agreement with INRAE.
- For the CE-PET project, the contract signed between TWB and CARBIOS on July 9, 2019<sup>62</sup> notably provides for financial returns to TWB in the event of exploitation in accordance with the rules of the TWB Consortium. Within this framework, a valuation agreement defining the terms and conditions for the returns was signed between CARBIOS, INRAE and INRAE Transfert on December 18, 2019.

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<sup>61</sup> Please refer to paragraph 3.1.5.9 of this Universal Registration Document for the commitments of returns made to Bpifrance.

<sup>62</sup> Please refer to paragraph 1.8 "Agreements associated with the development of the Company's technologies" in this Universal Registration Document.

## 1.9. Regulatory environment

Numerous initiatives are taken, today, at both a European and national level, to promote the recycling of plastics and support the commitments made by the public authorities and manufacturers on sustainable development. These initiatives provide significant support for the development of CARBIOS' technologies and more especially for the enzymatic recycling of PET plastics and fibers.

### 1.9.1. The “Single Use Plastics” Directive

In May 2018, the European Commission presented the proposal for the “Single Use Plastics” Directive<sup>63</sup>. This Directive proposes to establish new rules to target the ten single use plastic products that are found the most often on and in European beaches and seas. It aims to prevent and reduce the impact of these plastic products on the environment and human health and also to promote the transition to a circular economy.

This Directive, which is part of a larger framework of European initiatives, was adopted by the European Parliament on June 5, 2019 (EU 2019/904) and is expected to be transposed by each of the Member states within two years. Among other measures, this Directive provides for:

- an obligation for drinks bottles, manufactured mainly in PET, to contain at least 25% recycled materials in 2025 and 30% in 2030;
- a separate collection target for drinks bottles set at 77% by 2025 and 90% by 2029;
- a ban by 2021 of certain single use plastic products such as cutlery, cotton bud sticks, straws, drink stirring sticks, oxodegradable plastics and food containers in expanded polystyrene;
- the implementation of product marking to inform consumers of the presence of plastic in the products or the environmental impacts of inappropriate product waste disposal.

A European Plastics Pact bringing together public bodies and key industry players (Member States, PET-using companies, plastic waste collectors, plastics manufacturers, innovative companies and NGOs) was officially launched on March 6, 2020 in Brussels to coordinate the actions that need to be implemented to achieve these targets. As a co-signatory to the Pact, CARBIOS actively participates in this European initiative to promote a circular economy for plastics.

### 1.9.2. Energy Transition Law for Green Growth

On August 17, 2015, France voted Law No. 2015-992 on the energy transition for green growth. This Law provides, among others, for:

- the expansion of sorting guidelines for all plastic packaging throughout the country before 2022, for the purpose, as a priority, of their recycling;
- an increase in recovered waste in the form of materials, and notably organic materials;
- the ban on the manufacturing, distribution, sale and use of oxodegradable plastic bags;
- the ban, since 2017, applies to plastic bags unless they can be composted in domestic composting and they comprise, in all or part, bio-sourced materials. This level of bio-sourced materials, set by decree, increased from 30% to 50% on January 1, 2020 and should reach 60% by 2025.

### 1.9.3. “Circular Economy” legislative package

Since 2017, France has also worked on a roadmap for the circular economy and established a list of 50 measures to achieve certain sustainable development goals from the United Nations' Agenda 2030. To achieve the goals defined in this commitment, in 2018, France signed the Ellen MacArthur Foundation's “Global Commitment” and drafted and co-signed the National Plastic Packaging Pact, alongside agrifood companies, retail players and several NGOs.

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<sup>63</sup> Source: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018L0852&rid=1>

#### **1.9.4. No-waste circular economy law**

Presented in July 2019, the Law on the fight against waste and on the circular economy was definitively adopted by the French Senate on January 30, 2020. It focuses on four main areas: reinforcing consumer information, fighting against waste in order to preserve natural resources, mobilizing manufacturers to transform production methods and improving waste collection.

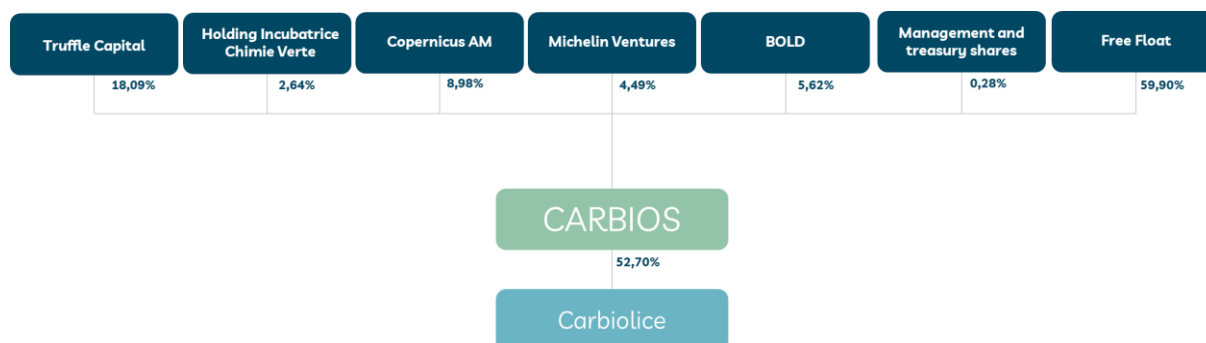
This Law provides, among others, for:

- the target of moving towards 100% recycled plastic by January 1, 2025;
- the obligation to reuse, reemploy or recycle unsold products;
- the establishment of environmental information for clothing;
- the ban on plastic tea and tisane bags and sachets unless they are biodegradable;
- the ban on the “compostable” labelling on products that may only be composted under industrial conditions;
- the target of ending single-use plastic packaging by 2040.

These recent regulatory changes, promoting better management of the end of life of plastics and the development of the circular economy, impose the adaptation of all industrial players in the sector and open up enormous opportunities for the roll-out of CARBIOS' technologies.

## 1.10. ORGANIZATIONAL CHART

The following organizational chart is based on the share capital held by each shareholder (excluding potential share capital) at the date of this Universal Registration Document:



The above percentages refer to share capital, not voting rights. The percentage of voting rights is not identical to the percentage of share capital. For more information on the Company's main shareholders and their percentage of voting rights, please refer to section 4.2.1 of this Universal Registration Document.

### CARBIOLICE<sup>64</sup>

The Company has a 52.70%-owned subsidiary – CARBIOLICE – set up in September 2016 on the basis of a tripartite agreement between CARBIOS, the SPI innovation-focused mutual fund (FCPI) (Bpifrance Investissement) and Limagrains Ingrédients.

This company integrates the PLA-based biodegradable plastics technology innovation licensed by CARBIOS.

Through its production unit with an annual capacity of 4,000 metric tons, CARBIOLICE performs the industrial demonstration of the patented technology for enzymatic biodegradation of plastics developed by CARBIOS, then the industrial and commercial production of enzymated granules (master batches) used in the manufacturing of biosourced, biodegradable plastics. It addresses specific fields of application, namely for flexible film markets (mulching films, bags and bag manufacturing, industrial films, wrapping films and food packaging), for all rigid applications in the agricultural and horticultural sectors and rigid food packaging and for disposable kitchen tumblers, glasses, cutlery, straws and plates made from plastic.

<sup>64</sup> Additional information on CARBIOLICE's financial statements as at December 31, 2019 is presented in section 3.7 of this document. As at the date of this document, CARBIOS holds a 52.70% stake in CARBIOLICE, which is, however, a non-consolidated company.



## 1.11. Analyses and comments

### 1.11.1. Review of financial position and results

#### 1.11.1.1. Financial position

Paragraph 1.11.1 focuses on the Company's results and financial position for the fiscal years ended December 31, 2018 and December 31, 2019, each lasting 12 months.

This chapter should be read in the light of the Universal Registration Document as a whole. In particular, please read the description of the Company's operations presented in sections 1.1 to 1.7 of this Universal Registration Document. Likewise, please refer to the financial statements for the fiscal years ended December 31, 2018 and December 31, 2019, as well as the notes thereto, presented in Chapter 3 of this Universal Registration Document. The Company's financial statements were prepared in accordance with the accounting standards applicable in France for companies registered under French law. The Company has no plans at this stage to change its accounting methods in the near future. Indeed, the Company does not present any consolidated financial statements with its subsidiary CARBIOLICE<sup>65</sup> since it is not required to do so given the fact that it has not yet reached the required consolidation threshold.

#### 1.11.1.2. Operating income

##### 1.11.1.2.1. Major factors which have a significant impact on the Issuer's operating income

CARBIOS is an innovative green chemistry company whose goal is to accelerate the green revolution in chemistry for our everyday lives, by re-thinking the lifecycle of plastic and textile polymers. Its main activity thus consists in searching for innovative industrial bioprocesses to optimize the technical, economic and environmental performance of polymers by exploiting the biological properties of enzymes and developing these bioprocesses to license them to industrial partners for their commercial use and marketing.

The Company's operations and results are mainly impacted by the R&D expenses for the projects it undertakes. The Company also dedicates a large part of its resources to the protection of its intellectual property by filing patent applications at an early stage.

The Company's original business model is based on the industrialization and marketing of its products and/or enzymes, technologies and bioprocesses through concessions of operating licenses for its know-how and intellectual property, directly or through joint ventures, to major manufacturers in the sectors concerned by the Company's innovations. The Company thus intends to identify one or more leading manufacturer(s), offering the best potential for the industrial and commercial use of the innovation.

The subsidies granted for the THANAPLAST™ program were released according to the project's progress and the submission of reports to Bpifrance regarding the completion of each key stage stipulated in the framework agreement signed with Bpifrance. The payment of the following subsidies was conditional upon the completion of each key stage under the relevant conditions, depending on the deliverables:

Payment year (In euros)	2012 1 <sup>st</sup> payment	2013 Key stage 1	2014 Key stage 2	2015 Key stage 3	2016 Key stage 4	2017 Key stage 5	TOTAL
Nature of the key stage		Achievement of first results stemming from collaborative research	Move up to laboratory scale	Move up to pre-pilot phase	Move up to pilot phase	Move up to industrial scale	
Subsidies received	709,000	923,000	166,184	543,816	300,000	465,657	3,107,657
Advances received	644,000	757,048	546,450	1,060,502	143,000	556,214	3,707,214
TOTAL	1,353,000	1,680,048	712,634	1,604,318	443,000	1,021,871	6,814,871

<sup>65</sup> Additional information on CARBIOLICE's financial statements as at December 31, 2019 is presented in section 3.7 of this document. As at the date of this document, CARBIOS holds a 52.70% stake in CARBIOLICE, which is, however, a non-consolidated company.

The subsidies granted for the CE-PET program were released according to the project's progress and the submission of reports to ADEME regarding the completion of each key stage stipulated in the signed framework agreement. The payment of the subsidies is conditional upon the completion of each key stage under the relevant conditions, depending on the deliverables:

(in euros)	KS1 (35%)	KS2 (60%)	KS3 (80%)	KS4 (100%)	TOTAL
Payment year	2019	2020	2021	2022	
<b>SUBSIDY</b>	361,900	258,500	206,800	206,800	1,034,000
<b>REPAYABLE ADVANCE</b>	1,085,700	775,500	620,400	620,400	3,102,000
<b>TOTAL</b>	<b>1,447,600</b>	<b>1,034,000</b>	<b>827,200</b>	<b>827,200</b>	<b>4,136,000</b>

From the founding of CARBIOS up until 2019 (except in 2016) the Company's activities have generated operating losses, since the projects developed have required increasing funding, while no operating revenues were recognized before the first license agreements. All R&D expenses are thus recognized as operating expenses for the year in which they are incurred.

In 2016, the Company founded the joint venture CARBIOLICE<sup>66</sup> with Limagrain Ingrédients and the SPI (*Sociétés de Projets Industriels*) investment fund operated by Bpifrance. This company took over the production and sale of granules for the bio-sourced and biodegradable plastic products of Limagrain Ingrédients. It intends to develop this business through CARBIOS' technologies. To this effect, a license agreement for CARBIOS' patents and know-how was signed on August 30, 2016 between SAS CARBIOLICE and CARBIOS (supplemented by an amendment on June 28, 2018). With this agreement, CARBIOS recorded its first licensing revenues in 2016.

Since January 1, 2012, the Company has been eligible for Research Tax Credit (CIR), a scheme which offers a refundable tax credit to companies investing in R&D. The recognition of this tax credit thus reduces the impact of operating expenses on the Company's net income.

Payment year ( <i>In euros</i> )	2018	2019
<b>Recognized as income</b>	1,191,402	799,779
<b>Received</b>	702,385	1,191,402

#### 1.11.1.2.2. General presentation of the financial statements

##### 1.11.1.2.2.1. Simplified income statement

<i>Audited parent company financial statements – French standards (In thousands of euros)</i>	12/31/2018	12/31/2019
<b>Operating revenues (*)</b>	1,083	1,450
<i>Of which revenues derived from contracts with CARBIOLICE</i>	929	588
<b>Operating expenses</b>	5,323	5,986
<b>OPERATING INCOME</b>	<b>(4,240)</b>	<b>(4,535)</b>
<b>Financial income</b>	(25)	(29)
<b>CURRENT INCOME BEFORE TAXES</b>	<b>(4,265)</b>	<b>(4,564)</b>
<b>Extraordinary gain or loss</b>	(37)	15
<b>Income tax (research tax credit)</b>	(1,191)	(800)
<b>PROFIT OR LOSS</b>	<b>(3,110)</b>	<b>(3,749)</b>

<sup>66</sup> Additional information on CARBIOLICE's financial statements as at December 31, 2019 is presented in section 3.7 of this document. As at the date of this document, CARBIOS holds a 52.70% stake in CARBIOLICE, which is, however, a non-consolidated company.

#### 1.11.1.2.2.2. Operating revenues

The projects conducted by the Company generated licensing revenues for the first time in 2016. Other operating revenues mainly stem from operating subsidies and the provision of services to the subsidiary CARBIOLICE recognized at the end of the fiscal years:

- At December 31, 2018: €24 thousand from the subsidy awarded by Bpifrance under a technology partnership assistance agreement for the period running from July 19, 2017 to April 18, 2018.

The Company also received a grant of €70 thousand from ADEME for a feasibility study concerning the enzymatic recycling of textile fibers.

On February 15, 2017, it entered into a research service agreement with its subsidiary CARBIOLICE for a period of two years and a total amount of €1,248 thousand. This agreement was subsequently modified by an amendment extending it until 2021 and raising its amount to €2,500 thousand. In this regard, the Company invoiced its subsidiary for €724 thousand in 2018.

The Company also re-invoiced a total of €131 thousand to its subsidiary for fees regarding regulatory matters and various tests in accordance with the agreements signed.

In addition, the Company invoiced its subsidiary for a total of €77 thousand relating to the supply of equipment, the provision of coordination services and staff travel expenses;

- At December 31, 2019: €379 thousand from the subsidy awarded by ADEME, corresponding to the completion of the first key stage of the CE-PET project and the provision for expenses committed in respect of the second key stage.

On February 15, 2017, it entered into a research service agreement with its subsidiary CARBIOLICE for a period of two years and a total amount of €1,248 thousand. This agreement was subsequently modified by an amendment extending it until 2021 and raising its amount to €2,500 thousand. In this regard, the Company invoiced its subsidiary for €526 thousand in 2019.

The Company also re-invoiced a total of €18 thousand to its subsidiary for fees regarding regulatory matters and various tests in accordance with the agreements signed.

In addition, the Company invoiced its subsidiary for a total of €44 thousand relating to the supply of equipment, the provision of coordination services and staff travel expenses.

Other operating revenues amounted to €484 thousand.

#### 1.11.1.2.2.3. Operating expenses

The Company's operating expenses mainly consist of R&D costs and salaries. For the past two fiscal years, they break down as follows:

(in thousands of euros)	2018	2019
<b>Other costs and external expenses</b>		
External studies, subcontracting and scientific consultations	1,299	621
Consumables	51	61
Supplies	46	72
Rentals, maintenance and upkeep expenses	229	290
Fees	744	1,114
Business travel	173	205
Miscellaneous expenses	104	148
<b>Total other expenses and external expenses</b>	<b>2,646</b>	<b>2,511</b>
Taxes and similar payments	28	25
Salaries and wages	1,628	2,018
Social security contributions	582	912
Depreciation of fixed assets	299	349
Other expenses	139	171
<b>TOTAL OPERATING EXPENSES</b>	<b>5,323</b>	<b>5,986</b>

2018

In 2018, CARBIOS' operating expenses amounted to **€5,323 thousand**, of which 58% was dedicated to research. This effort was mainly focused on the development of the enzymatic recycling process for PET fibers and plastics. The rise in the amount of resources dedicated to R&D in 2018 mainly stemmed from the increase in external R&D expenses eligible for the French Research Tax Credit (CIR) chiefly due to the acceleration of developments and the launch of the CE-PET project.

In general, R&D expenses include the expenses related to the following:

- External studies conducted in collaboration with the Company's academic partners and the outsourcing of a certain amount of technological work to its partners for the development of processes dedicated to the end-of-life of plastic materials;
- Research personnel costs, including salaries, emoluments and social contributions, as well as environment expenses such as workstations and travel;
- Scientific consultancy contracts with scientific experts and advisers who assist the Company in defining and supervising its R&D programs;
- Expenses and fees related to industrial property; and
- The structural costs of the Company's R&D department.

## 2019

In 2019, CARBIOS' operating expenses amounted to **€5,986 thousand**, of which 51% was dedicated to research. This effort was mainly focused on the development of the enzymatic recycling process for PET fibers and plastics.

The decrease in the consumption of resources dedicated to R&D in 2019 mainly stemmed from the decrease in external R&D expenses notably with the termination of the services provided by INRAE, which now come under the CE-PET project.

In general, R&D expenses include the expenses related to the following:

- External studies conducted in collaboration with the Company's academic partners and the outsourcing of a certain amount of technological work to its partners for the development of processes dedicated to the end-of-life of plastic materials;
- Research personnel costs, including salaries, emoluments and social contributions, as well as environment expenses such as workstations and travel;
- Scientific consultancy contracts with scientific experts and advisers who assist the Company in defining and supervising its R&D programs;
- Expenses and fees related to industrial property; and
- The structural costs of the Company's R&D department.

### 1.11.1.2.2.4. Financial income and expenses

The Company's financial income consists of interest on money-market investments and term account deposits. All available cash is placed in risk-free money market products. The Company obtained two loans from Bpifrance for a total of €3,000 thousand at a rate of 3.03% for the first on November 23, 2018 and 4.34% for the second on November 20, 2019. The conditional advances granted by Bpifrance and ADEME do not carry interest.

<b>Financial revenues (in thousands of euros)</b>	<b>2018</b>	<b>2019</b>
<b>Financial income</b>	10	32
<b>Financial expenses</b>	35	61
<b>FINANCIAL REVENUES</b>	<b>(25)</b>	<b>(29)</b>

Financial income notably comes from cash investment income for €8 thousand and the reversal of the provision for impairment of treasury shares (€22 thousand).

Financial expenses in 2019 consist mainly of interest on the Bpifrance loans for €56 thousand.

#### 1.11.1.2.2.5. Net income

Net income (in thousands of euros)	2018	2019
<b>CURRENT INCOME BEFORE TAXES</b>	(4,265)	(4,564)
<b>EXTRAORDINARY GAIN OR LOSS</b>	(37)	15
<b>Income tax (research tax credit)</b>	(1,191)	(800)
<b>PROFIT OR LOSS</b>	<b>(3,110)</b>	<b>(3,749)</b>

- Concerning 2018: an exceptional loss of €37 thousand was recognized. This mainly stems from a loss on treasury shares amounting to €45 thousand and the net book value of assets disposed of €8 thousand, offset by supplier-related inflows of €6 thousand and prior years' adjustments amounting to €8 thousand. CARBIOS benefited from a Research Tax Credit of €1,191 thousand, calculated on the basis of eligible expenses for the Research and Development undertaken by the Company in 2018.
- Concerning the 2019 fiscal year: an exceptional gain of €15 thousand was recognized. This mainly stems from a gain on treasury shares amounting to €13 thousand and income from the sale of fixed assets of €343 thousand, offset by the net carrying amount of assets disposed of €340 thousand. CARBIOS also benefited from a Research Tax Credit of €800 thousand, calculated on the basis of eligible expenses for the Research and Development undertaken by the Company in 2019.

## 1.11.1.2.2.6. Financial position

(in thousands of euros)	2018	2019		2018	2019
<b>FIXED ASSETS</b>			<b>EQUITY</b>		
<i>Intangible assets</i>	<b>691</b>	<b>858</b>	Capital	3,260	4,833
Concessions, patents, licenses, software	691	858	Issue, merger and contribution premiums	19,129	31,275
<i>Property, plant and equipment</i>	<b>971</b>	<b>2,267</b>	Retained earnings	(7,256)	(10,366)
Office and IT equipment	25	145	Investment subsidies	15	13
Laboratory equipment and material	889	1,985	Profit and loss for the period	(3,110)	(3,749)
Fixtures and fittings	57	137	<b>TOTAL EQUITY</b>	<b>12,038</b>	<b>22,005</b>
<i>Advances on assets under construction</i>	<b>-</b>	<b>148</b>			
<i>Financial assets</i>	<b>10,802</b>	<b>12,027</b>			
Equity interests	10,600	11,700			
Deposits and guarantees	110	200	<b>OTHER EQUITY CAPITAL</b>		
Liquidity contract	19	73	<b>Conditional advances</b>	<b>3,707</b>	<b>4,250</b>
Treasury shares	73	54			
<b>TOTAL FIXED ASSETS</b>	<b>12,464</b>	<b>15,300</b>			
<b>CURRENT ASSETS</b>			<b>DEBT</b>		
Receivables	70	28			
State — receivables	1,375	1,019	Loans	1,866	3,818
Subsidies receivable	-	17	Trade and other payables	1,061	1,387
Laboratory raw material inventories	15	21	Tax and social liabilities	475	749
Other receivables	34	2	Other liabilities	2	2
Cash, cash equivalents and marketable securities	5,149	15,915	Deferred income	-	176
Prepaid expenses	38	75			
<b>TOTAL CURRENT ASSETS</b>	<b>6,680</b>	<b>17,075</b>	<b>TOTAL LIABILITIES</b>	<b>3,404</b>	<b>6,131</b>
Deferred expenses	6	11			
<b>OVERALL TOTAL</b>	<b>19,149</b>	<b>32,386</b>	<b>OVERALL TOTAL</b>	<b>19,149</b>	<b>32,386</b>

## 2018

Working capital amounted to €5,142 thousand, down €2,105 thousand compared to 2017, due to the difference between:

- the year's fixed resources down €634 thousand, composed of the capital increase of €601 thousand and the amount received in respect of loans, i.e. €1,550 thousand net, absorbed by the net operating cash flow of - €2,785 thousand;
- and the Company's needs, up €1,471 thousand, i.e. gross capital expenditure of €1,441 thousand, loan repayments of €23 thousand, and deferred expenses of €6 thousand.

The working capital requirement stood at -€8 thousand (cash surplus), up €293 thousand compared to 2017, due to:

- the €371 thousand drop in supplier credit (settlement of part of the CNRS debt, i.e. €480 thousand);
- the drop in the outstanding CIR refund (€1,191 thousand in 2018, versus €702 thousand in 2017).

With working capital of €5,142 thousand and a cash surplus of €8 thousand, the cash position stood at €5,149 thousand at December 31, 2018.

## 2019

Working capital amounted to €14,763 thousand, up €9,621 thousand compared to 2018, due to the difference between:

- the year's sustainable resources, up €13,220 thousand, composed of the net capital increase of €13,719 thousand, the amount received in respect of repayable advances, loans and subsidies, i.e. €2,586 thousand, and sales of fixed assets amounting to €343 thousand. However, this increase in sustainable resources was reduced by the net operating cash flow of -€3,428 thousand; and
- the Company's needs, up €3,599 thousand, i.e. gross capital expenditure of €3,502 thousand, loan repayments of €91 thousand, and deferred expenses of €6 thousand.

The working capital requirement stood at -€1,152 thousand (cash surplus), down €1,145 thousand compared to 2018, due to:

- the €326 thousand increase in supplier credit and €274 thousand increase in tax and social liabilities;
- the drop in the outstanding CIR refund (€800 thousand in 2019, versus €1,191 thousand in 2018).

With working capital of €14,763 thousand and a cash surplus of €1,152 thousand, the cash position stood at €15,915 thousand at December 31, 2019.

#### 1.11.1.2.2.7. Information on terms of payment

Invoices received and issued, outstanding and past due at the closing date (details required under item I, Article D. 441-4 of the French Commercial Code)

	Article D. 4411.1: Invoices received, outstanding and past due at the closing date						Article D. 4411.2: Invoices issued, outstanding and past due at the closing date					
	0 days <i>(indicative)</i>	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day or more)	0 days <i>(indicative)</i>	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day or more)
(A) Overdue payment brackets												
Number of invoices involved						8						
Total amount of invoices involved, excl. tax		505,107 <sup>(1)</sup>		13,200	456	518,763			4,000			4,000
Percentage of the year's total purchases, excl. tax		20.6%		0.5%	0%	21.1%						
Percentage of revenue (excl. tax) for the year									0.4%			0.4%
(B) Invoices excluded from (A) concerning disputed or non-recognized debts or receivables												
Number of invoices excluded												
Total amount of excluded invoices												
(C) Contractual or legal payment terms used (Article L.441-6 or Article L.443-1 of the French Commercial Code)												
Payment terms used for the calculation of overdue payments	Contractual terms: invoice due date						Contractual terms: 30 days from invoice date					

<sup>(1)</sup> Payments made 34 days from the invoice date, in order to comply with the Company's internal procedure for the validation and payment of purchases.

1.11.1.2.3. Government, economic, fiscal, monetary or political factors that have materially affected, or could materially affect, directly or indirectly, the Issuer's operations

For the THANAPLAST™ project, the Company obtained five-year funding from Bpifrance, with its academic and industrial partners. At December 31, 2017, this funding had been fully released.

The Company's future financing needs will depend on several factors, including the following:

- the required investments in laboratory equipment, human resources and partnerships for the pre-industrial development of the processes;
- the signing of license agreements in the fields targeted by the bioprocesses developed by the Company, which can generate income in the short or medium term.

For the CE-PET project, the Company obtained four-year funding from ADEME. At December 31, 2019, 35% of this funding had been released.

Recent regulations on waste, such as the Energy Transition Law for Green Growth (section 1.9.2 of this Universal Registration Document) and the Circular Economy package adopted by the European Commission (section 1.9.3 of this Universal Registration Document) can also present opportunities for the Company, in particular in terms of revenues.

### 1.11.2. Cash and capital resources

#### 1.11.2.1. Information concerning the Issuer's capital

<i>In thousands of euros</i>	<b>12/31/2018</b>	<b>12/31/2019</b>
<b>Equity</b>	<b>12,038</b>	<b>22,005</b>
<b>Other equity capital (conditional advances)</b>	3,707	4,250
<b>Loans and financial liabilities</b>	1,866	3,818
<b>Cash and cash equivalents</b>	5,149	15,915
<b>Debt (Cash) – Net position</b>	<b>(3,283)</b>	<b>(12,097)</b>
<b>Net financial debt to equity</b>	<b>N/A</b>	<b>N/A</b>

If the projects are successful, the repayable advances recognized as quasi-equity will become liabilities to be repaid.

As at December 31, 2019, repayable advances totaled €4,250 thousand.



#### 1.11.2.2. Cash flows

<i>In thousands of euros</i>	<b>2018</b>	<b>2019</b>
<b><i>Cash flows related to operations (A)</i></b>		
Profit and loss for the period	(3,110)	(3,749)
Depreciation and amortization (including investment subsidies)	325	322
Changes in working capital requirements for operations	(293)	391
<b><i>Net cash absorbed by operations</i></b>	<b><i>(3,078)</i></b>	<b><i>(3,036)</i></b>
<b><i>Cash flows related to investments (B)</i></b>		
Acquisitions of fixed assets	(299)	(1,956)
Acquisition of financial assets	(1,142)	(1,203)
Change in fixed asset liabilities	-	753
<b><i>Net cash absorbed by investments</i></b>	<b><i>(1,441)</i></b>	<b><i>(2,406)</i></b>
<b><i>Cash flow related to financing activities (C)</i></b>		
Net proceeds from the issuance of shares and BSAs	601	13,719
Inflows from loans	1,521	1,952
Inflows from repayable advances and investment subsidies	-	543
<b><i>Net cash from financing activities</i></b>	<b><i>2,122</i></b>	<b><i>16,208</i></b>
<b><i>Change in cash and cash equivalents (A + B + C)</i></b>	<b><i>(2,398)</i></b>	<b><i>10,766</i></b>
Cash and cash equivalents at the beginning of the period	7,547	5,149
Cash and cash equivalents at end of period	<b><i>5,149</i></b>	<b><i>15,915</i></b>

#### 2018

The cash flow absorbed by the Company's operations amounted to €3,078 thousand. This was notably due to the accounting loss recognized. As for investment flows, they absorbed €1,441 thousand, mainly due to the acquisition of a €1,100 thousand stake in the subsidiary CARBIOLICE.

Financing operations generated cash flows of €2,122 thousand:

- of which a capital increase and issue premiums of €601 thousand;
- a loan obtained from Bpifrance for €1,500 thousand and the balance of the BPI innovation grant for €50 thousand.

#### 2019

The cash flow absorbed by the Company's operations amounted to €3,036 thousand. This was notably due to the accounting loss recognized. As for investment flows, they absorbed €2,406 thousand, mainly due to the acquisition of a €1,100 thousand stake in the subsidiary CARBIOLICE and the creation of an industrial demonstration plant for €1,160 thousand.

Financing operations generated cash flows of €16,208 thousand:

- of which a net capital increase, including issue premium, of €13,719 thousand;
- a loan obtained from Bpifrance for €1,500 thousand and a repayable advance of €1,086 thousand received from ADEME following the validation of key stage 1.

Concerning the Company's financial risks, please refer to section 1.12.5 of this Universal Registration Document.

#### 1.11.2.3. Financing needs and financing structure

As at the date of this Universal Registration Document, the Company does not have any bank loans.

An interest-free loan of €152 thousand was granted by the Auvergne regional authority (FIAD) to finance the set-up of a development laboratory comprising two platforms (fermentation and plastics processing). The investments having been made in 2014, the corresponding capital was paid to the Company on December 12, 2014. This loan is repayable in five annual installments of €30 thousand, after a two-year grace period. Since the repayment of this grant is not conditional, the loan was recognized as a financial liability in the balance sheet.

A repayable interest-free advance of €70 thousand was granted by the association FMR 63 for business development and job creation purposes. It was repaid over a period of 36 months from the grant date, i.e. October 30, 2015, after a six-month grace period.

On December 19, 2012, the Company received a grant from Bpifrance consisting of €3.7 million in conditional advances recognized as equity (and €3.1 million in subsidies) spread over a period of 60 months from 2012 to 2017. The grants were released according to the project's progress and the submission of reports regarding the completion of each key stage stipulated in the framework agreement signed with Bpifrance.

In the event that the research program is successful, the Company has undertaken to reimburse the repayable advance to Bpifrance Innovation for an amount of €4.5 million (with an annual discount rate of 2.67%) upon achieving cumulative revenue of €10 million generated by the exploitation of products resulting from the THANAPLAST™ program:

<i>In euros</i>	<b>Year 1*</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
<b>Conditional advance</b>	300,000	500,000	800,000	975,000	1,950,000
<b>Total financial liabilities</b>	<b>300,000</b>	<b>500,000</b>	<b>800,000</b>	<b>975,000</b>	<b>1,950,000</b>

**\* Following the crossing of the €10 million revenue threshold.**

In addition, as soon as the reimbursement of the repayable advance has been completed, the agreement stipulates that the Company shall pay a bonus equal to 4% of its revenue generated by the utilization of the products, if it exceeds a cumulative amount of €100 million. This additional payment is however subject to a time limit (applicable only for a period of five consecutive years from the date of the end of the reimbursement of the advance) and is capped at €7.1 million.

The Company had received €265 thousand from Bpifrance for an innovation project. As provided by contract, the repayment, consisting of progressive annual installments, started in 2019, in the amount of €20 thousand. Given the success of the project, the amount will be repayable in full.

On November 23, 2018, the Company obtained an innovation loan of €1,500 thousand from Bpifrance at a variable rate of 3.03% over a seven-year period to finance the intangible expenses linked to the industrial and commercial launch of an innovation. After a grace period of two years, constant capital repayments of €75 thousand will take place from March 31, 2021 to December 31, 2025.

On November 20, 2019, for the same project, the Company obtained a new seven-year loan of €1,500 thousand from Bpifrance at a variable rate of 4.34%. After a grace period of two years, constant capital repayments of €75 thousand will take place from March 31, 2022 to December 31, 2026.

On April 8, 2019, the Company obtained a grant from ADEME for the CE-PET project, composed of repayable advances totaling €3,102 thousand and subsidies of €1,034 thousand spread over a 48-month period from 2018 to 2022. The grants were released according to the project's progress and the submission of reports regarding the completion of each key stage stipulated in the framework agreement signed with ADEME. The agreement provides for a total grant rate of 60% that is applied to total eligible expenditures and used for each key stage, 25% of which is a subsidy and 75% a repayable advance (with conditions). Upon the validation of each key stage, a predetermined portion of the repayable advance becomes due.

On December 23, 2019, the Company financed major capital expenditures on laboratory equipment for the set-up of its pilot through finance leasing totaling €323 thousand.

**1.11.2.4. Restrictions on the use of capital that have materially affected, or could materially affect, the Issuer's operations, either directly or indirectly**

None.

**1.11.2.5. Expected sources of funding**

On January 10, 2019, CARBIOS and TWB obtained funding of €7.5 million granted by the *Secrétariat Général pour l'Investissement* (SGPI) within the framework of the *Programme d'Investissement d'Avenir* (PIA) – a forward-looking investment program operated by ADEME. Over a period of 39 months, this funding will support the upscaling of CARBIOS' industrial and commercial project in the field of enzymatic recycling of PET fibers and plastic waste. This funding, which

consists of subsidies and advances that are repayable if the project is successful, will be paid in installments throughout the CE-PET project term<sup>67</sup>.

As project leader and coordinator, CARBIOS will strive to accelerate the industrialization of its technology for the enzymatic recycling of PET fibers and plastics. For this, it may obtain up to €4.1 million. The terms and conditions of the contracts to be concluded between TWB and CARBIOS within the framework of this project will be governed by the rules defined by the TWB consortium agreement, which is expected to be signed in 2019. However, in accordance with TWB's rules regarding competitive agreements, CARBIOS should have full ownership of the results obtained under this project.

### **1.11.3. Research and Development and intellectual property**

#### **1.11.3.1. Research and Development**

The Company is a biotech company whose main activity is research and the development of innovative industrial bioprocesses aimed at optimizing the technical, economic and environmental performance of polymers by exploiting the biological properties of enzymes.

The Company's operations and results are mainly impacted by the R&D expenses for the various projects it undertakes. To this end, the Company has entered into collaboration agreements with academic research institutions. On January 17, 2020, CARBIOS announced the set-up of a new strategic alliance with INSA Toulouse through its TBI laboratory to have access to an internationally recognized enzymatic engineering research center working on plastic recycling and biosynthesis<sup>68</sup>. This laboratory, named PoPLaB (Plastic Polymers and Biotechnologies) was inaugurated on January 28, 2020.

The Company also has its own research laboratory at its Saint-Beauzire site. In 2018, it launched the set-up of a technical center in Riom (Puy-de-Dôme) dedicated to the control of its PET enzymatic recycling technology.

Since January 1, 2012, the Company has been eligible for French Research Tax Credit (CIR), a scheme which offers a refundable tax credit to companies investing significant amounts in R&D.

Over the past three fiscal years, CARBIOS spent €17.3 million on operating activities, of which 55% was dedicated to the Company's research and development activities, amounting to around €9.5 million. This expenditure mainly concerns the scientific outsourcing and collaborative work conducted for the THANAPLAST™ and CE-PET project<sup>69</sup>.

Moreover, CARBIOS invested in fittings and equipment for a biological process development platform, operational since 2014, as well as a plastics processing development platform inaugurated in July 2015. At December 31, 2019, these investments totaled around €1.5 million (gross value) and are set to continue.

In 2019, to proceed with the industrial demonstration of its technology, the Company committed €1.2 million to preliminary expenses for the future commissioning of its industrial demonstration plant, recognized in "Assets under construction" in accordance with applicable accounting standards.

#### **1.11.3.2. Industrial property**

The Company's commercial success largely depends on its ability to obtain patents in order to protect its innovations, its products and the resulting processes. Given the paramount importance of the patents in its business sector, the Company has formed a non-statutory Intellectual Property Committee that meets periodically to define the Company's industrial property strategy and that benefits internally from the expertise of two experts in industrial property. In addition, the Company is assisted by an intellectual property consultancy firm.

To guarantee the exploitation of the results of its Research and Development, CARBIOS has, since its creation, pursued an active policy of securing and strengthening its innovations through protection of its results starting from the upstream

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<sup>67</sup> For more information on the CE-PET project, refer to section 1.5.2 of this Universal Registration Document.

<sup>68</sup> Refer to the press release of January 17, 2020: <https://carbiosa.fr/en/carbios-announces-strategic-alliance-with-the-national-institute-of-applied-sciences-of-toulouse-insa/>.

<sup>69</sup> For more information on the CE-PET project, refer to section 1.5.2 of this Universal Registration Document.

phase and consolidated by improvements made during development. It may be supplemented by the acquisition of know-how and rights from third parties necessary for the industrial implementation of the innovation developed.

At the end of 2019, the CARBIOS intellectual property portfolio included 34 families of patents (including one under an exclusive worldwide license with the CNRS and University of Poitiers), representing 128 patents filed across the world's key regions and covering the Company's areas of development (biodiversity, enzymatic recycling process, biodegradable plastic production process and bioproduction). CARBIOS has thus ensured that it can guarantee a strategic competitive advantage over sizeable markets to its current and future industrial partners.

The Company also registered the trademarks CARBIOS and THANAPLAST™ in several countries<sup>70</sup>.

#### 1.11.3.3. Domain names

The following domain names have been registered in the name of CARBIOS:

Domain name	Registration date	Validity end date
<b>www.carbios.fr</b>	04/12/2011	02/19/2024
<b>www.carbios.org</b>	04/12/2011	04/07/2020
<b>www.carbios.net</b>	04/12/2011	04/07/2020
<b>www.carbios.eu</b>	04/12/2011	04/07/2020
<b>www.carbios.com</b>	01/16/2020	01/12/2023

#### 1.11.3.4. Intellectual property disputes

At the date of this Universal Registration Document, the Company had no involvement in any intellectual property disputes.

However, the Company wishes to point out that an opposition was filed by BASF against a European patent for a biodegradable plastic production process via the introduction of enzymes, stemming from the family of patents registered by the CNRS, the University of Poitiers and Valagro, and for which CARBIOS has an exclusive worldwide license.

#### 1.11.4. Information on trends

##### **Main trends since December 31, 2019**

On January 17, 2020, the Company announced a strategic alliance with INSA Toulouse through its Toulouse Biotechnology Institute (TBI) laboratory to set up an internationally renowned enzymatic engineering research center for the recycling and biosynthesis of plastics<sup>71</sup>.

On January 30, 2020, the Company announced the signing of an exclusive co-development agreement with Novozymes, the world leader in enzyme production<sup>72</sup>. This collaboration will guarantee the production of its proprietary PET degradation enzyme during the demonstration and industrial deployment phases of the recycling technology developed by CARBIOS.

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<sup>70</sup> Refer to Chapter 1.4.5.2 of this Universal Registration Document.

<sup>71</sup> Refer to the press release of January 17, 2020: <https://carbios.fr/en/carbios-announces-strategic-alliance-with-the-national-institute-of-applied-sciences-of-toulouse-insa/>.

<sup>72</sup> Refer to the press release of January 30, 2020: <https://carbios.fr/en/carbios-enters-joint-development-agreement-with-novozymes-to-produce-its-proprietary-enzyme-for-complete-recycling-of-pet-plastics-and-fibers/>.

On March 6, 2020, the Company announced that it had signed the European Plastics Pact on its official launch in Brussels on the same date. Under a collaborative and cross-border approach, CARBIOS and the Pact partners want to share their expertise in order to involve all stakeholders in the responsible management of the plastics life cycle<sup>73</sup>.

On April 8, 2020, the Company announced the publication of an article co-written by scientists from CARBIOS and from its academic partner TBI in the prestigious scientific journal “Nature”. This article entitled “An engineered PET-depolymerase to break down and recycle plastic bottles” describes the development of a new enzyme capable of biologically depolymerizing all PET plastic waste, followed by its recycling into new bottles<sup>74</sup>.

There was no significant change in the Company’s financial performance between December 31, 2019 and the date of this Universal Registration Document.

#### **Known trends that are reasonably likely to have a material effect on the issuer’s prospects**

The Covid-19 coronavirus epidemic, which first appeared in China in late 2019, has now spread widely across France. This crisis – the scale of which is unknown to date – is likely to have an impact on the Company’s outlook, as described in section 1.12.9 of this Universal Registration Document.

#### **1.11.5. Profit (loss) forecasts or estimates**

The Company does not publish any profit forecasts or estimates.

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<sup>73</sup> Refer to the press release of March 6, 2020: <https://carbiosa.fr/en/carbios-is-a-signatory-to-the-european-plastics-pact-a-public-private-initiative-to-promote-the-circular-economy-of-plastics/>.

<sup>74</sup> Refer to the press release of April 8, 2020: <https://carbiosa.fr/en/carbios-announces-the-publication-of-an-article-on-its-enzymatic-recycling-technology-in-the-prestigious-scientific-journal-nature/>.

## 1.12. Risk factors

*Investors are invited to review all of the information contained in this Universal Registration Document, including the risk factors described in this section.*

*The main risk factors liable, as at the date of publication of this Universal Registration Document, to have a negative impact on the Company, its business, its financial position, its results or its ability to achieve its objectives, are set out below. These risk factors are Company-specific. They are divided into 10 categories and are classed according to their net criticality, in diminishing order. The net criticality of the risk factors is assessed by combining each risk's probability of occurrence and severity level, after taking into account the risk management measures implemented by the Company. The risk's probability of occurrence, its magnitude and its negative impact are rated according to three levels ("low", "moderate" and "high"). CARBIOS' appraisal of this rating may be modified at any time due to the occurrence of new exogenous or Company-specific events.*

*The risks listed here are not the only ones that the Company may be faced with, given that other risks, of which it is not currently aware, or which it does not consider as material at the date of publication of this Universal Registration Document, could also have a negative impact on its business, its financial position, results or ability to achieve its objectives. Investors are invited to carefully review each of the risks listed below, along with all of the information provided in this Universal Registration Document.*

Risk type	Probability of occurrence	Risk magnitude	Impact of the risk
Risks associated with technology development	Moderate	High	High
Financial risks	Moderate	High	High
Risks associated with dependence on key partners	Low	Moderate	High
Risks of dependence on key personnel	Moderate	Moderate	Moderate
Risks associated with intellectual property			
Risks associated with uncertain protection of patents	Low	Low	Moderate
Risks associated with dependence on third-party technology	Low	Low	Moderate
Regulatory risks	Low	Low	Moderate
Risks associated with raw materials	Moderate	Low	Low
Risks associated with the emergence of competing technologies	Moderate	Low	Low
Risks associated with the impact of the Covid-19 epidemic	High	High	Moderate

### 1.12.1. Risks associated with technology development

#### 1.12.1.1. Identification of risks

The Company invests significant amounts in product research and development (bioprocesses, enzymes, technologies, etc.). During the course of an R&D project and in its various upscaling phases, it is not certain that the products under development will be launched commercially. It is also possible that CARBIOS will not invest in the most promising technologies or products that will be required and, as a result, it may be unable to launch new products or build a solid portfolio of products to meet customer needs.

Technical, industrial, regulatory or commercial difficulties with these bioprocesses could have an impact on the Company's growth and profitability:

- The launch of new products and/or enzymes, technologies or bioprocesses may require greater investments than those planned by the Company, in terms of research and development and marketing, as well as sales force and sales support, and customer and/or licensee training;
- It may be too costly or there may be technical difficulties in manufacturing certain new products on an industrial scale or finding the necessary supplies to manufacture and market them;
- Technical, industrial, regulatory or intellectual property issues could delay the commercial launch of the Company's products and adversely affect the commercial success of the systems proposed;

- New products may not be sufficiently responsive to market needs;
- The Company could decide to abandon all or part of a project.

The abandoning of a project for which significant human and financial resources have been invested could have an adverse effect on the Company or its business, financial position, results, growth or outlook.

In the event of the abandonment of a major scientific development priority that could pose a definitive challenge to the viability of the Company's business model, it would become necessary to ascertain the best method for valuing the assets accumulated by the Company as of the date of such an event and to take measures, such as the partial or total disposal of these assets, in order to minimize the impact of such a situation on shareholders. In such an event, the long-term survival of the Company could be brought into question.

#### 1.12.1.2. Risk management

As at the date of this Universal Registration Document, the Company has a certain number of strategic partnerships, which support its technical, industrial and commercial ambitions in its main areas of development, i.e. the enzymatic recycling of PET and the biodegradation of PLA.

### 1.12.2. Financial risks

#### 1.12.2.1. Identification of risks

At December 31, 2019, the cash and marketable securities held by the Company totaled €15.9 million.

At December 31, 2019, the Company's financial liabilities consisted solely of conditional advances of €4,250 thousand and borrowings of €3,818 thousand.

Please refer to section 3.1.5 for an overview of the Company's conditional advances (Note 9) and its debt schedule as at December 31, 2019 (Note 11).

Furthermore, the Company's historical deficit may be explained by the fact that it is still in its development phase, during which research expenses are increasing even though no recurring revenues can be generated. This may create a liquidity risk for the Company, excluding subsidies or additional fundraising.

The cash flow forecasts for fiscal year 2020 take the following items into consideration:

- Available cash of €15.9 million as at December 31, 2019;
- The receipt of a Research Tax Credit (CIR) of €0.8 million (amount recognized as at December 31, 2019), on April 17, 2020; and
- The expected receipt of the ADEME grant relating to key stage 2 of the CE-PET project, subject to the validation of the corresponding milestone, i.e. €259 thousand in subsidies and €776 thousand in repayable advances<sup>75</sup>.

#### 1.12.2.2. Risk management

On April 22, 2020, the Company conducted a special review of its liquidity risk, and, on the basis of its cash position, which amounted to €13.1 million as at March 31, 2020, and its investments and current operating expenses, it believes that it will be able to meet its future payments at least for the next twelve months.

### 1.12.3. Risks associated with dependence on key partners

#### 1.12.3.1. Identification of risks

The Company's business depends on its collaboration with academic laboratories and industrial partners, which give it access to technologies, expertise and know-how. If that access was to be impeded, the Company may be forced to stop or delay the projects involved.

#### Academic partnerships

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<sup>75</sup> Please refer to section 3.1.5.9 of this Universal Registration Document.

To ensure the development of its technologies at the laboratory stage, the Company has entered into collaboration or research agreements with academic laboratories, in particular within the framework of the THANAPLAST™ program (now completed) and the CE-PET project, for which a consortium agreement was signed in 2019 with INRAE acting on behalf of the mixed research unit (*Unité Mixte de Service*) of Toulouse White Biotechnology (TWB).

The academic partners could fail to complete the entrusted research work by the set deadline. The Company could then be forced to stop or delay the projects involved, or have to cope with unexpected costs and/or commit additional resources. This could have an adverse effect on the Company's technology development and financial position.

#### Industrial partnerships

Having demonstrated the efficacy of its PET enzymatic recycling technology at the laboratory stage and then at the pilot stage, the Company initiated studies in 2017 for the deployment of its technology at the pre-industrial stage. To this effect, the Company signed an engineering services contract in 2019 with TechnipFMC to conduct feasibility and engineering studies for an industrial demonstration plant to be built on the site of Saint-Fons (Rhône). In 2020, the Company also tasked TechnipFMC with the construction of this demonstration plant, which will be operated by CARBIOS. At the same time, in anticipation of the industrialization of these technologies and the supply of the associated proprietary enzymes, the Company entered into two exclusive co-development agreements with Novozymes, the global leader in enzyme production:

- the first in January 2019, with CARBIOLICE, for the development of the PLA-based single-use plastics enzymatic biodegradation technology; and
- the second, in January 2020, for the development of the CARBIOS technology for the enzymatic recycling of PET fibers and plastics. This new agreement will guarantee the production of the proprietary enzyme designed and developed by CARBIOS in the demonstration phase and for the industrial and commercial use of the technology.

These partners could fail to validate the key stages of the collaboration, fail to perform their tasks within the set deadlines or, in general, fail to comply with their commitments under the partnership agreements. The Company could then be forced to stop or delay the industrialization of the project(s) involved. Such a delay could have an adverse effect on the Company's business and financial position, especially if new investments proved necessary.

For such partnerships in particular, the Company generally depends on a single partner which ranks among the leaders in its field. In the event of the termination or deterioration of its relations with this industrial partner, the Company could find it impossible to strike an agreement with other partners with the required capabilities to meet the Company's needs and standards. This could hinder its ability to successfully produce, develop and market its products or processes.

#### **1.12.3.2. Risk management**

The set-up of each partnership of a structural nature for the Company involves the negotiation and signing of a contract between the Company and the partner. The Company pays special attention to the contract termination clauses, as well as the guarantee clauses, to cover itself in the event of a breach by the partner or its early termination of the contract.

In parallel, each partnership is monitored on the basis of a "project management" model with the appointment of project managers within the Company and its partners, along with the set-up of monitoring and reporting tools as well as steering committees within the Company's management team and that of its partners in order to be able to quickly anticipate any delay in the work or other major problem.

Furthermore, concerning partnerships relating to pre-industrialization and industrialization phases, which generally depend on a single partner, the Company has been committed to building solid, long-term relationships with its partners TechnipFMC and Novozymes, thus reinforcing mutual trust – a major asset for the success of these partnerships.

#### **1.12.4. Risks of dependence on key personnel**

##### **1.12.4.1. Identification of risks**

The success of the Company depends largely on the work and expertise of its executives and its key scientific and business development personnel. This includes notably the Chief Executive Officer, Jean-Claude Lumaret, the Deputy Chief Executive Officer, Martin Stephan, and the Chief Scientific Officer, Professor Alain Marty.



The loss of their skills could affect the Company's ability to achieve its objectives.

Since the admission of its shares to trading on the Euronext Growth Paris market in 2013, the Company's headcount has grown from eight to 30 employees. Since the Company anticipates significant growth in its business, it will need to recruit additional employees to expand its operational activities. This includes qualified scientific and technical employees to assist in its growth and carry out pre-industrialization.

The Company is in competition with other companies, groups, research organizations and academic institutions for the recruitment and retention of highly qualified scientific, technical and management personnel. This strong competition means that the Company may not be able to attract or retain such key personnel under economically acceptable conditions.

The Company's inability to attract and retain these key individuals could prevent it from achieving its growth objectives and thereby have a material adverse effect on its business, outlook, financial position, results and growth.

Moreover, the Company may not be able to manage its growth and may encounter unexpected difficulties as it expands. In such a case, the business, outlook, financial position, results and growth of the Company could be affected.

#### **1.12.4.2. Risk management**

To reduce the risk of losing its key personnel, the Company has in particular set up systems to share the rise in value of the Company via share subscription warrants (BSAs) and founder share subscription warrants (BSPCEs), which motivate key beneficiaries to stay in the company and work for its success.

With the acceleration of its developments, the Company bolstered its teams in 2019, in order to gain additional expertise in key areas such as industrial engineering and business development. The Company also introduced annual assessments and a training plan to enable each employee to keep up with the Company's developments over the long term.

### **1.12.5. Risks associated with intellectual property**

#### **1.12.5.1. Identification of risks**

The intellectual property rights held by CARBIOS, in particular the patents protecting its technological innovations, are CARBIOS assets that require special precautions. To ensure the success of the business model, it is thus essential that the Company, as well as its current or future licensors and licensees, be in a position to obtain, maintain and ensure the respect of their intellectual property rights.

The challenging of intellectual property rights and the use – by unauthorized third parties – of any assets, products or processes covered by intellectual property rights constitute a major risk for CARBIOS.

#### Risks associated with uncertain protection of patents

It cannot be ruled out that the inventions developed may be used by competitors, particularly in the following cases:

- the inventions developed by the Company are not patentable;
- the patents for which applications have been filed, including in countries likely to offer major commercial development prospects, are not issued;
- the extent of the protection provided by a patent is insufficient to prevent the use of the relevant invention by competitors;

Third parties or competitors could also successfully challenge, before a competent court, the validity of the intellectual property rights that the Company owns directly or jointly or holds under license. Furthermore, some third parties may successfully infringe on or circumvent the Company's intellectual property rights with their own innovations.

A lawsuit may prove necessary to ensure the respect of the intellectual property rights, to protect the commercial trade secrets or to uphold the validity and scope of the Company's intellectual property rights. Any litigation may result in significant expenditure, reduce profit and fail to provide the protection sought by the Company.

#### Risks associated with dependence on third-party technology

CARBIOS' success will also depend on its ability, and that of its partners, to use the Company's exclusive technologies without infringing upon, misappropriating or otherwise violating any third parties' intellectual property rights or exclusive

rights. However, despite the efforts made, the Company may not be aware of all of the intellectual property rights held by third parties and potentially linked to the Company's technologies. Therefore, the Company cannot guarantee that its processes do not infringe on patents held by third parties, or that it will not be accused of such infringement.

Any litigation or claim against the Company, regardless of the outcome, could result in substantial costs and compromise its reputation. The occurrence of one or more of these risks could have an adverse effect on the Company's business, outlook, financial position, results and growth.

Any dispute of this type could also force the Company to stop developing, selling or using the products or bioprocesses relying on the intellectual property allegedly infringed upon, or force the Company to obtain a license from the holder of the intellectual property rights. Such a license may not be obtained on reasonable terms, if at all.

#### **1.12.5.2. Risk management**

In order to counter these intellectual property risks, CARBIOS ensures, before entering into any research contracts with third parties, that it will have exclusive property rights over the results or, in the event of joint property, the exclusive right to use the results in its field of activity.

In addition, with the backing of the Company's scientists, an in-house team is tasked with keeping a watch on competitors, technology and patents. This watch makes it possible to identify existing prior art before applying for patents and improves the chances of obtaining patents. It also makes it possible to identify emerging work, expertise and patents in relevant fields, in order to take them into account in the development of innovations and ensure that the Company's processes and products can be used without restrictions.

Moreover, given the paramount importance of the patents in its business sector, the Company has formed a non-statutory Intellectual Property Committee that meets periodically to define the Company's industrial property strategy. CARBIOS also benefits from the in-house expertise of two industrial property specialists and is regularly assisted by an intellectual property consultancy firm.

At the end of 2019, the CARBIOS intellectual property portfolio included 34 families of patents (including one under an exclusive worldwide license with the CNRS and University of Poitiers), representing 128 patents filed across the world's key regions and covering the Company's areas of development (biodiversity, enzymatic recycling process, biodegradable plastic production process and bioproduction). CARBIOS has thus ensured that it can guarantee a strategic competitive advantage over sizeable markets to its current and future industrial partners.

### **1.12.6. Regulatory risks**

#### **1.12.6.1. Identification of risks**

##### Risks associated with compliance with the Nagoya Protocol on Access to Genetic Resources

The Rio Convention on Biological Diversity (CBD), signed by over 150 states, requires prior informed consent for any biological material collection and access to genetic resources in a given state, as well as an agreement governing the terms of transfer of the genetic resource and the conditions for sharing the benefits from the exploitation of that resource. These conditions for the fair and equitable sharing of benefits arising from the utilization of genetic resources of "plants, animals, bacteria or other organisms, for commercial or research purposes, or for other objectives" are set out in a supplementary agreement to the CBD, the Nagoya Protocol, ratified by some 120 states.

The Company could therefore be faced with reluctance or refusal on the part of the local authorities to issue the collection or utilization permits or be unable to meet the demands of the local authorities when negotiating a benefit-sharing agreement.

In addition, as a Company operating on French soil, the Company must comply with European Regulation (EU No. 511/2014 on "*compliance measures for users from the Nagoya Protocol on access to genetic resources and the fair and equitable sharing of benefits arising from their utilization in the Union*") and its Implementing Regulation No. 2015/1866) laying down detailed rules for the utilization of genetic resources, whenever the enzymes used by the Company fit the definition of genetic resource. In addition to this European Regulation, French Law No. 2016-1087 of August 8, 2016 and

its Implementation Decree No. 2017-848 of May 9, 2017 include new provisions, in particular on the precautions required for the utilization of genetic resources collected in the territories of the States having ratified the Nagoya Protocol.

The Company may thus encounter difficulties with the suppliers of biological material and/or the authorities of the States in whose territory that material has been or is to be collected in obtaining the necessary information and subsequently making the declarations required by the regulation.

#### Risks associated with regulations on plastics intended to come into contact with foodstuffs

The Company develops a PET recycling technology that can be regarded as a chemical recycling process. To date, there are no European regulations on the chemical recycling of plastics nor on the use of such plastics intended to come into contact with foodstuffs. Indeed, European Commission Regulation (EC) No. 282/2008 on recycled plastic materials and articles intended to come into contact with food only applies to mechanical recycling. Processes involving a return to monomers are expressly excluded under Article 1. Nevertheless, should this regulation come to be revised to include recycling processes that induce a return to monomers, there would be a risk of having to comply with the same stringent requirements as those imposed on thermomechanical recycling, where 95% of the input waste must be compliant with the food contact regulation, while CARBIOS' process allows the recycling of all types of objects, including non-food packaging and textiles, hitherto impossible to recycle.

Furthermore, the Company's enzymatic recycling process will produce monomers that are chemical substances covered by the REACH regulation and Regulation (EU) No. 10/2011 on plastic materials and articles intended to come into contact with food. These monomers, which stem from waste, could have impurity characteristics that are not the same as those derived from petrochemicals, potentially requiring specific registration, and thus registration costs for the Company.

#### Risks associated with regulations on the use objects made of single-use plastic

The Company could be impacted by prohibitions on the sale of single-use PET packaging (trays, bottles, etc.), as well as obligations to develop reusable packaging. Such prohibitions or restrictions could make it difficult to obtain the required quantities of waste to supply future industrial units using the enzymatic recycling technology designed and developed by the Company.

### **1.12.6.2. Risk management**

#### Concerning the management of risks associated with compliance with the Nagoya Protocol on access to genetic resources:

The Company must ensure that it has the right to use every enzyme that it may come to develop or industrialize. To this effect, when working on specific genetic resources, the Company conducts the following checks:

- identification of the likely State of origin of the genetic resource;
- study of the terms defined by said State, either under the Nagoya Protocol or its national law, concerning the sharing of benefits; and
- contacting of local authorities to obtain their approval for the use and/or sharing of the benefits derived from the use of the enzyme.

#### Concerning the management of risks associated with regulations on plastics intended to come into contact with foodstuffs:

The Company participates in working groups on chemical recycling regulations with the European association PETCORE (Monomer recycling).

#### Concerning the management of risks associated with regulations on the use of objects made of single-use plastic:

The Company actively contributed to the drafting of the "European Plastics Pact", of which it has been a co-signatory since its official launch in Brussels on March 6, 2020. In this regard, the Company is sharing the developments of its PET recycling technology with all stakeholders (national governments, European bodies, companies using PET, plastic waste collection firms, plastic producers, NGOs, etc.), in order to position its process as the heart of Europe's circular economy project and to promote the set-up of PET waste flows for the future operation of industrial units in the European Union.

Moreover, the Company is working on the products stemming from its Pilot unit to characterize the compliance of its food contact products. It is also working on the use of textile waste in its process in order to limit its dependence on packaging waste.

#### 1.12.7. Risks associated with raw materials

##### 1.12.7.1. Identification of risks

Regarding the enzymatic recycling process developed by the Company, the raw material required for large-scale operation mainly consists of packaging or textile waste principally made of PET or polyester fibers. Household packaging waste is currently recycled using mechanical technologies and the quantities collected and available are limited. The recyclable waste stems from across Europe and is collected locally. The Company and its partners could encounter difficulties in supplying industrial units with the required quantities or have to bear costs and quality levels in sourcing supplies that would hinder the competitiveness of the process.

Like all companies developing an industrial process, the Company has to deal with volatility in terms of prices and the availability of all the raw materials involved in its process.

##### 1.12.7.2. Risk management

The difficulties that the Company may encounter in accessing raw materials is a challenge faced by all players in CARBIOS' competitive environment.

In order to secure supplies for its industrial and commercial operations, the Company is engaged in active discussions with several leading players capable of supplying raw materials to the future operators of the Company's enzymatic recycling technology. Moreover, in its Pilot unit, CARBIOS is conducting depolymerization tests on various types of waste in order to diversify the supply sources required to operate its recycling process. The Company also participates in European working groups in the aim of improving the efficiency of the collection and recycling of plastic waste and textiles made of PET.

#### 1.12.8. Risks associated with the emergence of competing technologies

##### 1.12.8.1. Identification of risks

The various markets in which the Company operates are the target of growing environmental and industrial interest, which in practice gives rise to growing competition. Furthermore, projects such as the Company's, whose purpose is to promote a circular economy, are strongly encouraged. The development of competing technologies, in particular based on chemical recycling processes, have been emerging over recent years and certain pilot plants are being started up. The Company cannot guarantee that solutions other than its products will not be developed and marketed in the near future.

FIELDS OF APPLICATION	DIRECT INDUSTRIAL COMPETITORS
<b>Recycling</b>	<p><b>PET and/or polyester fibers:</b> Loop Industries*, Ioniqa*, Teijin*, Jeplan*, Gr3n*, Garbo*, Axens IFP Group Technologies*, BP Infinia*, Eastman*</p> <p><b>Other polymers:</b> Galactic*, Creacycle*</p>
<b>Biodegradation</b>	<p>Advanced Enzyme Science Limited and its Enzymoplast® product</p> <p>Manufacturers of compostable plastics for home composting (such as Novamont and its Mater-Bi®, Sphere)</p>

\* Competitors using chemical and non-biological technologies

The Company cannot guarantee that solutions other than its products will not be developed and marketed in the near future. The Company cannot guarantee that its processes will be marketed faster than its competitors' or won't be made

obsolete by other processes developed by its competitors. Moreover, such competing technologies could have an adverse effect on the supply of raw materials (waste) for the industrial and commercial operation of the PET enzymatic recycling technology developed by the Company.

Such events could have a material adverse effect on the Company's business, outlook, financial position, results and growth.

#### **1.12.8.2. Risk management**

As a pioneer in the development of biological processes to optimize the management of the life cycle of plastics and textiles, CARBIOS has numerous assets for the marketing of its processes despite the emergence of competing technologies. To this effect and to gain a competitive edge, the Company has already established a certain number of strategic partnerships with industrial leaders in their fields, including Novozymes, L'Oréal, Nestlé Waters, PepsiCo, Suntory Beverage & Food Europe and TechnipFMC. In the aim of initiating a real transition towards a circular economy model to manage the life cycle of plastics, these world-class partners provide the Company with support to guarantee the industrial and commercial operation of the enzymatic technologies developed by CARBIOS.

### **1.12.9. Risks associated with the impact of the Covid-19 epidemic**

#### **1.12.9.1. Identification of the risk**

The Covid-19 coronavirus epidemic, which first appeared in China in December 2019 and subsequently spread to numerous countries including France, could, if it were to continue over several quarters, significantly disrupt the Company's business by causing operational difficulties, particularly due to:

- the closure of partner companies;
- the closure of research laboratories;
- the lockdown measures in place;
- travel restrictions; and
- the impossibility for certain employees to work from home.

While the impacts of this health crisis are currently difficult to assess, they may hinder the Company's ability to conduct its activities and lead to delays in the industrial and commercial deployment of its technologies. In addition, the magnitude of the negative impact of this epidemic on financial markets and the Company's share price is currently unknown.

#### **1.12.9.2. Risk management**

Since the start of the Covid-19 epidemic, CARBIOS has been taking the required measures to protect its employees and ensure the continuity of its business.

As at the date of this Universal Registration Document:

The Company has temporarily suspended all of its R&D and technology piloting activities. It closed its physical premises on Monday, March 16, in the evening, and they will remain closed until further notice.

Out of the Company's 30 employees, 22 have continued to work from their homes, four have been placed on sick leave to take care of their children and four have been furloughed due to the fact that they cannot perform their work outside the Company's operational sites.

The laboratory and the pilot site will re-open as soon as the French authorities have eased the current lockdown restrictions and given instructions in this regard.

The Company's Executive Management also keeps a permanent watch on the development of this health crisis in order to assess all related risks and put in place all appropriate measures to reduce the potential negative impact that could be generated.

Despite these exceptional circumstances, the Company has a solid cash position and an employee work rate above 70%. Nevertheless, as of the date of this Universal Registration Document, the Company is unable to assess the possible impacts of this crisis on its project to build an industrial demonstration plant for the recycling of PET and on the timetable for the marketing of the EVANESTO® technology by its subsidiary CARBIOLICE.

## 2. CORPORATE GOVERNANCE

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<b>2. CORPORATE GOVERNANCE .....</b>	<b>54</b>
2.1. <i>Administrative bodies and Executive Management.....</i>	<i>55</i>
2.1.1. Board of Directors .....	55
2.1.2. Executive Management .....	59
2.1.3. Declaration on the nature of any family relationships between the members of the Board of Directors and Executive Management .....	60
2.1.4. Declarations concerning the members of the Board of Directors and Executive Management.....	60
2.1.5. Conflicts of interest in the administrative bodies and Executive Management.....	60
2.1.6. Potentially significant impacts of future changes in governance.....	61
2.1.7. Compensation and benefits .....	61
2.1.8. Functioning of administrative and executive bodies.....	64
2.2. <i>Operations with affiliates.....</i>	<i>70</i>
2.2.1. Transactions with related parties.....	70
2.2.2. Statutory Auditors' reports on regulated agreements.....	71

## 2.1. Administrative bodies and Executive Management

### 2.1.1. Board of Directors

The Company is a French *Société Anonyme* (public limited company) with a Board of Directors, whose mode of operation is described in the bylaws and in section 2.1.7 of this Universal Registration Document.

At the Board meeting of December 6, 2018, Ian Hudson was appointed Chairman of the Board of Directors, effective from January 1, 2019, following the resignation of Jean Falgoux as Chairman of the Board of Directors effective from December 31, 2018.

At its meeting of February 20, 2019, the Board of Directors co-opted Godefroy Motte who was appointed Director to replace Dominique Even following his death.

The Annual Ordinary and Extraordinary Shareholders' Meeting of June 19, 2019 renewed the term of office of Jean Falgoux as Director. It also ratified the appointments of Godefroy Motte and the company Truffle Capital, represented by Philippe Pouletty, as Directors.

#### 2.1.1.1. Composition of the Board of Directors

At the date of this Universal Registration Document, the Board of Directors was composed of the following nine members:

Forename-Surname or company name	Main position held within the Company	Gender	Main position held outside the Company	Age	Nationality	First appointment	Member of a statutory committee
Ian Hudson	Chairman of the Board of Directors from January 1, 2019	Male	Member of the Management Advisory Board of Towerbrook Capital Partners L.P.	63	British	12/15/2016	-
Jean-Claude Lumaret	Director, Chief Executive Officer and Chief Technical Officer	Male	-	62	French	02/20/2013	-
Jacqueline Lecourtier	Independent Director	Female	Consulting engineer in the field of energy and the environment	68	French	02/20/2013	-
TRUFFLE CAPITAL, represented by Philippe Pouletty <sup>76</sup>	Director	Male	Chief Executive Officer of Truffle Capital SAS	61	French	10/22/2013 <sup>77</sup>	-
Pascal Juéry	Independent Director	Male	Chief Executive Officer of Agfa-Gevaert	54	French	06/05/2014	-
Jean Falgoux	Chairman of the Board of Directors until December 31, 2018 – Director	Male	Director of Bluestar Adisseo Company	68	French	06/24/2015	-
Alain Chevallier	Director	Male	Partner Life Sciences at Truffle Capital	66	French	02/20/2013	Audit Committee
Jacques Breuil	Independent Director	Male	-	67	French	06/15/2017	Audit Committee
Godefroy Motte	Independent Director	Male	Chairman of Adrialis SASU	61	French	02/20/2019 <sup>78</sup>	-

Each of the Directors is domiciled at the Company's registered office at Biopôle Clermont-Limagne – 3 rue Emile Duclaux – 63360 Saint-Beauzire, France.

<sup>76</sup> At its meeting of September 20, 2018, the Board of Directors took note of the resignation of Eric Arnoult (known as Erik Orsenna) and decided to co-opt TRUFFLE CAPITAL, represented by Philippe Pouletty, as new Director.

<sup>77</sup> First appointment of TRUFFLE CAPITAL, represented by Mr. Pouletty on October 22, 2013. On September 27, 2016, the Board of Directors took note of the resignation of TRUFFLE CAPITAL, represented by Philippe Pouletty. On September 20, 2018, TRUFFLE CAPITAL, represented by Philippe Pouletty, was once again appointed member of the Company's Board of Directors.

<sup>78</sup> Godefroy Motte was co-opted to replace Dominique Even for the duration of his predecessor's term of office, expiring at the close of the Shareholders' Meeting to be held in 2022 to approve the financial statements for the fiscal year ending December 31, 2021. The Annual Ordinary and Extraordinary Shareholders' Meeting of June 19, 2019 ratified this appointment.

#### 2.1.1.2. Personal information relating to the members of the Board of Directors

##### **Ian Hudson, Chairman of the Board of Directors**

Ian Hudson started his career at ICI, a former British multinational specialized in chemicals and related sectors. In 1998, he joined DuPont de Nemours where he held numerous leadership positions over a period of 17 years. He retired in 2016, after more than 10 years as Chairman Europe, Middle East and Africa. He was a member of the Board and Executive Committee of CEFIC and EuropaBio. He was also a member of the IMD Foundation Committee and a member of the Swiss-American Chamber of Commerce.

Ian Hudson is an internationally recognized business leader, an Oxford graduate and holder of a Master's Degree in French and German.

##### **Jean Falgoux, member of the Board of Directors**

Jean Falgoux has worked for 40 years in life sciences. He started his career in research and development at Rousselot – Europe's leading gelatin producer. He subsequently joined the pharmaceutical group Roussel Uclaf, in a marketing position, before becoming Business Development Manager in the agro-veterinary subsidiary in the United States, and subsequently Head of the global animal health business. Following this, he progressed within the Hoechst Roussel group in Germany, where he became Vice-Chairman, and then Geschäftsführer of HRvet GmbH. In 1997, he joined the Japanese group Ajinomoto – world leader in biochemically produced amino acids – where he was CEO, and subsequently Chairman of Ajinomoto Eurolysine, while at the same time being Vice-Chairman of Ajinomoto Europe and member of the Executive Committee of the various European subsidiaries, and Corporate Officer of Ajinomoto Inc. He is an Agricultural Engineer and holds a post-graduate degree (French D.E.A.) in Statistics and another post-graduate degree (French D.E.S.S.) in Business Administration.

##### **Alain Chevallier, member of the Board of Directors**

Alain Chevallier is Partner Life Sciences at Truffle Capital. He devoted most of his career to the Life Sciences industry at Roussel-Uclaf, Hoechst-Marion Roussel, Aventis Pharma and Sanofi-Aventis, holding the positions of Chief Financial Officer and Country Manager in France and abroad (Latin America, Japan and Germany). He was member of the Management Board of Aventis Pharma SA, in charge of Finance, and Chief Financial Officer of Sanofi-Aventis France. Since 2008, he has devoted himself to the development of young innovative companies in the field of life sciences, either as Chairman, Director, or Consultant. He holds an MBA from HEC.

##### **Jean-Claude Lumaret, member of the Board of Directors, Chief Executive Officer and Chief Technical Officer**

After having worked for nearly 30 years within the Roquette group – a French family-owned group ranking among the world leaders in the starch industry – notably as Head of the Intellectual Property and Regulatory Affairs Division, Business Unit Director and Business Intelligence Director, Jean-Claude Lumaret joined METabolic EXplorer in 2008 as Vice-Chairman in charge of Strategy & Innovation and member of the Management Board. He has been Chief Executive Officer of CARBIOS since April 2011, Chairman of Toulouse White Biotech (TWB) since March 2018 and Chairman of CARBIOLICE<sup>79</sup> from August 31, 2016 to August 31, 2019. Moreover, he was a member of the Board of Directors of Lyon Pôle Bourse in 2017 and 2018 and has been an associate member of the Puy-de-Dôme Chamber of Commerce and Industry (CCI) since 2017.

He holds a chemical engineering degree and a science degree, and is a graduate of CEIPI (Center for International Industrial Property Studies). He is on the OHMI's positive list of French patent specialists and trademark and design agents.

##### **Jacqueline Lecourtier, member of the Board of Directors**

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<sup>79</sup> Additional information on CARBIOLICE's financial statements as at December 31, 2018 is presented in section 3.7 of this document. As at the date of this document, CARBIOS holds a 52.70% stake in CARBIOLICE, which is, however, a non-consolidated company.



Jacqueline Lecourtier started her career as a researcher within the molecular chemistry laboratory of the École Supérieure de Physique et de Chimie Industrielle de Paris. She then spent 20 years in various research leadership positions within the Institut Français du Pétrole (IFP), particularly in the fields of drilling fluids and cement, applied chemistry and biotechnology, where she became Scientific Director in 2001. Furthermore, she was Chairwoman of the Scientific Advisory Board of Engie SA up until December 31, 2016. She subsequently became Director General of the French publicly-funded national research agency (*Agence Nationale de la Recherche*, ANR) set up in Paris in 2007. Until January 2013, she held a seat on the Board of Directors of the company Entrepose Contracting. She is Chairwoman of the Scientific Advisory Boards of CTI, Ifremer, SAB Principia and Deinove SA. She is also Chairwoman of the Orientation Committee of the University of Paris VI and member of the Boards of Directors of the École des Mines de Paris, École Nationale Supérieure des Industries Chimiques and École Nationale Supérieure de Lyon. She is currently a consultant in the fields of energy and the environment, and Director of the company Produits Chimiques Auxiliaires et de Synthèse SA and Chairwoman of the Scientific Committee of Deinove SA.

She holds a chemical engineering degree from the École Nationale Supérieure des Industries Chimiques (ENSIC) in Nancy and a Doctorate in Physics (Université Curie, Paris VI).

#### **Pascal Juéry, member of the Board of Directors**

After gaining his initial experience in South Korea, Pascal Juéry started his career in the internal audit department of Rhône-Poulenc in 1988. He subsequently held various responsibilities within Rhodia Novacare (now Solvay Novacare): Manager Europe and subsequently Manager of the Home & Personal Care segment at the global level. In 2006, he was appointed Purchasing Manager at Rhodia (now Solvay France SA). In 2008, he returned to the United States to become CEO of Rhodia Novacare (now Solvay Novacare) and joined the Executive Committee of Rhodia in 2010. Pascal Juéry was a member of the Executive Committee of the Solvay group from January 2014 to September 2019 and Chairman of France Chimie and a member of the MEDEF Executive Board from May 2016 to June 2019. Since February 1, 2020, he has been Chief Executive Officer and Director of the Agfa-Gevaert group.

Pascal Juéry is a graduate of ESCP-Europe.

#### **Philippe Pouletty (representative of TRUFFLE CAPITAL), member of the Board of Directors**

A medical doctor (University Paris VI), immunologist, former intern at Hôpitaux de Paris and immunology specialist at Institut Pasteur, Philippe Pouletty did postdoctoral research at Stanford University. He is the inventor of 29 patents, including Stanford University's second most lucrative patent in the field of life science.

Philippe Pouletty is the co-founder and CEO of Truffle Capital, a private equity firm managing funds of €450 million (January 2019). He was formerly Chairman of France Biotech (the French association of biotechnology companies), and Vice-Chairman of Europabio (the European biotech federation). He is also the founder of three biotech companies in Europe and the United States, which have generated market capitalization of over \$800 million, and a member of the Board of Directors of several biotech and medical device companies in Europe and North America.

Philippe Pouletty has contributed to several government initiatives in France, including the law of 1999 on the simplification of corporate law (SAS), the 2002 Biotech Plan to revive and develop biotechnology and the Young Innovative Company status which grants significant tax exemptions to technology companies.

### Jacques Breuil, member of the Board of Directors

Jacques Breuil joined the Barbier Group in 1987, where he held the position of General Secretary until April 2017. Moreover, he was a member of the Executive Committee of Céréales Vallée (which became Vegepolys Valley in June 2019) up until June 30, 2019, and a Director of CTIPC (Centre Technique de la Plasturgie et des Composites) and Plastipolis up until the end of 2019. He holds a Master's Degree in economics from the Conservatoire National des Arts & Métiers (CNAM) and an Executive MBA from the Sorbonne.

### Godefroy Motte, member of the Board of Directors

Godefroy Motte joined Eastman Chemical Company in 1985. He spent more than 30 years with this company, becoming a Board member in 2011. He gained broad experience through a multi-faceted career (sales, marketing, production, sales management and corporate office), having lived and worked in five different countries. In connection with CARBIOS' activities, he was in charge of the construction and commissioning of a new PET manufacturing plant (120 KMT) in Spain, before becoming Vice President EMEA, Polymers.

Since 2016, Godefroy Motte's passion for industrial biotechnology has driven him to help innovative companies in optimizing their business portfolios and forming partnerships with strategic and financial investors.

Godefroy Motte is a graduate of École des Hautes Études Industrielles, IAE and Harvard's Advanced Management Program.

#### 2.1.1.3. List of offices and positions held by the members of the Board of Directors in any company over the past five years

Surname-Forename or company name of the member	Other offices currently held in other companies	Other offices and positions held in other companies over the past five years and no longer held at the date of this Universal Registration Document:
<b>Ian Hudson</b>	Member of the Management Advisory Board of Towerbrook Capital Partners L.P. Representative of Towerbrook on the Board of Directors of Gamma Fiber Holdings Director of Arkema – Euronext Paris	Chairman Europe, Middle East and Africa at DuPont International SA Member of the Executive Committee and Board of the European Chemical Industry Council Board member of the IMD Foundation Member of the Executive Committee of EuropaBio
<b>Jean-Claude Lumaret</b>	Chairman of Toulouse White Biotech (TWB) Member of the Board of Directors of Lyon Pôles Bourse Associate member of the Puy-de-Dôme Chamber of Commerce and Industry Member of the Investment Committee of Clermont Auvergne Innovation	Chairman of CARBIOLICE (until August 31, 2019)
<b>Jean Falgoux</b>	Director of Bluestar Adisseo (a company listed on the Shanghai Stock Exchange)	Chairman of Ajinomoto Eurolysine Vice-Chairman of Ajinomoto Europe Corporate Officer of Ajinomoto Inc.
<b>Alain Chevallier</b>	Director of Compagnie Immobilière et Commerciale SA Partner Life Science at Truffle Capital Chairman of Artedrone SAS Chief Executive Officer of Charro Conseils SAS Director-Treasurer of Fondation ARC	Chairman of Deinobiotics SAS (until December 31, 2016) Chief Financial Officer of Abivax – Euronext Paris (until December 31, 2016) Chairman and Chief Executive Officer of Holding Incubatrice Chimie Verte SA (until 2016) Director-Treasurer of ICAN (Institut de Cardiométabolisme et de Nutrition) (until December 2016)
<b>Jacqueline Lecourtier</b>	Director of Produits Chimiques Auxiliaires et de Synthèse SA Director of Skytech Member of the Scientific Committee of CEA's Military Affairs Department Member of the Scientific Committee of École des Mines/Telecom	Chairwoman of the Scientific Committee of Engie SA – Euronext Paris (until December 2016) Director of Optimum Hydrocarbon Technologies SAS Member of the Scientific Committee of Principia Chairwoman of the Scientific Committee of Deinove SA – Euronext Growth Paris Director of Université de Paris VI Director of École des Mines de Paris Director of ENS Lyon Director of ENSIC

<b>TRUFFLE CAPITAL, represented by Philippe Pouletty</b>	<p><b>As permanent representative of TRUFFLE CAPITAL:</b></p> <p>Director of CARMAT SA – Euronext Growth Paris</p> <p>Director of PHARNEXT SA – Euronext Growth Paris</p> <p>Director of BOKINESIS SAS</p> <p>Chairman of the Board of Directors of DIACCURATE SAS</p> <p>Director of AFFLUENT MEDICAL SA</p> <p>Director of HOLISTICK MEDICAL SASU</p> <p>Director of DEINOVE SA – Euronext Growth Paris</p> <p>Director of SKINOSIVE SASU</p> <p>Director of ARTEDRONE SASU</p> <p><b>In a personal capacity:</b></p> <p>Chief Executive Officer and Director of TRUFFLE</p> <p>Manager of NAKOSTECH SARL</p> <p>Chairman of the Board of Directors of ABIVAX SA – Euronext Paris</p> <p>Honorary Chairman of France Biotech (French non-profit organization under French Law of 1901)</p>	<p><b>As permanent representative of TRUFFLE CAPITAL:</b></p> <p>Member of the Executive Committee of DEINOBOTICS SAS</p> <p>Director of VEXIM SA</p> <p>Director of PLASMAPRIME SAS</p> <p>Director of NEOVACS SA – Euronext Growth Paris</p> <p>Member of the Executive Committee of KEPHALIOS</p> <p>Member of the Executive Committee of LUOPWERS</p> <p>Chairman of NANOSIVE SASU</p> <p><b>In a personal capacity:</b></p> <p>Member of the Supervisory Board of INNATE PHARMA SA – Euronext Paris</p> <p>Chairman and Director of SPLICOS SAS</p> <p>Member of the Supervisory Board of CYTOMICS SA</p> <p>Director of Association Centre Chirurgical Marie Lannelongue (French non-profit organization under French Law of 1901)</p>
<b>Pascal Juéry</b>	Director and Chief Executive Officer of Agfa-Gevaert – Euronext Brussels	<p>Chairman of Solvay Essential Chemicals</p> <p>Member of the Executive Committee of the Solvay Group – Euronext Brussels (until September 30, 2019)</p> <p>Director and Chairman and Chief Executive Officer of Solvay France SA – Euronext Paris (until September 30, 2019)</p> <p>Chairman of Solvay Operations France SAS (until September 30, 2019)</p> <p>Chairman of Union des Industries Chimiques (until June 2019)</p>
<b>Jacques Breuil</b>	Chairman of Innovations Technologies Croissance (ITC)	<p>General Secretary of Groupe Barbier &amp; Cie (until April 30, 2017)</p> <p>Member of the Executive Committee of Céréales Vallée (until end-2019)</p> <p>Director of Centre Technique Industriel de la Plasturgie et des Composites (CTIPC) (until end-2019)</p> <p>Director of Plastipolis (until end-2019)</p>
<b>Godefroy Motte</b>	Chairman of Adrialis SASU	<p>Executive Committee of Eastman Chemical</p> <p>Chairman of Eastman Chemical Global Holding SARL</p>

## 2.1.2. Executive Management

### 2.1.2.1. Composition of the Executive Management

Jean-Claude Lumaret holds the positions of Chief Executive Officer and Chief Technical Officer. He is domiciled at the Company's registered office at Biopôle Clermont-Limagne – 3 rue Emile Duclaux – 63360 Saint-Beauzire – France.

Forename-Surname or company name	Date of 1 <sup>st</sup> appointment	Date of expiry of the term of office	Main position held within the Company	Main position held outside the Company
<b>Jean-Claude Lumaret</b>	Private agreement signed on 02/20/2013 (Director)	Shareholders' Meeting convened to approve the financial statements for the year ended 12/31/2020 (Director)	Director and Chief Executive Officer	-
	Board of Directors' meeting of 02/20/2013 (Chief Executive Officer)	June 15, 2021* (Chief Executive Officer)		

\* The term of office of Jean-Claude Lumaret as Chief Executive Officer was renewed at the Board meeting of March 21, 2017, effective from June 15, 2017 for a period of four (4) years.

The executive management team also includes Martin Stephan, Deputy CEO and Alain Marty, Chief Scientific Officer, whose biographies are presented below.

Martin Stephan has spent his entire career in the chemical industry, initially in the Chemical division of Elf/Total, then at DuPont de Nemours, where he held both financial and managerial positions in France, Germany, Italy and Switzerland. He joined CARBIOS in February 2017 as Director of Operations in charge of overseeing strategy, development and investor relations. He was appointed Deputy CEO in June 2017 to assist the Chief Executive Officer. Martin Stephan is a graduate of HEC.

Professor Alain Marty holds an Engineering degree and a Doctorate in Biochemical and Food Engineering from INSA (*Institut National des Sciences Appliquées*) in Toulouse. He started his career in 1992 as Lecturer at INSA Toulouse. In 2004, he obtained an Accreditation to direct research and was appointed Professor in 2007. At the time, he conducted his research in the INSA/CNRS/INRAE TBI laboratory, in particular in the fields of biotechnology, biocatalysis, enzymology, enzymatic molecular engineering, the development of intensified enzymatic reagents and metabolic engineering. During his career, he combined cutting-edge research with the drive to implement it in the industrial world. He was appointed expert for AERES (the French agency for the assessment of research and higher education) and for ANR (the French national research agency). Alain Marty has been Chief Scientific Officer at CARBIOS since June 1, 2015.

#### **2.1.2.2. Personal information concerning the members of the Executive Management**

Please refer to section 2.1.1.2 of this Universal Registration Document.

#### **2.1.2.3. List of offices and positions held by the members of the Executive Management in any company over the past five years**

Please refer to section 2.1.1.3 of this Universal Registration Document.

#### **2.1.3. Declaration on the nature of any family relationships between the members of the Board of Directors and Executive Management**

None.

#### **2.1.4. Declarations concerning the members of the Board of Directors and Executive Management**

Over the past five years, none of the members of the Company's Board of Directors or Executive Management:

- has been found guilty of any fraud;
- has been involved in any bankruptcy, receivership or liquidation proceedings as an executive or corporate officer;
- has been banned, by a court of law, from acting as a member of an administrative, management or supervisory body of an issuer or being involved in the management or conduct of such a company's business;
- has been subject to any official public indictment and/or sanction by any statutory or regulatory authorities (including designated professional bodies).

#### **2.1.5. Conflicts of interest in the administrative bodies and Executive Management**

As at the date of this Universal Registration Document, TRUFFLE CAPITAL holds 18.09% of the Company's share capital and 18.04% of its exercisable voting rights. However, notwithstanding said holdings, as at the date of this Universal Registration Document, to the Company's knowledge:

- There are no conflicts of interest between the duties of the Members of the Board of Directors and Executive Management within the Company and their private interests;
- No member of the Board of Directors or Executive Management has been appointed pursuant to any arrangement or agreement entered into with the main shareholders, customers, suppliers or other parties;
- There is no restriction agreed to by the members of Board of Directors or the Executive Management concerning the disposal, within a certain period of time, of their interests in the issuer's share capital.

## 2.1.6. Potentially significant impacts and future changes in governance

None.

## 2.1.7. Compensation and benefits

### 2.1.7.1. Total gross compensation of the members of the Board of Directors and the Executive Management

Tables 1, 2, 3 and 11 of AMF Position-Recommendation No. 2014-14 are presented below. Tables 4, 5, 6, 7, 9 and 10 are not applicable. Table 8 is presented in section 3.1.5.8 below.

The following table shows all of the compensation of any nature, benefits in kind and other remuneration paid to the members of the Board of Directors and the Executive Management of CARBIOS during the fiscal years ended December 31, 2018 and 2019:

Table 1: Summary of the compensation and options/shares allocated to executive corporate officers

Summary of the compensation and options/shares allocated to executive corporate officers		
<i>In euros</i> <sup>(1)</sup>	12/31/2018 (12 months)	12/31/2019 (12 months)
<b>Jean Falgoux<sup>80</sup>, Chairman of the Board of Directors until December 31, 2018</b>		
Compensation payable for the year	71,429 <sup>(2)</sup>	-
Value of multi-year variable compensation awarded during the fiscal year	-	-
Value of options awarded during the year	-	-
Value of free shares awarded during the year	-	-
<b>Ian Hudson, Chairman of the Board of Directors from January 1, 2019</b>		
Compensation payable for the year	-	46,054 <sup>(2)</sup>
Value of multi-year variable compensation awarded during the fiscal year	-	-
Value of options awarded during the year	-	-
Value of free shares awarded during the year	-	-
<b>Jean-Claude Lumaret, Chief Executive Officer and Director</b>		
Compensation payable for the year	329,452	328,792
Value of multi-year variable compensation awarded during the fiscal year	-	-
Value of options awarded during the year	-	-
Value of free shares awarded during the year	-	-
<b>TOTAL</b>	<b>400,881</b>	<b>374,846</b>

<sup>(1)</sup> Gross amount before tax

<sup>(2)</sup> Amount of directors' fees due. For purposes of comparison, all amounts of directors' fees are presented as a gross amount before tax, unlike the amounts mentioned in the 2018 Registration Document, which were presented on a net basis.

<sup>80</sup> During the Board of Directors' meeting of December 6, 2018, Jean Falgoux presented his resignation as Chairman of the Board of Directors, with effect from January 1, 2019. At this meeting, the Board decided to appoint Ian Hudson as new Chairman of the Board of Directors, from January 1, 2019.

Table 2: Summary of the compensation of each executive corporate officer

Summary of the compensation of each executive corporate officer				
In euros <sup>(1)</sup>	12/31/2018 (12 months)		12/31/2019 (12 months)	
	Amounts payable	Amounts paid	Amounts payable	Amounts paid
<b>Jean Falgoux<sup>81</sup>, Chairman of the Board of Directors until December 31, 2018</b>				
Fixed compensation	-	-	-	-
Variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Directors' fees <sup>(2)</sup>	71,429	85,838	-	-
Benefits in kind	-	-	-	-
<b>Ian Hudson, Chairman of the Board of Directors from January 1, 2019</b>				
Fixed compensation	-	-	-	-
Variable compensation	-	-	-	-
Exceptional compensation	-	-	(8)	(8)
Directors' fees	-	-	46,054	46,054
Benefits in kind	-	-	-	-
<b>Jean-Claude Lumaret, Chief Executive Officer, Director and Chief Technical Officer<sup>(3)</sup></b>				
Fixed compensation <sup>(3) (4)</sup>	225,000	225,000	232,000	232,000
Variable compensation <sup>(5)</sup>	78,750	78,750	77,140	77,140
Exceptional compensation <sup>(6)</sup>	10,000	5,000	5,000	10,000
Directors' fees	-	-	-	-
Benefits in kind <sup>(7)</sup>	15,702	15,702	14,652	14,652
<b>TOTAL</b>	<b>400,881</b>	<b>410,290</b>	<b>374,846</b>	<b>379,846</b>

(1) Gross amount before tax.

(2) Directors' fees received for his duties as Chairman of the Board of Directors and Director. Jean Falgoux resigned from his position as Chairman of the Board of Directors on December 6, 2018 with effect from December 31, 2018. In 2019, directors' fees received will be for his position as director. During 2018, Jean Falgoux received €71,429 in gross directors' fees due for fiscal year 2018 and a balance of €14,409 in gross directors' fees due for fiscal year 2017 and not paid at December 31, 2017.

(3) In accordance with his employment contract and job description, under the Chairman's authority, Jean-Claude Lumaret serves as Chief Technical Officer, performing duties which are separate from his corporate officer duties. Under the terms of his employment contract, he is tasked with supervising all of CARBIOS' technical operations. This involves managing the Company's technical resources and means and developing a global vision of the markets and their trends, products and technologies, in order to supervise the creation and management of a portfolio of patents to preserve the Company's position with respect to its customers and competitors, and to establish and provide methodological technical support.  
For 2018, this amounted to a gross annual amount of €112,500 in respect of his employment contract and €112,500 in respect of his corporate office; for 2019, this amounted to a gross annual amount of €116,000 in respect of his employment contract and €116,000 in respect of his corporate office.

(4) In compliance with the Company's commitments, Jean-Claude Lumaret could receive an annual bonus equivalent to 40% of his annual compensation (both for his corporate office and salaried duties), subject to the cumulative achievement of contractually defined professional targets within the set time frame. These elements are reassessed every year by the Board of Directors. In addition, this amount received by Jean-Claude Lumaret is paid in the closing month of each fiscal year.

(5) Amounts due for a fiscal year shall be paid in the current fiscal year. Exceptional compensation granted by the Board of Directors on the proposal of the Compensation and Appointments Committee.

(6) The exceptional compensation relative to fiscal year 2018 was paid in two installments, in December 2018 and in January 2019. The exceptional compensation for fiscal year 2019 was paid in full in December 2019.

(7) In compliance with the Company's commitments, Jean-Claude Lumaret is awarded a benefit in kind consisting of the use of a Company vehicle and Executive Officer's unemployment insurance.

(8) On December 6, 2018, the Board of Directors granted Ian Hudson 28,000 founder share subscription warrants (BSPCEs) free of charge with effect from January 1, 2019, entitling him to 28,000 shares at an exercise price of €5.29999 per share. This benefit in kind was not subject to valuation. Consequently, it is not included in the above table.

<sup>81</sup> During the Board of Directors' meeting of December 6, 2018, Jean Falgoux presented his resignation as Chairman of the Board of Directors, with effect from January 1, 2019. At this meeting, the Board decided to appoint Ian Hudson as new Chairman of the Board of Directors, from January 1, 2019.

Table 3: Directors' fees and other compensation received by non-executive corporate officers

<b>Directors' fees and other compensation received by non-executive corporate officers</b>		
<b>Gross compensation received (In euros)<sup>(1)</sup></b>	<b>12/31/2018 (12 months)</b>	<b>12/31/2019 (12 months)</b>
<b>Jacqueline Lecourtier, Director</b>		
Directors' fees	11,286	13,571
Other compensation	-	-
<b>Eric Arnoult (known as Erik Orsenna), Director until September 20, 2018<sup>82</sup></b>		
Directors' fees	3,571	-
Other compensation	-	-
<b>Ian Hudson, Director<sup>83</sup></b>		
Directors' fees	16,071	46,054
Other compensation	-	-
<b>Dominique Even, Director until December 6, 2018<sup>84</sup></b>		
Directors' fees	5,857	-
Other compensation	-	-
<b>Pascal Juéry, Director</b>		
Directors' fees	3,571	15,036
Other compensation	-	-
<b>Alain Chevallier, Director</b>		
Directors' fees	12,875	17,107
Other compensation	-	-
<b>Jacques Breuil, Director since June 15, 2017</b>		
Directors' fees	8,929	15,643
Other compensation	-	-
<b>TRUFFLE CAPITAL, represented by Philippe Pouletty since September 20, 2018</b>		
Directors' fees	-	-
Other compensation	-	-
<b>Godefroy Motte, Director</b>		
Directors' fees	-	15,071
Other compensation	-	-
<b>Jean Falgoux, Director</b>		
Directors' fees	71,429 <sup>(2)</sup>	42,000
Other compensation	-	-
<b>TOTAL</b>	<b>133,589</b>	<b>164,482</b>

(1) For purposes of comparison, all amounts of directors' fees are presented as a gross amount before tax, unlike the amounts mentioned in the 2018 Registration Document, which were presented on a net basis.

(2) Directors' fees received for his duties as Chairman of the Board of Directors and Director. Jean Falgoux resigned from his position as Chairman of the Board of Directors on December 6, 2018 with effect from December 31, 2018. In 2019, directors' fees received will be for his position as director.

Note that, for fiscal year 2018, the amount of Directors' fees paid to Ms. Lecourtier include compensation for consulting services, as Chairwoman of the Scientific Committee.

It should also be noted that the Board of Directors offered BSA warrants to certain Directors in return for payment of a price determined by the Board of Directors based on an expert appraisal produced for each allocation, without any

<sup>82</sup> At its meeting on September 20, 2018, the Board of Directors noted the resignation of Eric Arnoult (known as Erik Orsenna) with effect from September 20, 2018 and co-opted TRUFFLE CAPITAL, represented by Philippe Pouletty, to replace him. This appointment was ratified by the Annual Ordinary and Extraordinary Shareholders' Meeting of June 19, 2019.

<sup>83</sup> At its meeting of December 6, 2018, the Board of Directors decided to appoint Ian Hudson as new Chairman of the Board of Directors, effective from January 1, 2019.

<sup>84</sup> At its meeting of December 6, 2018, the Board of Directors took note of the vacancy of a Director's seat following the death of Dominique Even.

discount to the value stated in this expert appraisal, as this value is deemed to be the fair value. For further information on these BSAs, refer to section 4.6.2 of this document.

Table 11: Details concerning the conditions applicable to the compensation and other benefits granted to executive corporate officers

Details concerning the conditions applicable to the compensation and other benefits granted to executive corporate officers								
Executive corporate officers	Employment contract		Supplementary pension scheme		Indemnities or benefits due or liable to be due on severance or change of position		Compensation under a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>Ian Hudson<sup>85</sup></b> <b>Chairman of the Board of Directors</b> Start of term: 01/01/2019 End of term: 2021 <sup>(1)</sup>		X		X		X		X
<b>Jean-Claude Lumaret</b> <b>Chief Executive Officer, Director, Chief Technical Officer</b> Start of term: 02/20/2013 <sup>(2)</sup> End of term: 2021	X <sup>(4)</sup>			X	X <sup>(5)</sup>			X

- (1) Mr. Hudson's term of office as a Director will expire at the end of the Ordinary Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2020. His term of office as Chairman of the Board of Directors expires on the same date.
- (2) Date of first appointment as member of the Board of Directors.
- (3) Jean-Claude Lumaret's term of office as a Director will expire at the end of the Ordinary Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2020. His term of office as Chief Executive Officer will expire on June 15, 2021.
- (4) Officer Since April 1, 2011, Mr. Jean-Claude Lumaret, Chief Executive Officer, has held a permanent employment contract, which defines his terms of employment as Chief Technical Officer with the status of senior executive. Under this contract, in respect of the 2019 fiscal year, Mr. Lumaret received the sum of €116,000 and will receive, in respect of fiscal year 2020, the sum of €122,960 as well as an annual bonus based on achievement of contractually defined business targets.
- (5) Under the French social security regime for company managers (GSC), Jean-Claude Lumaret is entitled to compensation on severance or change of position.

As at the date of this Universal Registration Document, Jean-Claude Lumaret is tied to the Company by an employment contract. None of the other members of the Board of Directors are tied to the Company by an employment contract. They receive no compensation from the Company, other than that paid to them in respect of their corporate office.

The Directors are not entitled to any pension scheme, severance pay or non-compete compensation.

#### 2.1.7.2. Amounts provisioned or otherwise recognized by the issuer or its subsidiaries for the payment of pensions, retirement or other benefits

No provision was booked or otherwise recognized by the Company for the payment of pensions, retirement benefits or other benefits to the Company's corporate officers.

The Company has not granted any joining or departure bonuses to these individuals.

### 2.1.8. Functioning of administrative and executive bodies

#### 2.1.8.1. Terms of office of the members of the Board of Directors and Executive Management

##### 2.1.8.1.1. Executive Management

With regard to third parties, the Company is represented by Jean-Claude Lumaret, Chief Executive Officer and Director, appointed as:

- (i) Director by decision of the Annual Ordinary Shareholders' Meeting of February 20, 2013, (Jean-Claude Lumaret's directorship was renewed by the Annual Ordinary Shareholders' Meeting of June 15, 2017 for a term

<sup>85</sup> During the Board of Directors' meeting of December 6, 2018, Jean Falgoux presented his resignation as Chairman of the Board of Directors, with effect from January 1, 2019. At this meeting, the Board decided to appoint Ian Hudson as new Chairman of the Board of Directors, from January 1, 2019.



of four (4) years expiring at the end of the Annual Ordinary Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2020); and

- (ii) Chief Executive Officer by decision of the Board of Directors on February 20, 2013 (Jean-Claude Lumaret's term of office as Chief Executive Officer was renewed at the Board meeting of March 21, 2017, effective from June 15, 2017, for a term of four (4) years, expiring on June 15, 2021.

As at the date of this Universal Registration Document, no Deputy Chief Executive Officer had been appointed.

### Executive Management (Article 17 of the bylaws)

Please refer to section 4.3.2.2 of this Universal Registration Document.

#### 2.1.8.1.2. Board of Directors

##### 2.1.8.1.2.1. Term of office of the members of the Board of Directors

At the date of this Universal Registration Document, the Board of Directors was composed of the following members:

Forename-Surname or company name	Date of 1 <sup>st</sup> appointment (member of the Executive Committee of the simplified joint stock company)	Date of 1 <sup>st</sup> appointment (member of the Board of Directors of the public limited company)	Expiry of the term of office
Alain Chevallier	07/04/2011	02/20/2013	2021 OSM relating to FY 2020
Jean-Claude Lumaret	07/04/2011	02/20/2013	2021 OSM relating to FY 2020
Jacqueline Lecourtier <sup>(1)</sup>	05/10/2012	02/20/2013	2021 OSM relating to FY 2020
Ian Hudson <sup>(2)</sup>	-	12/15/2016	2021 OSM relating to FY 2020
Pascal Juéry <sup>(1)</sup>	-	06/05/2014	2022 OSM relating to FY 2021
Jean Falgoux	-	06/24/2015	2023 OSM relating to FY 2022
Jacques Breuil <sup>(1)</sup>	-	06/15/2017	2021 OSM relating to FY 2020
TRUFFLE CAPITAL, represented by Philippe Pouletty	-	10/22/2013 <sup>(3)</sup>	2021 OSM relating to FY 2020
Godefroy Motte <sup>(1)</sup>	-	02/20/2019 <sup>(4)</sup>	2022 OSM relating to FY 2021

(1) Independent members of the Board of Directors.

(2) During the Board of Directors' meeting of December 6, 2018, Jean Falgoux presented his resignation as Chairman of the Board of Directors, with effect from January 1, 2019. During this meeting, the Board decided to appoint Ian Hudson as the new Chairman of the Board of Directors, from January 1, 2019.

(3) First appointment of TRUFFLE CAPITAL, represented by Mr. Pouletty on October 22, 2013. The resignation of TRUFFLE CAPITAL, represented by Mr. Pouletty, was acknowledged by the Board of Directors on September 27, 2016. TRUFFLE CAPITAL, represented by Mr. Pouletty, was then appointed for a second time as a member of the Company's Board of Directors on September 20, 2018.

(4) Godefroy Motte was co-opted to replace Dominique Even for the duration of his predecessor's term of office, expiring at the close of the Shareholders' Meeting to be held in 2022 to approve the financial statements for the fiscal year ending December 31, 2021. The Annual Ordinary and Extraordinary Shareholders' Meeting of June 19, 2019 ratified his appointment.

All members of the Board of Directors may be re-appointed at the end of each four-year term.

### The Board of Directors (Articles 13 to 16 of the bylaws)

Please refer to section 4.3.2.1 of this Universal Registration Document.

2.1.8.1.2.2. Service agreements between members of the administrative or executive bodies and the Issuer or one of its subsidiaries (Article 19 of the bylaws)

Except for the employment contract that ties Jean-Claude Lumaret to the Company, at the date of this Universal Registration Document, there were no service contracts tying members of the Board of Directors or Executive Management to the Company.

**ARTICLE 19 – AGREEMENTS BETWEEN THE COMPANY AND A DIRECTOR OR THE CHIEF EXECUTIVE OFFICER OR A DEPUTY CHIEF EXECUTIVE OFFICER OR A SHAREHOLDER HOLDING MORE THAN 10% OF VOTING RIGHTS**

**19.1 Agreements subject to prior authorization**

*Except for agreements concerning day-to-day operations and taking place under normal conditions, any agreement taking place directly, or via a third person, between the Company and one of its Board Members, the Chief Executive Officer, a Deputy Chief Executive Officer or a shareholder holding more than 10% of the Company's voting rights (or if such a shareholder is a legal entity, the company controlling it within the meaning of Article L.233-3 of the French Commercial Code) shall be subject to the Board of Directors' prior authorization.*

*The same applies to any agreements in which one of the persons referred to in the previous paragraph has an indirect interest.*

*Prior authorization is also required for agreements between the Company and another company, if the Company's Chief Executive Officer, one of its Deputy Chief Executive Officers or one of its Board Members is an owner, unlimited liability partner, manager, Board member, member of the Supervisory Board or, generally, an executive officer of said company. Such agreements must be authorized and approved as required by law.*

**19.2 Prohibited agreements**

*Under penalty of nullity of the contract, Board members other than legal entities are prohibited from taking out any form of loan from the Company, obtaining any overdraft from the Company, through a current account or otherwise, or getting the Company to guarantee or stand surety for their commitments to third parties.*

*This ban also applies to the Company's Chief Executive Officer, its Deputy Chief Executive Officers and the permanent representatives of any legal entities who are Company Directors. It also applies to the spouses, ascendants and descendants of the persons mentioned in this Article, as well as any intermediary.*

**19.3 Agreements relating to day-to-day operations**

*Agreements relating to day-to-day operations and entered into under normal conditions are not subject to the legal authorization and approval process.*

**2.1.8.2. Information concerning committees**

The bylaws (Article 16) provide that the Board of Directors may set up a certain number of special purpose committees.

**2.1.8.2.1. Statutory committees**

**2.1.8.2.1.1. Scientific Committee**

The **Scientific Advisory Board ("SAB")** is an ad hoc advisory committee whose general mission is to assist the Board of Directors with any scientific matter by issuing opinions, proposals and recommendations. It reports to the Board of Directors on a regular basis.

The members of the Scientific Advisory Board are appointed by the Board of Directors and are either chosen from outside the Company for their expertise and scientific renown, or from among the researchers working for the Company. They are appointed for a fixed term, according to the appointment decision, with the understanding that the Board of Directors may terminate the duties of the members of the Scientific Advisory Board at any time, without compensation, without prior notice and without having to justify its decision.

At the date of this Universal Registration Document, the Scientific Committee was composed of the following members: Prof. Alain Marty, member and Chairman of the Committee, and Dr. Philippe Dubois, Dr. Uwe T. Bornscheuer, Dr. Ludwik Leibler and Prof. Saleh Jabarin, Committee members.

The Scientific Committee's duties are as follows:

- Scientific follow-up of the research projects conducted by the Company: analysis of the scientific and technological barriers encountered by the Company and proposals of research strategies to overcome them;
- Scientific and technological watch within the Committee's various areas of expertise: the Scientific Advisory Board informs the Company of recent advances achieved internationally in each of these areas;
- Identifying new research topics likely to support the Company's development;
- Proposing public or private partners or service providers with the required expertise to perform the tasks sought after by the Company within its research projects.

The Scientific Advisory Board meets three times a year, at the request of its Chairman or the Board of Directors.

The Scientific Advisory Board's decisions are adopted by a majority of the members present at the meeting. A member cannot be represented by another member and the decisions of the Scientific Advisory Board are counter-signed in its minutes.

#### 2.1.8.2.1.2. Audit Committee

The Audit Committee is an ad hoc advisory committee whose general mission is to assist the Board of Directors with regard to the accuracy of the financial statements, the quality of the internal control system, the quality and relevance of the information provided and the Statutory Auditors' proper execution of their assignment. It does this by issuing opinions, proposals and recommendations. To this effect, the Audit Committee's duties are the following:

- Verifying that the Company has set up and uses an organization and resources to provide fair, accurate and reliable accounting information to shareholders and the market;
- Ensuring that procedures have been laid down and are implemented with regard to choosing the Statutory Auditors and complying with the latter's recommendations;
- Ensuring that the financial information published is consistent with the Company's financial statements;
- Examining the replies provided by the Executive Management to the questions submitted by stock market authorities and financial analysts;
- Ensuring that procedures have been laid down and are implemented to identify, qualify and control the risks incurred by the Company;
- Ensuring the existence and assess the relevance of financial control and internal audit procedures.

The members of the Audit Committee are appointed by the Board of Directors for a fixed term set by the appointment decision, with the understanding that the Board of Directors may terminate the duties of the members of the Audit Committee at any time without compensation, without prior notice and without having to justify its decision.

Jacques Breuil, Alain Chevalier and ZDG Consulting, represented by José Da Gloria, are the members of the Audit Committee. Jacques Breuil is Chairman of the Audit Committee.

The Audit Committee meets two or three times a year, at the request of its Chairman or the Board of Directors.

The Audit Committee's decisions are adopted by a majority of the members present at the meeting. A member cannot be represented by another member and the decisions of the Audit Committee are counter-signed in its minutes.

#### 2.1.8.2.2. Non-statutory committees

##### 2.1.8.2.2.1. Intellectual Property Committee

The Intellectual Property Committee is an ad hoc advisory body whose general mission is to assist the Board of Directors on any issue related to the Company's intellectual property. It does this by issuing opinions, proposals and recommendations. It reports to the Board of Directors on a regular basis.

The Intellectual Property Committee is composed of the following members: Philippe Pouletty, Jean-Claude Lumaret, Alain Marty, Lise Lucchesi and a member of the industrial property consulting firm that assists the Company.

The Intellectual Property Committee meets as required, at least once a year.

Its duties involve the following:

- Examining intellectual property matters;
- Reviewing competition in terms of intellectual property;
- Strategy for the filing, extension and defense of rights;
- Issuing recommendations to the Board of Directors regarding intellectual property.

#### 2.1.8.2.2.2. Compensation and Appointments Committee

By a decision of the Board of Directors dated September 19, 2019, the title of the Compensation Committee was changed to "Compensation and Appointments Committee." The Compensation and Appointments Committee is an ad hoc advisory body whose general mission is to assist the Board of Directors on any issue related to the compensation of any person performing a task for the Company, such as its executive officers, employees and consultants. It does this by issuing opinions, proposals and recommendations. The Committee's mission is also to assist the Board of Directors in the appointment of any person to the functions of, in particular, directors and executive officers.

It reports to the Board of Directors on a regular basis.

It is composed of the following members: Alain Chevallier, Jean Falgoux, Jean-Claude Lumaret, Ian Hudson and the company Truffle Capital, represented by Philippe Pouletty. It is chaired by Ian Hudson.

The Compensation Committee meets once a year.

Its duties involve the following:

- Analyzing compensation;
  - Proposing the award of exceptional compensation;
  - Putting forward proposals to define criteria and objectives;
- Appointment proposals.

#### 2.1.8.2.2.3. Strategy Committee

The Strategy Committee meets whenever the Company wishes to address strategic issues. All members of the Board of Directors, as well as certain employees, may participate in its meetings when they have a certain expertise on the subjects discussed.

The Strategy Committee meets as many times as the Chairman of the Board of Directors deems necessary.

#### 2.1.8.2.2.4. Industrialization Committee

The Industrialization Committee was created on December 4, 2019 to support, through its discussions, the success of the CARBIOS demonstration plant with the aim of licensing the CARBIOS technology.

It is composed of the following members: Godefroy Motte, Jacques Breuil, Pascal Juéry, Michel Château and Antoine Sevenier. It is chaired by Godefroy Motte.

The Industrialization Committee shall meet as many times as the Chairman of the Committee deems necessary.

#### 2.1.8.2.3. Statement related to corporate governance

As at the date of this Universal Registration Document, the Company refers to the corporate governance guidelines for small and mid-caps as published in September 2016 by Middlednext. The Company also improves its internal control principles by taking into account, in particular, the risk management and internal control reference framework for small and mid-caps published by the AMF on July 22, 2010.

The following table presents the Middlednext recommendations with which the Company complies and those with which it intends to comply in the future:

Middlenext Code Recommendations	Applied	Not applied
I. "Supervisory" power		
R1: Code of ethics for Board members	X	
R2: Conflicts of interest	X	
R3: Composition of the Board – Presence of independent members on the Board	X	
R4: Board member information	X	
R5: Board and committee meetings	X	
R6: Creation of committees	X	
R7: Establishing internal rules for the Board <sup>(1)</sup>	X	
R8: Selection of each Director	X	
R9: Term of office of Board members	X	
R10: Directors' compensation	X	
R11: Establishing an assessment of the Board's work	X	
R12: Relations with "shareholders"	X	
II. Executive power		
R13: Definition and transparency of compensation for executive corporate officers	X	
R14: Preparation for the succession of "executives"	X	
R15: Holding of both employment contract and corporate office <sup>(2)</sup>	X	
R16: Departure indemnity <sup>(3)</sup>		X
R17: Supplementary pension schemes <sup>(3)</sup>		X
R18: Stock options and allocation of free shares	X	
R19: Review of points to be watched	X	

(1) The internal rules of the Board of Directors may be consulted at the Company's registered office.

(2) Jean-Claude Lumaret has both an employment contract as Chief Technical Officer of CARBIOS and a corporate office as Chief Executive Officer.

(3) Given the history of the Company, its shareholder structure and its size, implementing such procedures would be too heavy a burden. The Company does not therefore foresee the provision of retirement indemnities, nor a supplementary pension scheme for its executives.

#### 2.1.8.3. Independent Directors

The Company has four independent directors, Jacqueline Lecourtier, Pascal Juéry, Jacques Breuil and Godefroy Motte (44.44% of the total number of directors). The Company considers that, since their appointment, these Directors have fulfilled the requirements of recommendation no. 3 of the Middlenext Code, namely:

- to be neither an employee, nor an executive corporate officer of the Company or its group and not to have been so within the last five years;
- to not have and not have had over the last two years a significant business relationship with the Company or its group (customer, supplier, competitor, service provider, creditor, etc.);
- to neither be a lead shareholder of the Company nor hold a significant percentage of voting rights;
- to not have a close relationship or close family ties with a corporate officer or lead shareholder; and
- to not have been a Statutory Auditor of the Company within the last six years.

## 2.2. Operations with affiliates

### 2.2.1. Transactions with related parties

The reader is invited to see Note 14 “Related parties” in section 3.1.5.14 of this Universal Registration Document.

Transactions with related parties shown in the table below generated operating income of €588 thousand in 2019 (57% of the Company’s revenue at December 31, 2019) and exceptional income of €20 thousand.

Affiliate	Transaction completion date	Nature of transaction	Amount
<b>Jean-Claude LUMARET</b> (Chief Executive Officer)	April 1, 2011	Employment contract	The employment contract provides for a gross annual compensation of €116,000 in 2019, as well as an annual bonus of 35% of Jean-Claude Lumaret’s total compensation (i.e. the compensation received under his employment contract and for his term of office).
<b>CARBIOLICE</b> (company 52.70% owned by the Company as of the date of this document) <sup>86</sup>	August 30, 2016  Amendment dated June 28, 2018	Licensing and sub-licensing of patent and know-how licenses	The contract states that CARBIOS will receive a lump-sum royalty of €8 million and a variable royalty on revenue resulting from the use by CARBIOLICE of the technology licensed. No variable royalties had been recorded as of December 31, 2019 given that none of CARBIOLICE’s revenue results from use of the CARBIOS’ technology granted in the license. No income was recognized in 2019.
	August 31, 2016	Resource provision agreement	The contract provides for compensation for the provision of equipment to CARBIOLICE employees. One day of access to a piece of equipment is billed at a single rate of €800. This resulted in income of €1 thousand being recognized in 2019.
	August 31, 2016 Amendment dated January 1, 2018 Amendment dated January 28, 2019	Consulting agreement	The contract provides for fixed compensation of €3,500 per month for CARBIOS. This resulted in income of €42 thousand being recognized in 2019. This contract was terminated as of December 31, 2019.
	February 15, 2017 Amendment dated December 10, 2018	Research services agreement	Total amount of €2,500 thousand to CARBIOS over a period of four years. This resulted in income of €526 thousand being recognized in 2019.
	September 17, 2018	Letter of agreement for service provision rebilling	Rebiling of services performed by service providers on behalf of CARBIOS and CARBIOLICE. This resulted in income of €18 thousand being recognized in 2019.
<b>TRUFFLE CAPITAL*</b> (Director)	October 18, 2019	Agreement for the assignment of the Company’s patents to PK MED	€20,000
	October 18, 2019	Issuance of BSA-C warrants by PK MED to CARBIOS	€20,000
	October 18, 2019	PK MED shareholders’ agreement	-

\* Through PK MED, in which TRUFFLE CAPITAL is the majority shareholder.

<sup>86</sup> Additional information on CARBIOLICE’s financial statements as at December 31, 2019 is presented in section 3.7 of this Universal Registration Document.

## **2.2.2. Statutory Auditors' reports on regulated agreements**

Regulated agreements are mentioned in the Statutory Auditors' special reports presented below for the years 2018 and 2019.

### **2.2.2.1. Statutory Auditors' special report on regulated agreements (fiscal year ended on December 31, 2018) – *In French***

**Carbios**

**Rapport spécial du commissaire aux comptes  
sur les conventions réglementées**

**(Assemblée générale d'approbation des comptes  
de l'exercice clos le 31 décembre 2018)**



## **Rapport spécial du commissaire aux comptes sur les conventions réglementées**

**(Assemblée générale d'approbation des comptes  
de l'exercice clos le 31 décembre 2018)**

Aux Actionnaires  
**Carbios**  
Rue Emile Duclaux  
Bipôle Clermont Ligne  
63360 Saint-Beauzire

En notre qualité de commissaire aux comptes de votre société, nous vous présentons notre rapport sur les conventions réglementées.

Il nous appartient de vous communiquer, sur la base des informations qui nous ont été données, les caractéristiques, les modalités essentielles ainsi que sur les motifs justifiant de l'intérêt pour la société des conventions dont nous avons été avisés ou que nous aurions découvertes à l'occasion de notre mission, sans avoir à nous prononcer sur leur utilité et leur bien-fondé ni à rechercher l'existence d'autres conventions. Il vous appartient, selon les termes de l'article R. 225-31 du code de commerce, d'apprécier l'intérêt qui s'attachait à la conclusion de ces conventions en vue de leur approbation.

Par ailleurs, il nous appartient, le cas échéant, de vous communiquer les informations prévues à l'article R. 225-31 du code de commerce relatives à l'exécution, au cours de l'exercice écoulé, des conventions déjà approuvées par l'Assemblée générale.

Nous avons mis en œuvre les diligences que nous avons estimé nécessaires au regard de la doctrine professionnelle de la Compagnie nationale des commissaires aux comptes relative à cette mission. Ces diligences ont consisté à vérifier la concordance des informations qui nous ont été données avec les documents de base dont elles sont issues.

### ***CONVENTIONS SOUMISES A L'APPROBATION DE L'ASSEMBLEE GENERALE***

#### **Conventions autorisées et conclues au cours de l'exercice écoulé**

En application de l'article L. 225-40 du code de commerce, nous avons été avisés des conventions suivantes conclues au cours de l'exercice écoulé qui ont fait l'objet de l'autorisation préalable de votre Conseil d'administration.

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Téléphone: +33 (0)1 56 57 58 59, Fax: +33 (0)1 56 57 58 60, [www.pwc.fr](http://www.pwc.fr)*

Société d'expertise comptable inscrite au tableau de l'ordre de Paris - Ile de France. Société de commissariat aux comptes membre de la compagnie régionale de Versailles. Société par Actions Simplifiée au capital de 2 510 460 €. Siège social : 63 rue de Villiers 92200 Neuilly-sur-Seine. RCS Nanterre 672 008 483. TVA n° FR 76 672 006 483. Siret 672 006 483 00362. Code APE 6920 Z. Bureaux : Bordeaux, Grenoble, Lille, Lyon, Marseille, Metz, Nantes, Neuilly-Sur-Seine, Nice, Poitiers, Rennes, Rouen, Strasbourg, Toulouse.



## **Carbios**

*Rapport spécial du commissaire aux comptes sur les conventions réglementées*

*(Assemblée générale d'approbation des comptes de l'exercice clos le 31 décembre 2018) - Page 2*

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- **Contrats de refacturations de travaux entre Carbios et Carbiolice**

*Nature et objet :*

Carbios a conclu un contrat de refacturation relatif aux tests effectués sur l'enzyme de protéine T avec Carbiolice.

Les modalités de ce contrat ont été autorisées par le Conseil d'administration du 27 mars 2018.

*Modalités et incidences financières :*

Au cours de l'exercice 2018, Carbios a enregistré un produit d'un montant de 37.800 €.

- **Contrats pour la production d'enzyme entre Carbios et Carbiolice**

*Nature et objet :*

Carbios a conclu deux contrats pour la production de lots d'enzyme pour le compte de Carbiolice au cours de l'exercice 2018.

Les modalités de ces contrats ont été autorisées par le Conseil d'administration suivant du 20 septembre 2018.

*Modalités et incidences financières :*

Au cours de l'exercice 2018, Carbios a enregistré les produits suivants :

- ✓ Contrat n°1 : 24.000 € ;
- ✓ Contrat n° 2 : 24.000 €.

- **Contrats de refacturations de prestations entre Carbios et Carbiolice**

*Nature et objet :*

Carbios a conclu un contrat de refacturation des dépenses liées aux affaires réglementaires et travaux liés aux enzymes avec Carbiolice sur l'exercice 2018.

Les modalités de cette lettre ont été autorisées par le Conseil d'administration du 20 septembre 2018.

*Modalités et incidences financières :*

Au cours de l'exercice 2018, Carbios a enregistré un produit d'un montant de 45.156 €.

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### **CONVENTIONS DEJA APPROUVEES PAR L'ASSEMBLEE GENERALE**

#### **Conventions approuvées au cours d'exercices antérieurs dont l'exécution s'est poursuivie au cours de l'exercice écoulé**

En application de l'article R. 225-30 du code de commerce, nous avons été informés que l'exécution des conventions suivantes, déjà approuvées par l'Assemblée générale au cours d'exercices antérieurs, s'est poursuivie au cours de l'exercice écoulé.

## **Carbios**

*Rapport spécial du commissaire aux comptes sur les conventions réglementées*

*(Assemblée générale d'approbation des comptes de l'exercice clos le 31 décembre 2018) - Page 3*

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- **Contrat de licence de brevet conclu entre Carbios et Carbiolice**

*Nature et objet :*

Carbios a conclu une option secondaire au contrat de licence et savoir-faire (option pour la concession d'un droit d'exploitation mondial et exclusif dans le domaine des Nouveaux Développements tels que notifiés par Carbios).

*Modalités et incidences financières :*

Contrat de licence de brevets et de savoir-faire pour une durée allant jusqu'à l'expiration du dernier des brevets concédés. Rémunération forfaitaire de 8 millions d'euros à la signature (2016) et d'un variable sur les ventes nettes des produits concernés par les brevets.

Aucun produit n'a été enregistré au cours de l'exercice

- **Contrat de prestation de recherche**

*Nature et objet :*

Carbios a conclu un contrat de prestation de recherche pour le développement de produits principaux et secondaires à l'aide de la technologie de biodégradation.

*Modalités et incidences financières :*

Le contrat est contacté pour une durée de 2 ans à partir du 15 février 2017. Ce contrat est renouvelable d'un commun accord sous respect d'un délai de préavis de 3 mois. La rémunération de ce contrat est de 1.248.317 €. Renouvelé par avenant pour 2 ans, soit jusqu'au 15 février 2021, avec une rémunération totale de 2 499 966 €.

Au cours de l'exercice 2018, Carbios a enregistré un produit d'un montant de 723.983 €.

- **Contrat d'animation conclu entre Carbios et Carbiolice**

*Nature et objet :*

Carbios a conclu un contrat d'animation avec Carbiolice ayant pour objet l'assistance en matière financière, stratégique, R&D et ressources humaines.

Les modalités de ce contrat ont été autorisées par le Conseil d'administration du 27 septembre 2016.

*Modalités et incidences financières :*

Le contrat d'animation débute le 1<sup>er</sup> septembre 2016 pour une durée de 16 mois, renouvelable par tacite reconduction à la date d'anniversaire. La rémunération de ce contrat est prévue à 3.500 € HT par mois, puis passage à 5 000€ HT par mois dès le 1<sup>er</sup> janvier 2018 suite à avenant. Il a été acté par avenant de revenir en 2019 au montant de 3 500€ HT par mois dès le 1<sup>er</sup> janvier 2019.

Au cours de l'exercice, Carbios a enregistré 60 000 € en produit.

## **Carbios**

### **Rapport spécial du commissaire aux comptes sur les conventions réglementées**

**(Assemblée générale d'approbation des comptes de l'exercice clos le 31 décembre 2018) - Page 4**

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- **Contrat de travail entre la société Carbios et M. Jean-Claude Lumaret, Directeur Général**

#### *Nature et objet :*

Monsieur Jean-Claude Lumaret, nommé Directeur Général par les statuts, est titulaire depuis le 1<sup>er</sup> avril 2011 d'un contrat de travail à durée indéterminée qui définit ses conditions d'emploi en qualité de Directeur de la recherche et du développement avec un statut de cadre supérieur dirigeant. Au titre de ce contrat, Monsieur Lumaret perçoit une rémunération annuelle fixe et un bonus annuel d'un montant garanti jusqu'au 31 mars 2012, puis conditionné à la réalisation effective dans les délais prévus d'objectifs professionnels contractuellement définis. Ces éléments sont réévalués chaque année. Le contrat prévoit également un avantage en nature sous forme de mise à disposition d'un véhicule de fonction.

Les modalités de ce contrat ont été autorisées lors du Conseil d'administration du 20 février 2013.

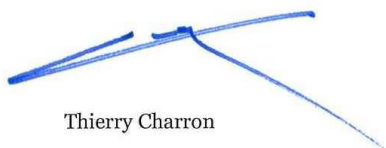
#### *Modalités et incidences financières :*

Le montant global du bonus de Jean-Claude Lumaret enregistré en charges au titre de l'exercice 2018 s'élève à 78 750 euros. Il a été totalement versé à Jean-Claude Lumaret en décembre 2018.

Le montant de la rémunération fixe de Jean-Claude Lumaret enregistré en charges au titre de l'exercice 2018 s'élève quant à lui à 112 500 € et un avantage en nature d'un montant de 15 702 €.

Fait à Neuilly-sur-Seine, le 5 avril 2019

Le commissaire aux comptes  
PricewaterhouseCoopers Audit



Thierry Charron

2.2.2.2. **Statutory Auditors' special report on regulated agreements (fiscal year ended on December 31, 2019) – *In French***

**Carbios**

**Rapport spécial du commissaire aux comptes  
sur les conventions réglementées**

**(Assemblée générale d'approbation des comptes  
de l'exercice clos le 31 décembre 2019)**



## Rapport spécial du commissaire aux comptes sur les conventions réglementées

### (Assemblée générale d'approbation des comptes de l'exercice clos le 31 décembre 2019)

A l'Assemblée générale de votre société

**Carbios**

Rue Emile Duclaux  
Biopôle Clermont-Ligmagne  
63360 Saint-Beauzire

En notre qualité de commissaire aux comptes de votre société, nous vous présentons notre rapport sur les conventions réglementées.

Il nous appartient de vous communiquer, sur la base des informations qui nous ont été données, les caractéristiques, les modalités essentielles ainsi que les motifs justifiant de l'intérêt pour la société des conventions dont nous avons été avisés ou que nous aurions découvertes à l'occasion de notre mission, sans avoir à nous prononcer sur leur utilité et leur bien-fondé ni à rechercher l'existence d'autres conventions. Il vous appartient, selon les termes de l'article R. 225-31 du code de commerce, d'apprécier l'intérêt qui s'attachait à la conclusion de ces conventions en vue de leur approbation.

Par ailleurs, il nous appartient, le cas échéant, de vous communiquer les informations prévues à l'article R. 225-31 du code de commerce relatives à l'exécution, au cours de l'exercice écoulé, des conventions déjà approuvées par l'Assemblée générale.

Nous avons mis en œuvre les diligences que nous avons estimé nécessaires au regard de la doctrine professionnelle de la Compagnie nationale des commissaires aux comptes relative à cette mission. Ces diligences ont consisté à vérifier la concordance des informations qui nous ont été données avec les documents de base dont elles sont issues.

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## **Carbios**

*Rapport spécial du commissaire aux comptes sur les conventions réglementées*

*(Assemblée générale d'approbation des comptes de l'exercice clos le 31 décembre 2019) - Page 2*

---

### **CONVENTIONS SOUMISES A L'APPROBATION DE L'ASSEMBLEE GENERALE**

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#### **Conventions autorisées et conclues au cours de l'exercice écoulé**

En application de l'article L. 225-40 du code de commerce, nous avons été avisés des conventions suivantes conclues au cours de l'exercice écoulé qui ont fait l'objet de l'autorisation préalable de votre Conseil d'administration.

##### **Contrat de cession de brevets entre Carbios et PK MED**

*Nature et objet :*

Carbios a conclu un contrat de cession de brevets à la société PK MED, le 18 octobre 2019.

Les modalités de ce contrat ont été autorisées par le Conseil d'administration du 19 septembre 2019.

*Modalités et incidences financières :*

Au cours de l'exercice 2019, Carbios a enregistré un produit d'un montant de 20 000 €.

### **CONVENTIONS DEJA APPROUVEES PAR L'ASSEMBLEE GENERALE**

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#### **Conventions approuvées au cours d'exercices antérieurs dont l'exécution s'est poursuivie au cours de l'exercice écoulé**

En application de l'article R. 225-30 du code de commerce, nous avons été informés que l'exécution des conventions suivantes, déjà approuvées par l'Assemblée générale au cours d'exercices antérieurs, s'est poursuivie au cours de l'exercice écoulé.

##### **Contrats pour la production d'enzyme entre Carbios et Carbiolice**

*Nature et objet :*

Carbios a conclu deux contrats pour la production de lots d'enzyme pour le compte de Carbiolice, respectivement le 22 mai 2018 et 27 juin 2018.

Les modalités de ces contrats ont été autorisées par le Conseil d'administration du 20 septembre 2018.

*Modalités et incidences financières :*

Aucun produit n'a été enregistré au cours de l'exercice.

##### **Contrats de refacturations de prestations entre Carbios et Carbiolice**

*Nature et objet :*

Carbios a conclu un contrat de refacturation des dépenses liées aux affaires réglementaires et travaux liés aux enzymes avec Carbiolice, le 17 septembre 2018.

## **Carbios**

### **Rapport spécial du commissaire aux comptes sur les conventions réglementées**

**(Assemblée générale d'approbation des comptes de l'exercice clos le 31 décembre 2019) - Page 3**

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Les modalités de cette lettre ont été autorisées par le Conseil d'administration du 20 septembre 2018.

#### *Modalités et incidences financières :*

Au cours de l'exercice 2019, Carbios a enregistré un produit d'un montant de 18 289 €.

### **Contrat de licence de brevet conclu entre Carbios et Carbiolice**

#### *Nature et objet :*

Carbios a conclu une option secondaire au contrat de licence de brevets et savoir-faire (option pour la concession d'un droit d'exploitation mondial et exclusif dans le domaine des Nouveaux Développements tels que notifiés par Carbios). Le contrat de licence de brevets et savoir-faire a été conclu le 30 août 2016.

Les modalités de ce contrat ont été autorisées par le Conseil d'administration du 21 juin 2016.

#### *Modalités et incidences financières :*

Contrat de licence de brevets et de savoir-faire pour une durée allant jusqu'à l'expiration du dernier des brevets concédés. Rémunération forfaitaire de 8 millions d'euros à la signature (2016) et d'un variable sur les ventes nettes des produits concernés par les brevets.

Aucun produit n'a été enregistré au cours de l'exercice.

### **Avenant au contrat de licence de brevet conclu entre Carbios et Carbiolice**

#### *Nature et objet :*

Carbios a conclu un avenant au contrat de licence afin d'étendre le périmètre de la licence à de nouvelles familles de brevets, applications et produits.

Les modalités de ce contrat ont été autorisées par le Conseil d'administration du 20 septembre 2018.

#### *Modalités et incidences financières :*

Cet accord prévoit le paiement d'une somme forfaitaire complémentaire d'un million d'euros sous forme d'augmentation de capital conditionnée à l'attente par Carbiolice d'un chiffre d'affaire défini.

Aucun produit n'a été enregistré au cours de l'exercice.

### **Contrat de prestation de recherche**

#### *Nature et objet :*

Carbios a conclu un contrat de prestation de recherche pour le développement de produits principaux et secondaires à l'aide de la technologie de biodégradation.

Le contrat de prestation de recherche a été conclu le 15 février 2017.



## **Carbios**

### ***Rapport spécial du commissaire aux comptes sur les conventions réglementées***

***(Assemblée générale d'approbation des comptes de l'exercice clos le 31 décembre 2019) - Page 4***

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Les modalités de ce contrat ont été autorisées par le Conseil d'administration du 21 mars 2017.

#### ***Modalités et incidences financières :***

Le contrat est contacté pour une durée de 2 ans à partir du 15 février 2017. Ce contrat est renouvelable d'un commun accord sous respect d'un délai de préavis de 3 mois. La rémunération de ce contrat est de 1.248.317 €. Renouvelé par avenant pour 2 ans, soit jusqu'au 15 février 2021, avec une rémunération totale de 2 499 966 €.

Au cours de l'exercice 2019, Carbios a enregistré un produit d'un montant de 526 000 €.

## **Contrat d'animation conclu entre Carbios et Carbiolice**

#### ***Nature et objet :***

Carbios a conclu un contrat d'animation avec Carbiolice ayant pour objet l'assistance en matière financière, stratégique, R&D et ressources humaines.

Le contrat d'animation a été conclu le 31 août 2016.

Les modalités de ce contrat ont été autorisées par le Conseil d'administration du 27 septembre 2016.

#### ***Modalités et incidences financières :***

Le contrat d'animation débute le 1<sup>er</sup> septembre 2016 pour une durée de 16 mois, renouvelable par tacite reconduction à la date d'anniversaire. La rémunération de ce contrat est prévue à 3.500 € HT par mois, actée par avenant du 28 janvier 2019. Contrat résilié au 31 décembre 2019.

Au cours de l'exercice, Carbios a enregistré 42 000 € en produit.

## **Contrat de travail entre la société Carbios et M. Jean-Claude Lumaret, Directeur Général**

#### ***Nature et objet :***

Monsieur Jean-Claude Lumaret, nommé Directeur Général par les statuts, est titulaire depuis le 1<sup>er</sup> avril 2011 d'un contrat de travail à durée indéterminée qui définit ses conditions d'emploi en qualité de Directeur de la recherche et du développement avec un statut de cadre supérieur dirigeant. Au titre de ce contrat, Monsieur Lumaret perçoit une rémunération annuelle fixe et un bonus annuel d'un montant garanti jusqu'au 31 mars 2012, puis conditionné à la réalisation effective dans les délais prévus d'objectifs professionnels contractuellement définis. Ces éléments sont réévalués chaque année. Le contrat prévoit également un avantage en nature sous forme de mise à disposition d'un véhicule de fonction.

Le contrat de travail a été conclu le 1<sup>er</sup> avril 2011.

Les modalités de ce contrat ont été autorisées lors du Conseil d'administration du 20 février 2013.



## **Carbios**

**Rapport spécial du commissaire aux comptes sur les conventions réglementées**

**(Assemblée générale d'approbation des comptes de l'exercice clos le 31 décembre 2019) - Page 5**

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### *Modalités et incidences financières :*

Le montant global du bonus de Jean-Claude Lumaret enregistré en charges au titre de l'exercice 2019 s'élève à 77 140 euros. Il a été totalement versé à Jean-Claude Lumaret en décembre 2019.

Le montant de la rémunération fixe de Jean-Claude Lumaret enregistré en charges au titre de l'exercice 2019 s'élève quant à lui à 116 000 € et un avantage en nature d'un montant de 14 652 €.

Fait à Neuilly-sur-Seine,

Le commissaire aux comptes  
PricewaterhouseCoopers Audit

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+02'00'

Thierry Charron

### 3. 2019 ANNUAL FINANCIAL STATEMENTS

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Pursuant to Article 19 of (EU) Regulation No. 2017/1129, the following elements are included by reference in this Universal Registration Document:

The parent company financial statements for the fiscal year ended December 31, 2017 and the related Statutory Auditors' report, which did not make any observations, as presented in paragraphs 20.1 and 20.4 of the Registration Document filed with the AMF on April 26, 2018 under number R.18-030;

The parent company financial statements for the fiscal year ended December 31, 2018 and the related Statutory Auditors' report, which did not make any observations, as presented in paragraphs 20.1 and 20.4 of the Registration Document filed with the AMF on April 8, 2019 under number D.19-0287.

<b>3.</b>	<b>2019 ANNUAL FINANCIAL STATEMENTS .....</b>	<b>82</b>
3.1.	<i>Historical financial information.....</i>	83
3.1.1.	Statement of financial position .....	83
3.1.2.	Income statement .....	85
3.1.3.	Statement of cash flows .....	86
3.1.4.	Statement of changes in equity .....	86
3.1.5.	Notes to the annual financial statements .....	87
3.2.	<i>Verification of historical financial information .....</i>	104
3.3.	<i>Pro forma financial information.....</i>	109
3.4.	<i>Dividend policy .....</i>	109
3.5.	<i>Legal and arbitration proceedings .....</i>	109
3.6.	<i>Significant change in the issuer's financial position.....</i>	109
3.7.	<i>Additional information concerning CARBIOLICE .....</i>	109

### 3.1. Historical financial information

#### 3.1.1. Balance sheet

<i>ASSETS (In thousands of euros)</i>	<b>Note</b>	<b>12/31/2018</b>	<b>12/31/2019</b>
<b>FIXED ASSETS</b>			
Intangible assets	4	691	858
Concessions, patents, licenses, software		691	858
Property, plant and equipment	4	971	1,107
Office and IT hardware		25	145
Laboratory equipment and material		889	825
Fixtures and fittings		57	137
Assets under construction		-	1,160
Advances on assets under construction		-	148
Financial assets		10,802	12,027
Equity interests	4	10,600	11,700
Deposits and guarantees		110	200
Liquidity contract	4	19	73
Treasury shares	4	73	54
<b>TOTAL FIXED ASSETS</b>		<b>12,464</b>	<b>15,300</b>
<b>CURRENT ASSETS</b>			
Receivables	5	70	28
State receivables	5	1,375	1,019
Subsidies receivable	5 & 9	-	17
Laboratory raw material inventories	5	15	21
Other receivables	5	34	2
Cash, cash equivalents and marketable securities	6 & 7	5,149	15,915
Prepaid expenses	5	38	75
<b>TOTAL CURRENT ASSETS</b>		<b>6,680</b>	<b>17,076</b>
Expense to be spread over the loan		6	11
<b>OVERALL TOTAL</b>		<b>19,149</b>	<b>32,386</b>

<i>LIABILITIES (In thousands of euros)</i>	<b>Note</b>	<b>12/31/2018</b>	<b>12/31/2019</b>
<b>EQUITY</b>	8		
Capital		3,260	4,833
Issue, merger and contribution premiums		19,129	31,275
Retained earnings		(7,256)	(10,366)
Investment subsidies		15	13
Profit and loss for the period		(3,110)	(3,749)
<b>TOTAL EQUITY</b>		<b>12,038</b>	<b>22,005</b>
<b>OTHER EQUITY</b>			
Conditional advances	9	<b>3,707</b>	<b>4,250</b>
<b>DEBT</b>	11		
Loans	9	1,866	3,818
Trade and other payables	11	1,061	1,387
Tax and social liabilities	11	475	749
Other liabilities		2	1
Deferred income		-	176
<b>TOTAL LIABILITIES</b>		<b>3,404</b>	<b>6,131</b>
<b>OVERALL TOTAL</b>		<b>19,149</b>	<b>32,386</b>

### 3.1.2. Income statement

<i>INCOME STATEMENT (In thousands of euros)</i>	<b>Note</b>	<b>12/31/2018</b>	<b>12/31/2019</b>
Operating revenues	9	1,083	1,450
Licensing revenues	10	-	-
<i>Total operating revenues</i>		<b>1,083</b>	<b>1,450</b>
Other purchases and external expenses		2,646	2,511
Taxes and similar payments		28	25
Salaries and wages	17	1,628	2,018
Social security contributions		582	912
Depreciation of fixed assets	4	299	349
Other expenses		139	171
<i>Total operating expenses</i>		<b>5,323</b>	<b>5,986</b>
OPERATING INCOME		<b>(4,240)</b>	<b>(4,535)</b>
Financial income	6	10	32
Financial expenses	4	35	61
FINANCIAL INCOME		<b>(25)</b>	<b>(29)</b>
CURRENT INCOME BEFORE TAXES		<b>(4,265)</b>	<b>(4,564)</b>
Extraordinary income		16	357
Extraordinary expenses		53	342
EXTRAORDINARY GAIN OR LOSS		<b>(37)</b>	<b>15</b>
Income tax (research tax credit)	13	(1,191)	(800)
PROFIT OR LOSS		<b>(3,110)</b>	<b>(3,749)</b>

### 3.1.3. Statement of cash flows

<i>Audited parent company financial statements – French standards (In thousands of euros)</i>	12/31/2018	12/31/2019
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit and loss for the period	(3,110)	(3,749)
Depreciation, amortization and impairment (including investment subsidies)	325	322
Changes in working capital requirements	(293)	391
Net cash absorbed by operations	<b>(3,078)</b>	<b>(3,036)</b>
<b>NET CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Acquisitions of fixed assets	(299)	(2,299)
Acquisition of financial assets	(1,142)	(1,203)
Disposals of fixed assets	0	343
Changes in fixed asset liabilities	0	753
Net cash from (absorbed by) investment activities	<b>(1,441)</b>	<b>(2,406)</b>
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net proceeds from the issuance of shares and BSAs	601	13,719
Inflows from loans	1,550	2,043
Reimbursement of loans	(23)	(91)
Expense to be spread over the loan	(6)	(5)
Inflows from repayable advances and Investment subsidies	0	543
Net cash from financing activities	<b>2,122</b>	<b>16,209</b>
<u>Change in cash and cash equivalents</u>	<u><b>(2,398)</b></u>	<u><b>10,766</b></u>
Cash and cash equivalents at the beginning of the period	7,547	5,149
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>5,149</b>	<b>15,915</b>

### 3.1.4. Statement of changes in equity

<i>Audited parent company financial statements French standards (In thousands of euros)</i>	Share capital	Issue premium	Subscription capital	Investment subsidies (net)	Profit or loss for the period	Retained earnings	Total due to shareholder
<b>12/31/2018</b>	<b>3,260,056</b>	<b>19,093,017</b>	<b>35,723</b>	<b>15,000</b>	<b>(3,110,264)</b>	<b>(7,255,657)</b>	<b>12,037,875</b>
Allocation of earnings N-1					3,110,264	(3,110,264)	
Increase/reduction in capital and issue premium	1,573,170	12,146,104					1,573,170 12,146,104
Subscription of BSA/BCE		11,450	(11,780)				(330)
Quasi-equity							
Profit (loss) 2019				(2,250)	(3,749,342)		(3,751,592)
<b>12/31/2019</b>	<b>4,833,226</b>	<b>31,250,572</b>	<b>23,943</b>	<b>12,750</b>	<b>(3,749,342)</b>	<b>(10,365,921)</b>	<b>22,005,227</b>

### 3.1.5. Notes to the annual financial statements

#### 3.1.5.1. Note 1: The Company

CARBIOS ("the Company") is an innovative green chemistry company, developing cutting-edge technologies for the recovery of plastic waste and the production of biopolymers.

The Company was created in April 2011 as a *Société par Actions Simplifiée* (simplified joint stock company) and became a *Société Anonyme* (public limited company) on February 20, 2013.

The Company's shares have been listed on the Euronext Growth Paris market since December 19, 2013. Euronext Growth is an organized multilateral trading system that does not require the application of IFRS. The accounting principles applied are therefore the accounting principles generally accepted in France. These financial statements cover the fiscal year ended December 31, 2019, being the Company's eighth accounting period.

#### 3.1.5.2. Note 2: Highlights of the fiscal year

With eight new patent applications filed during the year, CARBIOS' intellectual property portfolio at the end of 2019 included 34 patent families (including one under an exclusive worldwide license with the CNRS and University of Poitiers), representing 128 patents filed across the world's key regions and covering the Company's areas of development (biodiversity, enzymatic recycling process, biodegradable plastic production process and bioproduction).

The key events for 2019 were as follows:

- The Company carried out a capital increase of €14,486 thousand before deducting €770 thousand in direct costs from the issue premium. Copernicus AM, Michelin Ventures and BOLD (Business Opportunities for L'Oréal Development) became shareholders;
- Financing agreement with ADEME for the CE-PET project undertaken with TWB and finalization of work on key stage 1;
- A second loan of €1,500 thousand was subscribed with Bpifrance on November 20, 2019 to finance the intangible expenses related to its desire to launch the industrialization process;
- On July 12, 2019, the capital increase of €1,100 thousand in the subsidiary CARBIOLICE was noted, through the exercise of 11,000 BSAs held by CARBIOS;
- The Consortium created with L'Oréal on September 30, 2017 welcomed three new members: PepsiCo, Nestlé Waters and Suntory Beverage & Food Europe.

#### Going concern

The going concern assumption is used to the extent that the financial resources of the Company enable it to continue its Research and Development work. Nevertheless, the management of the ongoing developments until the industrial demonstration stage or even the application of CARBIOS processes to other market may require new financing to be sought from institutional entities or industrial partners.

#### 3.1.5.3. Note 3: Accounting principles and methods

The accounting principles and methods used to prepare the annual financial statements comply with regulation 2014-03 of the French General Accounting Plan, with the following assumptions:

- Going concern (see Note 2);
- Permanence of accounting methods;
- Independence of fiscal years;
- Principle of prudence and historical cost.

The information communicated below is an integral part of the 2019 financial statements, which were approved on March 12, 2020 by the Board of Directors.

Financial information is accordingly compared to that of the Company's seventh accounting period, ended on December 31, 2018, for a period of 12 months.

#### 3.1.5.4. Note 4: Property, plant and equipment, intangible and financial assets

The movements with an impact on fixed assets were the following:

<i>Fiscal year 2019</i> <i>Fixed assets (in euros)</i>	At the beginning of the period 01/01/2019	Increase	Decrease	At the end of the period 12/31/2019
<b>Intangible assets</b>				
Software, website	25,641			25,641
Patents	845,783	303,091	31,434	1,117,441
Patents licensed	117,830	33,273		151,103
<b>Property, plant and equipment</b>				
Office and IT hardware	136,982	82,250		219,232
Fixtures and fittings	76,989	91,202		168,191
Furniture	23,715	58,911		82,626
Laboratory fittings and equipment	1,464,001	416,264	322,610	1,557,655
<b>Financial assets</b>				
Equity interests	10,600,000	1,100,000		11,700,000
Guarantees and security deposits	109,623	90,300		199,923
Liquidity contract	18,703	54,341		73,043
Treasury shares	95,646		41,697	53,949
Assets under construction	15,554	1,181,931	15,554	1,181,931
Advance payments made		147,567		147,567
<b>TOTAL</b>	<b>13,530,467</b>	<b>3,559,129</b>	<b>411,295</b>	<b>16,678,302</b>

The methods and term of depreciation and amortization of assets are the following:

<i>Fiscal year 2019</i> <i>Depreciation, amortization and provisions (in euros)</i>	Depr./amort. period	At the beginning of the period 01/01/2019	Increase	Decrease	At the end of the period 12/31/2019
<b>Intangible assets</b>					
Software, website	1 year	20,351	3,772		24,123
Patents	10 years	276,572	128,141	4,901	399,812
Patents licensed	10 years	16,865	17,327		34,192
<b>Property, plant and equipment</b>					
Fixtures and fittings	7 to 10 years	20,065	10,760		30,825
Laboratory fittings and equipment	5 to 10 years	575,553	166,010	8,788	732,775
Office and IT hardware	3 to 5 years	120,319	17,407		137,726
Furniture	3 to 7 years	14,985	4,107		19,092
<b>Financial assets</b>					
Treasury shares		22,262		22,262	
<b>TOTAL</b>		<b>1,066,972</b>	<b>347,524</b>	<b>35,951</b>	<b>1,378,546</b>



<i>Fiscal year 2019</i> <i>Provisions for impairment (in euros)</i>	Beginning of fiscal year	Allocations	Reversals	End of fiscal year
Regulated provisions				
Provisions for litigation				
Provision for foreign exchange losses				
Provisions for contingencies and charges				
Impairment of inventories and work in progress				
Impairment of trade receivables				
Impairment of other assets	22,262		22,262	
<b>IMPAIRMENT</b>	22,262		22,262	
<b>TOTAL</b>	<b>22,262</b>		<b>22,262</b>	

- Intangible assets

Intangible assets are valued at their acquisition cost and are amortized on a straight-line basis over the duration of their utilization by the Company. The amortization period for the patents held by the Company is estimated at 10 years, corresponding to the period stipulated for consumption and the economic benefits expected from the industrial property portfolio of the Company.

The licensed patents are capitalized over a 10-year period. The acquisition costs of these patents correspond to the fixed and variable license fees in the signed exclusive licensing agreement.

The expenses for filing patents or industrial property rights acquired during the fiscal year have been capitalized and are amortized from the beginning of their utilization. Additional expenses and later extensions on capitalized patents are amortized (as well as licensed patents) over the remaining period for the application to which they are connected.

The type of expenses for research undertaken by the Company during the fiscal year results in their being recorded entirely as operating expenses.

- Property, plant and equipment

Property, plant and equipment are valued at their acquisition cost or their production cost by the Company, taking into account the expenses required for the preparation of these goods for use and after deduction of commercial discounts, rebates and reductions of payments received.

Assets are subjected to the established depreciation plans depending on the actual period of utilization of the asset.

Depreciation periods are between 3 and 10 years depending on the type and lifespan of the assets in question.

- Equity interests

CARBIOS acquired the share capital of CARBIOLICE (*Société par Actions Simplifiée*) when it was created on June 10, 2016 and later subscribed to several capital increases of its subsidiary during following fiscal years. As of December 31, 2019, CARBIOS owned 11,700,000 CARBIOLICE SAS shares out of the 22,2 million shares making up its share capital, representing a stake of 52.70% (see Note 14). Equity interests are assessed at their acquisition value. If this value exceeds the value in use, impairment is recognized for the difference. The value in use is calculated by referring to the impairment test performed based on the discounted cash flow method. The impairment tests performed at the end of fiscal year 2019 did not show any unrealized loss on the CARBIOLICE equity stake.

- Liquidity contract and treasury shares

The transactions connected to the liquidity contract that the Company signed with a financial intermediary are recognized in compliance with Opinion CU CNC No. 98-D and with CNCC Bulletin No. 137 – March 2005, namely:

- Treasury shares held are recognized under “Other Financial Assets.” An impairment is recorded by reference to the average listed share price of the last month of the fiscal year if it is lower than the purchase price. To determine the income from disposal, the “First-in-First-out” method is used;  
On December 31, 2019, the Company held 5,830 CARBIOS shares, or a carrying amount of €54 thousand. The closing net asset value was €56 thousand. Since the net asset value was higher than the carrying amount, the provision entered in the statement of financial position (€22 thousand) was fully reversed;
- The cash paid to the intermediary and not yet used is recognized under “Liquidity contract” and represents €73 thousand.

#### 3.1.5.5. Note 5: Receivables and prepaid expenses

- Statement of receivables

<i>Statement of receivables as at 12/31/2019 (in euros)</i>	Gross amount	At one year	At more than one year
<b>Current assets &amp; prepayments</b>			
<b>Customers</b>	27,589	27,589	
<b>Income tax<sup>(1)</sup></b>	799,779	799,779	
<b>Value added tax</b>	218,727	218,727	
<b>Other receivables</b>	2,229	2,229	
<b>Subsidies receivable</b>	16,998	16,998	
<b>Prepaid expenses<sup>(2)</sup></b>	74,508	74,508	
<b>TOTAL</b>	1,139,830	1,139,830	

<sup>(1)</sup> The income tax receivable corresponds to the Research Tax Credit (CIR) recognized for the first half of 2019 for €800 thousand. In the absence of taxable income and because of classification as a Community SME, this receivable is repayable the year following its recognition. As at December 31, 2018, €1,191 thousand had been recorded for the 2018 Research Tax Credit. It was repaid on May 27, 2019.

<sup>(2)</sup> This amount corresponds to the ADEME subsidy provision calculated on the basis of eligible expenditures incurred at December 31, 2019 as part of key stage 2 (see Note 9: Conditional advances and subsidies).

<sup>(3)</sup> Prepaid expenses are ordinary operating expenses related to prior fiscal years.

- Inventories

Since the fiscal year ended December 31, 2014, the Company has recorded an inventory of the supplies not consumed as of the end of the fiscal year. Given that this inventory consists of consumables with a low per unit value, no depreciation is recorded. As at December 31, 2019, inventory totaled €21 thousand compared to €15 thousand in 2018.

#### 3.1.5.6. Note 6: Cash instruments

With the aim of optimizing returns on its available cash, the Company opened time deposit accounts for an overall amount of €10 million during the fiscal year, allowing it to benefit from attractive returns as well as guaranteed capital that is available at any time. The interest resulting from these financial instruments generated income of €8 thousand.

#### 3.1.5.7. Note 7: Cash and cash equivalents

This item includes cash deposited in demand accounts, as well as the accrued interest to be paid and cash balances. As at December 31, 2019, the Company had €5,893 thousand in demand accounts and €3 thousand in accrued interest on time deposit accounts.

### 3.1.5.8. Note 8: Equity

#### 8.1. Composition of share capital

- **Share capital**

No capital transactions prior to the period were recorded during the period.

During the period, the capital transactions performed were the result of:

1. 2,245,886 new ordinary shares resulting from the implementation of the delegation of authority granted to the Board of Directors by the Annual Ordinary and Extraordinary Shareholders' Meeting of June 19, 2019, in its thirteenth resolution, for the purpose of deciding on the issue of shares and/or securities giving immediate or future access to the share capital or giving entitlement to a debt security, with cancellation of preferential subscription rights for categories of beneficiaries; and
2. 1,500 new shares from the exercise of 1,500 BSA-2012-3, subscribed for €2.25 (i.e. €0.70 in nominal value and €1.55 in issue premium).

Subsequent to December 31, 2019, and as of March 4, 2020, no capital transactions had been performed.

As at the date of this document, the share capital of the Company was divided into 6,904,609 ordinary shares with a nominal value of €0.70 each, entirely subscribed and fully paid up.

<i>Movements of securities</i>	<b>Number</b>	<b>Nominal value</b>	<b>Share capital</b>
<b>Securities at the beginning of the fiscal year</b>	<b>4,657,223</b>	<b>€0.70</b>	<b>€3,260,056.10</b>
<b>Capital reduction</b>	-	-	-
<b>Securities issued</b>	2,247,386	€0.70	€1,573,170.20
<b>Securities redeemed or</b>	-	-	-
<b>Securities at the end of fiscal</b>	<b>6,904,609</b>	<b>€0.70</b>	<b>€4,833,226.30</b>

- **Issue premiums**

In accordance with the decision made by the sole partner followed by the collective decision of the shareholders and finally, by the Board of Directors based on the delegation of the Shareholders' Meeting, the issue premiums paid as part of the capital increases were recorded under liabilities on the balance sheet in a special "Issue premium" account to which the former and new shareholders' rights shall be applicable.

As at December 31, 2019, the issue premiums paid after deducting capital increase costs amounted to €31,250,571.57.

<i>Capital increase</i>	<b>Recorded</b>	<b>Shares issued</b>	<b>Nominal value per share</b>	<b>Issue premium per share</b>	<b>Issue premium</b>
<b>Capital at the time of incorporation</b>	Bylaws	500,000	€1	- €	- €
<b>Capital increase</b>	01/17/2012	300,000	€1	- €	- €
<b>Capital increase</b>	05/10/2012	700,000	€1	- €	- €
<b>Capital increase</b>	07/09/2012	577,780	€1	€1.25	€722,225
<b>Capital increase</b>	09/28/2012	75,555	€1	€1.25	€94,444
<b>Capital increase</b>	12/04/2012	533,332	€1	€1.25	€666,665
<b>Capital increase</b>	12/18/2013	116,647	€0.70	€6.315	€736,628
<b>Capital increase</b>	12/18/2013	934,959	€0.70	€13.33	€12,463,003
<b>Capital increase</b>	01/13/2014	11,400	€0.70	€13.33	€151,962
<b>Capital increase</b>	03/04/2015	3,500	€0.70	€1.55	€5,425
<b>Capital increase</b>	03/04/2015	5,000	€0.70	€0.30	€1,500
<b>Capital increase</b>	03/22/2016	30,000	€0.70	€0.30	€9,000
<b>Capital increase</b>	03/22/2016	10,000	€0.70	€1.55	€15,500
<b>Capital increase</b>	03/21/2017	29,000	€0.70	€1.55	€44,950
<b>Capital increase</b>	03/21/2017	7,614	€0.70	€0.30	€2,284.20
<b>Capital increase</b>	07/21/2017	466,182	€0.70	€7.05	€3,286,583.10
<b>Capital increase</b>	09/19/2017	20,000	€0.70	€5.30	€106,000
<b>Capital increase</b>	09/19/2017	15,000	€0.70	€5.50	€82,500
<b>Capital increase</b>	09/19/2017	15,000	€0.70	€5.90	€88,500
<b>Capital increase</b>	09/19/2017	10,000	€0.70	€5.79	€57,900
<b>Capital increase</b>	09/19/2017	30,000	€0.70	€6.45	€193,500
<b>Capital increase</b>	09/19/2017	15,000	€0.70	€6.55	€98,250
<b>Capital increase</b>	09/19/2017	35,000	€0.70	€7.70	€269,500
<b>Capital increase</b>	09/19/2017	49,494	€0.70	€1.55	€76,715.70
<b>Capital increase</b>	09/19/2017	2,506	€0.70	€0.30	€751.80
<b>Capital increase</b>	11/20/2017	20,000	€0.70	€8.30	€166,000
<b>Capital increase</b>	11/20/2017	30,000	€0.70	€8.40	€252,000
<b>Capital increase</b>	11/20/2017	10,000	€0.70	€8.55	€85,500
<b>Capital increase</b>	11/20/2017	3,500	€0.70	€1.55	€5,425
<b>Capital increase</b>	12/12/2017	10,838	€0.70	€1.55	€16,798.90
<b>Capital increase</b>	03/27/2018	5,688	€0.70	€9.70	€55,173.60
<b>Capital increase</b>	05/03/2018	116	€0.70	€9.70	€1,125.20
<b>Capital increase</b>	06/27/2018	168	€0.70	€9.70	€1,629.60
<b>Capital increase</b>	09/20/2018	588	€0.70	€9.70	€5,703.60
<b>Capital increase</b>	09/20/2018	40,000	€0.70	€7.60	€304,000
<b>Capital increase</b>	12/06/2018	3,356	€0.70	€9.70	€32,553.20
<b>Capital increase</b>	12/06/2018	20,000	€0.70	€4.40	€88,000

<b>Capital increase</b>	12/06/2018	20,000	€0.70	€4.85	€97,000
<b>Capital increase</b>	06/28/2019	2,245,886	€0.70	€5.75	€12,913,844.50
<b>Capital increase</b>	12/04/2019	1,500	€0.70	€1.55	€2,325
<b>Sub-TOTAL</b>		<b>6,904,609</b>			<b>€33,200,865.40</b>
<b>Direct costs charged</b>					(€1,966,503.51)
<b>Exercise of BSA/BCE with consideration<sup>(1)</sup></b>					<b>€16,209.68</b>
<b>TOTAL</b>					<b>€31,250,571.57</b>

<sup>(1)</sup> Exercise of the:

- 18,994 BSAs acquired for €0.22 per share, or €4,178.68;
- 2,506 BSAs acquired for €0.10 per share, i.e. €250.60;
- Acquisition of the BSA plan by Kepler Cheuvreux: €500.

These amounts, together with the additional €2,790.40 paid at the subscription of 12,800 BSA warrants acquired for €0.22 (which have now expired) and the additional €8,160.00 paid upon subscription of 9,600 vested BSA warrants for €0.85 (which have now expired), initially recorded under “warrants”, were included in the issue premium during the capital increase.

As a reminder, the direct costs associated with the listing of the Company on the Euronext Growth Paris market that took place in 2013 amounted to €1,196,108. The costs related to fundraising carried out in 2019 amount to €770,395.

The “Issue premiums” item recorded under liabilities on the statement of financial position also includes the sums received at the time of the subscription of the Share subscription warrants (see Note 8.3 below), or €23,942.44 as at December 31, 2019.

#### • Earnings per share

As at December 31, 2019, net earnings per share amounted to -€0.54.

### 8.2. Distribution of share capital

As at December 31, 2019, the 6,904,609 shares comprising the share capital were distributed as follows:

<i>Shareholders</i>	<b>Number of shares</b>	<b>Percentage holding</b>	<b>Number of voting rights</b>	<b>Percentage of voting rights</b>
<b>Holding Incubatrice Chimie Verte</b>	407,330	5.90%	511,926	7.28%
<b>Funds managed by Truffle Capital</b>	1,263,759	18.30%	1,263,759	17.98%
<b>Directors</b>	11,807	0.17%	13,514	0.19%
<b>Copernicus AM</b>	620,154	8.98%	620,154	8.82%
<b>Business Opportunities for L'Oréal Development (BOLD)</b>	387,596	5.61%	387,596	5.51%
<b>Michelin Ventures</b>	310,077	4.50%	310,077	4.41%
<b>Treasury shares</b>	5,830	0.08%	N/A	N/A
<b>Free float</b>	3,898,056	56.46%	3,922,882	55.80%
<b>TOTAL</b>	<b>6,904,609</b>	<b>100%</b>	<b>7,029,908</b>	<b>100%</b>

By collective decision of shareholders on February 20, 2013, it was decided to allocate a double voting right to all fully paid-up shares documented to have been held in registered form in the name of the same shareholder for at least two years.

As at December 31, 2019, the 104,596 shares held by Holding Incubatrice Chimie Verte, one share held by Mr. Lumaret, 1,706 shares held by Mr. Chevallier and the 24,826 registered shares included in the free float met these criteria.

### 8.3. Dilutive financial instruments

- **Share subscription warrants (BSAs)**

The table below shows the status of BSAs issued since the creation of the Company that were still outstanding as at December 31, 2019 (with the exception of the Kepler Cheuvreux BSAs), as well as additional information regarding their status at that date.

Table 8 (AMF nomenclature): History of stock option allocations

	BSA 2011-1		BSA 2012-1	BSA 2012-2	BSA 2012-3	BSA 2013-1
Date of the Shareholders' Meeting or Board of Directors having allocated the plan	Decision of the Chairman in accordance with the delegation of authority granted by the sole partner on 07/12/2011	Decision of the Chairman in accordance with the delegation of authority granted by the sole partner on 06/08/2012	Collective decision of the shareholders on 09/28/2012	Collective decision of the shareholders on 09/28/2012	Collective decision of the shareholders on 12/04/2012	Decision of the Shareholders' Meeting on 07/26/2013
Number of BSAs issued	2,506	1,253	170,000	20,241	7,000	14,400
Number of shares that may be subscribed or purchased	3,759		170,000	20,241	7,000	14,400
Warrant exercise start date	07/15/2012		According to the achievement of the exercise criteria (see methods above)	09/28/2013	12/04/2014	07/26/2014
Number of BSAs subscribed	3,759		170,000	20,241	7,000	14,400
Price of subscription or purchase of warrant <sup>(1)</sup>	0.10		Free	0.22	0.22	0.22
Expiration date	07/12/2021	06/08/2022	09/28/2022	09/28/2022	12/04/2022	07/26/2023
Warrant exercise method	Possibility of exercising a number x of warrants between April 15 and July 15 of each year and for the first time on 07/15/2012, for up to 626 warrants calculated according to the following rule beginning from July 15, 2011: $x = (\text{total number of BSAs 2011-1 allocated to the beneficiary} * \text{nb. of months since 07/15/2011}) / 48$		Possibility of exercising the warrants after transfer by the beneficiary to CARBIOS of at least one strain of interest from the collection of cultures of the beneficiary whose degradation properties have been validated by the Board of Directors within the context of the research cooperation agreement signed between the beneficiary and CARBIOS	Possibility of exercising a number x of warrants per complete monthly period beginning from 09/28/2012, and for the first time from 02/28/2013, calculated according to the following rule: $x = (\text{total nb. of BSAs 2012-2 allocated to beneficiary} * \text{nb. of months since 09/28/2012}) / 48$	Possibility of exercising a number x of warrants per complete monthly period beginning from 12/04/2012, and for the first time from 12/04/2014, calculated according to the following rule: $x = (\text{total nb. of BSAs 2012-3 allocated to beneficiary} * \text{nb. of months since 12/04/2012}) / 48$	These warrants are exercisable in the event of the occurrence of an IPO prior to June 30, 2014. Possibility of exercising a number x of warrants per complete monthly period beginning on 07/26/2013, and for the first time from 07/26/2014, calculated according to the following rule: $x = (\text{total nb. of BSAs 2013-1 allocated to beneficiary} * \text{nb. of months since 07/26/2013}) / 48$
Exercise price	1.00		2.25	2.25	2.25	80% of IPO price
Total number of shares subscribed as at December 31, 2019	2,506		0	13,494	7,000	0
Cumulative number of subscription or purchase warrants canceled or null and void	0		0	0	0	12,800
Share subscription warrants that may be exercised as at December 31, 2019	1,253		170,000	6,747	0	1,600

<sup>(1)</sup> Subscription price determined on the basis of a report prepared and delivered by an independent expert

	BSA 2015-1	BSA 2015-2	BSA 2015-3	BSA 2016-1	BSA 2017-1	BSA 2019-1
<b>Date of the Shareholders' Meeting or Board of Directors having allocated the plan</b>	Decision of the Board of Directors of 06/24/2015	Decision of the Board of Directors of 06/24/2015	Decision of the Board of Directors of 06/24/2015	Decision of the Board of Directors of 12/15/2016	Decision of the Board of Directors of 06/27/2017	Decision of the Board of Directors of 04/04/2019
<b>Number of BSAs issued</b>	9,600	9,600	9,600	9,600	9,600	9,600
<b>Number of shares that may be subscribed or purchased</b>	9,600	9,600	9,600	9,600	9,600	9,600
<b>Warrant exercise start date</b>	06/24/2016	06/24/2016	06/24/2016	12/15/2017	06/27/2018	04/04/2020
<b>Number of BSAs subscribed</b>	9,600	9,600	9,600	9,600	0	0
<b>Price of subscription or purchase of warrant<sup>(1)</sup></b>	0.85	0.85	0.85	0.59	1.13	€1.38
<b>Expiration date</b>	06/24/2025	06/24/2025	06/24/2025	12/15/2026	06/27/2027	04/04/2029
<b>Warrant exercise method</b>	Possibility of exercising a number x of warrants per complete monthly period beginning on 06/5/2014, and for the first time from 06/24/2016, calculated according to the following rule: $x = (\text{total nb. of BSAs 2015-1 allocated to beneficiary} * \text{nb. of months since 06/05/2014}) / 48$	Possibility of exercising a number x of warrants per complete monthly period beginning on 06/5/2014, and for the first time from 06/24/2016, calculated according to the following rule: $x = (\text{total nb. of BSAs 2015-2 allocated to beneficiary} * \text{nb. of months since 06/05/2014}) / 48$	Possibility of exercising a number x of warrants per complete monthly period beginning on 10/22/2013, and for the first time from 06/24/2016, calculated according to the following rule: $x = (\text{total nb. of BSAs 2015-3 allocated to beneficiary} * \text{nb. of months since 10/22/2013}) / 48$	Possibility of exercising a number x of warrants per complete monthly period, and for the first time from 12/15/2017, calculated according to the following rule: $x = (\text{total nb. of BSAs 2016-1 allocated to beneficiary} * \text{nb. of months since 12/15/2016}) / 48$	Possibility of exercising a number x of warrants per complete monthly period, and for the first time from 06/27/2018, calculated according to the following rule: $x = (\text{total nb. of BSA 2017-1 allocated to beneficiary} * \text{nb. of months since 12/15/2016}) / 48$	Possibility of exercising a number x of warrants per complete monthly period beginning on 04/04/2019, and for the first time from 04/04/2020, calculated according to the following rule: $x = (\text{total nb. of BSA 2019-1 allocated to beneficiary} * \text{nb. of months since 04/04/2019}) / 48$
<b>Exercise price</b>	12.4581	12.4581	12.4581	8.2837	7.86	8.246635
<b>Total number of shares subscribed as at December 31, 2019</b>	0	0	0	0	0	0
<b>Cumulative number of subscription or purchase warrants canceled or null and void</b>	9,600	0	0	0	9,600	9,600
<b>Share subscription warrants that may be exercised as at December 31, 2019</b>	0	9,600	9,600	9,600	0	0

<sup>(1)</sup> Subscription price determined on the basis of a report prepared and delivered by an independent expert

During fiscal year 2019, one BSA issue was carried out: at its meeting on April 4, 2019, the Board of Directors, acting pursuant to the delegation of authority conferred by the Combined Shareholders' Meeting of June 14, 2018 (Seventeenth Resolution), decided to issue and award 9,600 BSAs ("BSA 2019-1") that grant the right to subscribe for 9,600 ordinary shares with a nominal value of €0.70 at a unit price equal to the weighted average of the last 20 trading days preceding the warrant award date, i.e. a price equal to €8.246635. By a decision of the Board of Directors dated September 19, 2019, the lapsing of these 9,600 BSA-2019-1 was noted since the beneficiary did not subscribe for the warrants that had been allocated to it within three months following their allocation date.

During fiscal year 2019, one BSA exercise was carried out: on December 4, 2019, the Board of Directors noted the full completion of a capital increase of a nominal amount of €1,050 through the issue of 1,500 new shares, resulting from the exercise of 1,500 "BSA 2012-3" and amended the bylaws as a result of the capital increase. These 1,500 "BSA 2012-3" were part of the 7,000 share subscription warrants issued by collective decision of the partners on December 4, 2012.

Please refer to section 4.6.2 of this Universal Registration Document concerning the Kepler Cheuvreux BSAs.

- **Founder share subscription warrants (BSPCEs)**

The table below shows the status of BSPCEs issued since the creation of the Company that were still outstanding as at December 31, 2019, as well as additional information regarding their status at that date.

Table 8 (AMF nomenclature): History of stock option allocations

	<b>BCE 2011-1</b>	<b>BCE 2011-2</b>	<b>BCE 2012-1</b>	<b>BCE 2012-2</b>	<b>BCE 2013-1</b>
<b>Date of the Shareholders' Meeting or Board of Directors having allocated the plan</b>	Decision of the sole partner on 04/06/2011	Decision of the sole partner on 07/06/2011	Collective decision of the shareholders on 09/28/2012	Collective decision of the shareholders on 09/28/2012	Decision of the Shareholders' Meeting on 07/26/2013
<b>Number of BSPCEs issued</b>	35,000	7,614	77,386	16,000	36,000
<b>Number of shares that may be subscribed or purchased</b>	35,000	7,614	77,386	16,000	36,000
<b>Warrant exercise start date</b>	04/15/2012	07/15/2012	02/01/2013	09/28/2013	07/26/2014
<b>Number of BSPCEs subscribed</b>	35,000	7,614	77,386	16,000	36,000
<b>Price of subscription or purchase of the warrant</b>	Free	Free	Free	Free	Free
<b>Expiration date</b>	04/06/2021	07/06/2021	09/28/2022	09/28/2022	07/26/2023
<b>Warrant exercise method</b>	Possibility of exercising a number x of warrants between January 15 and April 15 of each year and for the first time on 04/15/2012, for up to 8,750 warrants, calculated according to the following rule beginning from April 15, 2011: $x = (\text{total number of BCEs 2011-1 allocated to the beneficiary} * \text{nb. of months since 04/15/2011}) / 48$	Possibility of exercising a number x of warrants between April 15 and July 15 of each year and for the first time on 07/15/2012, for up to 1,903 warrants calculated according to the following rule beginning from July 15, 2011: $x = (\text{total number of BSAs 2011-2 allocated to the beneficiary} * \text{nb. of months since 07/15/2011}) / 48$	Possibility of exercising a number x of warrants per complete monthly period beginning on 02/01/2012, and for the first time from 02/01/2013, calculated according to the following rule: $x = (\text{total nb. of BCEs 2012-1 allocated to the beneficiary} * \text{nb. of months since 02/01/2012}) / 48$	Possibility of exercising a number x of warrants per complete monthly period beginning on 09/28/2012, and for the first time from 09/28/2013, calculated according to the following rule: $x = (\text{total nb. of BCEs 2012-2 allocated to the beneficiary} * \text{nb. of months since 09/28/2013}) / 48$	These warrants are exercisable in the event of the occurrence of an IPO prior to June 30, 2014. Possibility of exercising a number x of warrants per complete monthly period beginning on 07/26/2013, and for the first time from 07/26/2014, calculated according to the following rule: $x = (\text{total nb. of BCEs 2013-1 allocated to the beneficiary} * \text{nb. of months since 07/26/2013}) / 48$
<b>Exercise price</b>	1	1	2.25	2.25	80% of IPO price
<b>Total number of shares subscribed as at December 31, 2019</b>	35,000	7,614	75,838	11,500	0
<b>Cumulative number of subscription or purchase warrants canceled or null and void</b>	0	0	0	4,500	0
<b>Share subscription warrants that may be exercised as at December 31, 2019</b>	0	0	1,548	0	36,000



	BCE 2013-2	BCE 2015-1	BCE 2015-2	BCE 2016-1	BCE 2017-1	BCE 2019-1
<b>Date of the Shareholders' Meeting or Board of Directors having allocated the plan</b>	Decision of the Shareholders' Meeting on 07/26/2013	Decision of the Board of Directors of 06/24/2015	Decision of the Board of Directors of 06/24/2015	Decision of the Board of Directors of 03/22/2016	Decision of the Board of Directors of 06/27/2017	Decision of the Board of Directors of 12/06/2018
<b>Number of BSPCEs issued</b>	4,800	20,600	31,000	37,982	35,000	28,000
<b>Number of shares that may be subscribed or purchased</b>	4,800	20,600	31,000	37,982	35,000	28,000
<b>Warrant exercise start date</b>	07/26/2014	06/24/2016	06/24/2016	04/01/2017	06/27/2018	01/01/2020
<b>Number of BSPCEs subscribed</b>	4,800	20,600	31,000	37,982	35,000	28,000
<b>Price of subscription or purchase of the warrant</b>	Free	Free	Free	Free	Free	Free
<b>Expiration date</b>	07/26/2023	06/24/2025	06/24/2025	04/01/2026	06/27/2027	01/01/2029
<b>Warrant exercise method</b>	These warrants are exercisable in the event of the occurrence of an IPO prior to June 30, 2014. Possibility of exercising a number x of warrants per complete monthly period beginning on 07/26/2013, and for the first time from 07/26/2014, calculated according to the following rule: $x = (\text{total nb. of BCEs 2013-2 allocated to the beneficiary} * \text{nb. of months since 07/26/2013}) / 48$	Possibility of exercising a number x of warrants per complete monthly period beginning on 06/24/2015, and for the first time from 06/24/2016, calculated according to the following rule: $x = (\text{total nb. of BCEs 2015-1 allocated to the beneficiary} * \text{nb. of months since 06/24/2015}) / 48$	Possibility of exercising a number x of warrants per complete monthly period beginning on 06/24/2015, and for the first time from 06/24/2016, calculated according to the following rule: $x = (\text{total nb. of BCEs 2015-2 allocated to the beneficiary} * \text{nb. of months since 06/24/2015}) / 48$	Possibility of exercising a number x of warrants per full monthly period beginning on 04/01/2016 and for the first time from 04/01/2017, calculated according to the following rule: $x = (18,991 * \text{nb. of months since 04/01/2016}) / 48$ and the possibility of exercising 18,991 warrants in the event of the occurrence of certain events.	Possibility of exercising a number x of warrants per full monthly period beginning on 06/27/2017, and for the first time from 06/27/2018, calculated according to the following rule: $x = (35,000 * \text{nb. of months since 06/27/2017}) / 48$	For the first 14,000 warrants: possibility of exercising x warrants per full monthly period beginning on 01/01/2019, and for the first time from 01/01/2020, calculated according to the following rule: $x = 14,000 * (\text{number of months since 01/01/2019}) / 48$ . For the other 14,000 warrants: possibility of exercising y warrants where $y = (\text{number of warrants not yet exercisable}) * \% \text{ determined by the performance of the CARBIOS share price}$
<b>Exercise price</b>	80% of IPO price	12.4581	12.4581	11.5066	7.86	5.29999
<b>Total number of shares subscribed as at December 31, 2019</b>	0	0	0	0	0	0
<b>Cumulative number of subscription or purchase warrants canceled or null and void</b>	4,800	20,600	0	0	0	0
<b>Share subscription warrants that may be exercised as at December 31, 2019</b>	0	0	31,000	37,982	35,000	28,000 <sup>(*)</sup>

<sup>(\*)</sup> May be exercised starting January 1, 2020.

During fiscal year 2019, one BSPCE issue was carried out: at its meeting on December 6, 2018, the Board of Directors, acting pursuant to the delegation of authority conferred by the Combined Shareholders' Meeting of June 14, 2018 (Eighteenth Resolution), decided to issue and award, starting January 1, 2019, 28,000 BCEs ("BCE-2019-1"), that grant the right to subscribe for 28,000 ordinary shares with a nominal value of €0.70 at a unit price equal to the weighted average of the last 20 trading days preceding the warrant award date, i.e., a price equal to €5.29999.

During the 2019 fiscal year, no BSPCEs were exercised.

### 3.1.5.9. Note 9: Conditional advances and subsidies

The item “Conditional advances” consists of advances granted by public entities, whose repayment is conditional on the success of the relevant project.

- **Repayable advances granted by public entities**

The portion of advances received from public entities for the financing of the Company’s Research and Development activities, and whose repayment is conditional is presented in liabilities under the heading of other equity capital “Conditional advances.”

- **Subsidies received**

Subsidies received are recorded as soon as the corresponding receivable becomes certain, taking into account the conditions assigned to the awarding of the grant.

Operational subsidies are recorded under “Current income,” taking into account, where applicable, the pace of the corresponding expenses in such a way as to comply with the principle of the matching of expenses with the income of the fiscal year.

Investment subsidies intended for the acquisition of fixed assets are initially recorded as equity, then are recognized as current income according to the pace of the depreciation applied to the corresponding fixed assets.

- **Bpifrance Grant (formerly known as OSEO-ISI): THANAPLAST™**

#### Subsidy

The THANAPLAST™ project has been closed since June 30, 2017.

#### Repayable advance

In the event of a successful research program, the Company is committed to reimbursing the repayable advance to Bpifrance for an amount of €4,525 thousand, according to the payment schedule below, upon achieving a cumulative revenue amount generated by the utilization of the products resulting from the THANAPLAST™ project of €10 million.

Year 1* on June 30 at the latest	€300,000
Year 2 on June 30 at the latest	€500,000
Year 3 on June 30 at the latest	€800,000
Year 4 on June 30 at the latest	€975,000
Year 5 on June 30 at the latest	€1,950,000

\*following the crossing of the €10 million revenue threshold.

In addition, as soon as the reimbursement of the repayable advance has been completed in accordance with the above payment schedule, the agreement stipulates that the Company shall pay a bonus equal to 4% of revenue generated by the utilization of the products, if this exceeds a cumulative amount of €100,000 thousand. This additional payment is however subject to a time limit (applicable only for a period of five consecutive years from the date of the end of the reimbursement of the advance), and an amount cap (ceiling of €7,100 thousand).

- **ADEME grant: CE-PET project**

On April 8, 2019, the Company obtained a grant from ADEME for the CE-PET project, composed of repayable advances totaling €3,102 thousand and subsidies of €1,034 thousand spread over a 48-month period from 2018 to 2022. The grants were released according to the project’s progress and the submission of reports regarding the completion of each key stage stipulated in the framework agreement signed with ADEME. The agreement provides for a total grant rate of 60% that is applied to total eligible expenditures and used for each key stage, 25% of which is a subsidy and 75% a repayable advance (with conditions).

The contract agreement stipulates that the completion of each key stage and the associated conditions provide entitlement to the following payments capped based on a maximum % of cumulative grants:

(in euros)	KS1 (35%)	KS2 (60%)	KS3 (80%)	KS4 (100%)	TOTAL
Payment year	2019	2020	2021	2022	
SUBSIDY	361,900	258,500	206,800	206,800	1,034,000
REPAYABLE ADVANCE	1,085,700	775,500	620,400	620,400	3,102,000
TOTAL	1,447,600	1,034,000	827,200	827,200	4,136,000

At December 31, 2019, the Company had completed the work for the first key stage. Since its creation, the Company has received:

(in euros)	1st payment	2nd payment	3rd payment	4th payment	TOTAL
Date of payment	06/07/2019	10/21/2019			
SUBSIDY	€155,100	€206,800			€361,900
REPAYABLE ADVANCE	€465,300	€620,400			€1,085,700
<b>TOTAL</b>	<b>€620,400</b>	<b>€827,200</b>			<b>€1,447,600</b>

#### Subsidy

The subsidy rate therefore amounts to 15% of the Industrial Research and Experimental Development expenses incurred by the Company in the context of the CE-PET project.

Eligible expenses incurred between January 31, 2018, when eligibility began, and December 31, 2019 amounted to €2,526 thousand. As a result, the project is eligible for a subsidy amounting to €379 thousand (€2,526 thousand \* 60% \* 25%). This amount is consistent with the key stage 1 ceiling of €362 thousand (see table above).

Since the beginning of the program, the Company has received €362 thousand in ADEME subsidies (see table above). The difference of €17 thousand (€379 thousand - €362 thousand) was recorded as a current receivable (subsidy receivable).

#### Repayable advance

The amount that CARBIOS owes ADEME for repayment of the amount of the Repayable Advance Paid (hereinafter the "Total Amount Payable") shall be equal to the following amount:

- an "Amount Ma" that depends on the progress of the Operation.

This amount is subject to specific terms and conditions of repayment as described below.

##### a) Determination of Amount Ma

Rate R1 is set at 0.84%.

The Beneficiary shall repay ADEME an amount whose Discounted Value using Rate R1 is equal to 100% of the Discounted Value using Rate R1 of the amount of the Repayable Advance Paid (hereinafter "Amount M'") under the terms and conditions described below.

Amount Ma may, however, be reduced under the following conditions and by the following proportions:

- Ma is reduced by 75% if Key Stage 1 has not been verified;
- Ma is reduced by 50% if Key Stage 1 has been verified, but Key Stage 2 has not been verified;
- Ma is reduced by 25% if Key Stage 2 has been verified, but Key Stage 3 has not been verified.

##### b) Terms of repayment of Amount Ma

The operative event for the repayment of Amount Ma (hereinafter the "Ma Operative Event") shall be the End of the Investment Phase.

Repayment of Amount Ma shall be made in four (4) annual installments of the same amount.

The first installment shall be paid six (6) months after the end of the Beneficiary's Fiscal Year in which the Ma Operative Event is recorded.

Since the beginning of the program, the Company has received €1,086 thousand in ADEME conditional advances (see table above).

#### • **Other public and private grants obtained**

##### Public

The Company also obtained:

- a subsidy from the Auvergne Region (FIAD) of €397 thousand, of which €181 thousand was paid in 2013 and the balance of €216 thousand was paid in November 2015. The remaining portion of the investment subsidy associated with the acquisition of the Setup Performance patent is recorded in income at the rate that the patent is amortized;

- an interest-free loan from the Auvergne Region (FIAD) for €152 thousand to finance the installation of the laboratory. The investments having been made in 2014, the corresponding capital was paid to the Company on December 12, 2014. This loan is repayable in five annual installments of €30 thousand, and repayment began on December 30, 2016, for a remaining capital balance owed of €30 thousand as at December 31, 2019;
- a recoverable advance from Bpifrance as part of an innovation project for an amount of €265 thousand of which €215 thousand was paid in 2017 and the balance of €50 thousand in December 2018. Repayments will be made from March 31, 2019 with quarterly payments but in progressive annual installments. The acknowledgement of program success will make it eligible for the repayment of the full amount. If the program fails, the Company may file a statement of failure and thus reduce the total amount repayable, set at a minimum of €106 thousand;
- an Innovation Loan from Bpifrance for €3,000 thousand at a floating rate to finance the intangible expenses related to its desire to launch the industrialization process. After a grace period of two years, constant capital repayments of €75 thousand will take place from March 31, 2021 to December 31, 2025 for the first loan and one year later for the second one.

#### Private

- A repayable interest-free advance from the association FMR 63 for €70 thousand for business creation activities and job creation, for which repayment ended during the fiscal year.

#### 3.1.5.10. **Note 10: Operating income**

Total operating revenues amounted to €1,450 thousand at December 31, 2019 and are mainly composed of:

#### Licensing and sub-licensing of patent and know-how licenses

The Company entered into a patent license and know-how agreement with SAS CARBIOLICE on August 30, 2016 for a period running until the expiry of the last of the patents granted, and an amendment signed on June 28, 2018. Payment for this agreement is scheduled to take the form of an €8 million lump-sum royalty payment and variable royalties based on the revenue generated from CARBIOLICE's use of the licensed technology. No variable royalties were recorded as at December 31, 2019, given that none of CARBIOLICE's revenue resulted from use of the licenses granted.

#### Operating subsidy

For the CE-PET project, the Company recorded an operating subsidy of €379 thousand (of which €17 thousand have not yet been received). Eligible expenses incurred between January 31, 2018, when eligibility began, and December 31, 2019 amounted to €2,526 thousand. In accordance with the terms of the agreement, these expenses entitle the Company to a subsidy amounting to €379 thousand ( $€2,526 \text{ thousand} * 60\% * 25\%$ ).

#### CARBIOLICE research services agreement

On February 15, 2017, it entered into a research services agreement with its subsidiary for a period of two years and a total amount of €1,248 thousand. The aim of this contract is to carry out a product development program thanks to its biodegradation technology. During 2018, an amendment was signed to extend the contract up to 2021 and raise the total contract amount to €2,500 thousand. At the end of the 2019 fiscal year, operating revenues represented €526 thousand.

#### Other operating income

In addition, of the €545 thousand in other operating income, the Company received €499 thousand in income from other agreements, some of which came from agreements with CARBIOLICE (see Note 13).

### 3.1.5.11. Note 11: Maturity of liabilities and deferred income at the end of the period

<i>Statement of debt as at 12/31/2019 (in euros)</i>	<b>Total amount</b>	<b>From 0 to 1 year</b>	<b>From 1 to 5 years</b>	<b>More than 5 years</b>
<b>Regional and national funds</b>	3,818,210	80,360	2,566,425	1,171,425
<b>Suppliers</b>	1,386,601	1,386,601		
<b>Tax and social liabilities</b>	748,652	748,652		
<b>Other liabilities</b>	1,521	1,521		
<b>Deferred income</b>	175,890	175,890		
<b>TOTAL</b>	<b>6,130,875</b>	<b>2,393,024</b>	<b>2,566,425</b>	<b>1,171,425</b>

### 3.1.5.12. Note 12: Accruals (prepayments and deferred income)

Accruals are shown on the statement of financial position for the fiscal year ended December 31, 2019 in the following amounts:

<i>Statement of accruals (in euros)</i>	<b>ASSETS</b>	<b>LIABILITIES</b>
<b>Suppliers, amounts receivable and accrued invoices</b>	369	559,393
<b>Trade receivables, not yet invoiced</b>		
<b>Personnel and social welfare organizations, accrued expenses</b>		386,702
<b>State, accrued expenses and accrued income</b>	41,997	34,417
<b>Subsidies receivable</b>	16,998	
<b>Prepaid expenses</b>	74,508	
<b>Deferred income</b>		175,890
<b>Accrued interest income</b>	2,568	
<b>Expense to be spread over the loan</b>	10,759	
<b>TOTAL</b>	<b>147,199</b>	<b>1,156,402</b>

### 3.1.5.13. Note 13: Income tax

Since January 1, 2019, the Company is no longer eligible for the Young Innovative Company exemption. Since the Company does not currently generate any profit, it does not have any income tax expenses. The amount recognized in income in respect of corporate tax is income from the Research Tax Credit (CIR). It amounted to €800 thousand as of December 31, 2019.

The fiscal deficit carried forward at the end of the fiscal year amounted to €24,801,803.

### 3.1.5.14. Note 14: Related parties

In 2019, CARBIOS paid Directors' fees to members of the Board of Directors in the amount of €164 thousand (excluding social security contributions).

The following transactions were performed during the 2019 fiscal year with the subsidiary CARBIOLICE:

- CARBIOLICE consulting agreement (€42 thousand in operating income): A consulting agreement was signed on August 31, 2016 with the subsidiary CARBIOLICE for assisting and advising the executive and managing bodies, for a period of 16 months beginning on September 1, 2016, then tacitly renewable for one year;

- CARBIOLICE resource provision agreement (€1 thousand in operating income): An agreement to make equipment available was signed on August 31, 2016 with the subsidiary CARBIOLICE. The purpose of this contract was to make certain equipment available for a period of one year, renewable upon request by CARBIOLICE;
- CARBIOLICE research services agreement (€526 thousand in operating income): See Note 10;
- Licensing and sub-licensing of patents and know-how: See Note 10;
- Rebilling of tests and regulatory matters (€18 thousand in operating income): Rebilling mainly of tests relating to enzymes and fees related to regulatory matters in accordance with the letters of agreement signed with CARBIOLICE;
- Other chargebacks: CARBIOS charged back an amount of €1 thousand in travel expenses to its subsidiary CARBIOLICE.

In addition, the Company entered into a patent assignment agreement with PK MED, in which TRUFFLE CAPITAL is a majority shareholder. In this respect, families of patents were assigned for an amount of €20 thousand.

#### 3.1.5.15. **Note 15: Table of subsidiaries and equity interests**

Company name	Capital	Reserves and carryforwards prior to the allocation of income	Portion of share capital owned (%)	Book value of securities held	Loans and advances granted by the Company and not yet repaid	Amount of guarantees given by the Company	Revenue excluding tax for the most recent fiscal year	Results (profit or loss for the most recent period ended)	Dividends received by the Company during the fiscal year	Comments
SAS CARBIOLICE	22,200,000	(6,773,753)	52.70%	11,700,000	-	-	768,906	(3,809,814)	-	

At the end of the period, the value in use of equity interests exceeded their book value. Accordingly, there are no provisions to be recorded as at December 31, 2019.

#### 3.1.5.16. **Note 16: Commitments given**

	2019 Commitments
Retirement indemnity	114,522
Individual right to training	Not applicable

##### Retirement indemnity

The rights of employees to retirement indemnities were assessed at €114,522 as at December 31, 2019.

This figure was calculated according to the following assumptions:

- Voluntary retirement;
- Retirement age: 67 years;
- Turnover: slow;
- Discount rate: 1.00%;
- Increase in salaries: 2%.

##### Personal training account

Since January 1, 2015, the individual right to training has been replaced by a personal training account.

3.1.5.17. **Note 17: Headcount**

	Headcount as at 12/31/2018	Headcount as at 12/31/2019
Managers	14	18
Supervisory staff and technicians	5	8
Employees	1	1
<b>TOTAL</b>	<b>20</b>	<b>27</b>

Since January 1, 2019, the Company no longer has the status of “Young Innovative Company,” which allowed it to be exempted from employer social security contributions for researchers, technicians, project managers, lawyers tasked with industrial protection and project-related technology agreements and employees engaged in pre-competitive testing for R&D or innovation work.

3.1.5.18. **Note 18: Events after the reporting period**

Since the beginning of 2020, the Board of Directors, at its meeting on March 12, 2020, granted 185,000 BCE-2020 to the CARBIOS management. Please refer to section 4.6.2.4 of this Universal Registration Document.

Information relating to accounting treatments caused by the Coronavirus epidemic

In accordance with Article L. 833-2 of the French General Accounting Plan, the annual financial statements of the entity at December 31, 2019 were closed without any adjustment related to the Coronavirus epidemic.

The entity’s financial statements were prepared on a going concern basis. Business activity began to be affected by COVID-19 in the first quarter of 2020 and the entity expects a negative impact on its financial statements in 2020. However, given the recent nature of the epidemic, the Company is not in a position to assess its potential quantified impact. At the date on which the Board of Directors approved the entity’s 2019 financial statements, the entity’s management is not aware of any material uncertainties that call into question the entity’s ability to continue as a going concern.

No other significant events have occurred since the beginning of fiscal year 2020.

### 3.2. Verification of historical financial information

Statutory Auditors' report on the 2019 annual financial statements – *In French*

**Carbios**

**Rapport du commissaire aux comptes  
sur les comptes annuels**

**(Exercice clos le 31 décembre 2019)**





## **Rapport du commissaire aux comptes sur les comptes annuels**

**(Exercice clos le 31 décembre 2019)**

A l'Assemblée générale de votre société,

**Carbios**

Rue Emile Duclaux

Biopôle Clermont-Limagne

63360 Saint-Beauzire

### **Opinion**

En exécution de la mission qui nous a été confiée par votre Assemblée générale, nous avons effectué l'audit des comptes annuels de la société Carbios relatifs à l'exercice clos le 31 décembre 2019, tels qu'ils sont joints au présent rapport. Ces comptes ont été arrêtés par le Conseil d'administration le 12 mars 2020 sur la base des éléments disponibles à cette date dans un contexte évolutif de crise sanitaire liée au Covid-19.

Nous certifions que les comptes annuels sont, au regard des règles et principes comptables français, réguliers et sincères et donnent une image fidèle du résultat des opérations de l'exercice écoulé ainsi que de la situation financière et du patrimoine de la société à la fin de cet exercice.

### **Fondement de l'opinion**

#### **Référentiel d'audit**

Nous avons effectué notre audit selon les normes d'exercice professionnel applicables en France. Nous estimons que les éléments que nous avons collectés sont suffisants et appropriés pour fonder notre opinion.

Les responsabilités qui nous incombent en vertu de ces normes sont indiquées dans la partie « Responsabilités du commissaire aux comptes relatives à l'audit des comptes annuels » du présent rapport.

#### **Indépendance**

Nous avons réalisé notre mission d'audit dans le respect des règles d'indépendance qui nous sont applicables, sur la période du 1<sup>er</sup> janvier 2019 à la date d'émission de notre rapport, et notamment nous n'avons pas fourni de services interdits par le code de déontologie de la profession de commissaire aux comptes.

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Société d'expertise comptable inscrite au tableau de l'ordre de Paris - Ile de France. Société de commissariat aux comptes membre de la compagnie régionale de Versailles. Société par Actions Simplifiée au capital de 2 510 460 €. Siège social : 63 rue de Villiers 92200 Neuilly-sur-Seine. RCS Nanterre 672 006 483. TVA n° FR 76 672 006 483. Siret 672 006 483 00362. Code APE 6920 Z. Bureaux : Bordeaux, Grenoble, Lille, Lyon, Marseille, Metz, Nantes, Neuilly-Sur-Seine, Nice, Poitiers, Rennes, Rouen, Strasbourg, Toulouse.

### **Justification des appréciations**

En application des dispositions des articles L.823-9 et R.823-7 du code de commerce relatives à la justification de nos appréciations, nous portons à votre connaissance les appréciations suivantes qui, selon notre jugement professionnel, ont été les plus importantes pour l'audit des comptes annuels de l'exercice.

Les appréciations ainsi portées s'inscrivent dans le contexte de l'audit des comptes annuels pris dans leur ensemble, arrêtés dans les conditions rappelées précédemment, et de la formation de notre opinion exprimée ci-avant. Nous n'exprimons pas d'opinion sur des éléments de ces comptes annuels pris isolément.

#### Estimations comptables

Les titres de participations Carbiolice, dont la valeur s'élève à 11 700 K€ au 31 décembre 2019, ont fait l'objet d'un test de dépréciation selon la méthode décrite dans le paragraphe « Titres de participation » de l'annexe aux comptes annuels. Nous avons procédé à l'appréciation de l'approche retenue par la société CARBIOS, sur la base des éléments disponibles à ce jour, et mis en œuvre des tests pour vérifier par sondage l'application de cette méthode et la cohérence des hypothèses utilisées.

Nous avons procédé à l'appréciation du caractère raisonnable de ces estimations.

### **Vérifications spécifiques**

Nous avons également procédé, conformément aux normes d'exercice professionnel applicables en France, aux vérifications spécifiques prévues par les textes légaux et réglementaires.

#### ***Informations données dans le rapport de gestion et dans les autres documents sur la situation financière et les comptes annuels adressés aux Actionnaires***

Nous n'avons pas d'observation à formuler sur la sincérité et la concordance avec les comptes annuels des informations données dans le rapport de gestion du conseil d'administration arrêté le 12 mars 2020 et dans les autres documents sur la situation financière et les comptes annuels adressés aux Actionnaires. S'agissant des événements survenus et des éléments connus postérieurement à la date d'arrêt des comptes relatifs aux effets de la crise liée au Covid-19, la direction nous a indiqué qu'ils feront l'objet d'une communication à l'Assemblée générale appelée à statuer sur les comptes.

Nous attestons de la sincérité et de la concordance avec les comptes annuels des informations relatives aux délais de paiement mentionnées à l'article D.441-4 du code de commerce.

#### ***Informations relatives au gouvernement d'entreprise***

Nous attestons de l'existence, dans la section du rapport de gestion du Conseil d'administration consacrée au gouvernement d'entreprise des informations requises par l'article L.225-37-4 du code de commerce.

### **Autres informations**

#### **Responsabilités de la direction et des personnes constituant le gouvernement d'entreprise relatives aux comptes annuels**

Il appartient à la direction d'établir des comptes annuels présentant une image fidèle conformément aux règles et principes comptables français ainsi que de mettre en place le contrôle interne qu'elle estime nécessaire à l'établissement de comptes annuels ne comportant pas d'anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs.

Lors de l'établissement des comptes annuels, il incombe à la direction d'évaluer la capacité de la société à poursuivre son exploitation, de présenter dans ces comptes, le cas échéant, les informations nécessaires relatives à la continuité d'exploitation et d'appliquer la convention comptable de continuité d'exploitation, sauf s'il est prévu de liquider la société ou de cesser son activité.

Les comptes annuels ont été arrêtés par le Conseil d'administration.

#### **Responsabilités du commissaire aux comptes relatives à l'audit des comptes annuels**

Il nous appartient d'établir un rapport sur les comptes annuels. Notre objectif est d'obtenir l'assurance raisonnable que les comptes annuels pris dans leur ensemble ne comportent pas d'anomalies significatives. L'assurance raisonnable correspond à un niveau élevé d'assurance, sans toutefois garantir qu'un audit réalisé conformément aux normes d'exercice professionnel permet de systématiquement détecter toute anomalie significative. Les anomalies peuvent provenir de fraudes ou résulter d'erreurs et sont considérées comme significatives lorsque l'on peut raisonnablement s'attendre à ce qu'elles puissent, prises individuellement ou en cumulé, influencer les décisions économiques que les utilisateurs des comptes prennent en se fondant sur ceux-ci.

Comme précisé par l'article L.823-10-1 du code de commerce, notre mission de certification des comptes ne consiste pas à garantir la viabilité ou la qualité de la gestion de votre société.

Dans le cadre d'un audit réalisé conformément aux normes d'exercice professionnel applicables en France, le commissaire aux comptes exerce son jugement professionnel tout au long de cet audit. En outre :

- il identifie et évalue les risques que les comptes annuels comportent des anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs, définit et met en œuvre des procédures d'audit face à ces risques, et recueille des éléments qu'il estime suffisants et appropriés pour fonder son opinion. Le risque de non-détection d'une anomalie significative provenant d'une fraude est plus élevé que celui d'une anomalie significative résultant d'une erreur, car la fraude peut impliquer la collusion, la falsification, les omissions volontaires, les fausses déclarations ou le contournement du contrôle interne ;
- il prend connaissance du contrôle interne pertinent pour l'audit afin de définir des procédures d'audit appropriées en la circonstance, et non dans le but d'exprimer une opinion sur l'efficacité du contrôle interne ;
- il apprécie le caractère approprié des méthodes comptables retenues et le caractère raisonnable des estimations comptables faites par la direction, ainsi que les informations les concernant fournies dans les comptes annuels ;

**Carbios**

**Rapport du commissaire aux comptes sur les comptes annuels**

**Exercice clos le 31 décembre 2019 - Page 4**

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- il apprécie le caractère approprié de l'application par la direction de la convention comptable de continuité d'exploitation et, selon les éléments collectés, l'existence ou non d'une incertitude significative liée à des événements ou à des circonstances susceptibles de mettre en cause la capacité de la société à poursuivre son exploitation. Cette appréciation s'appuie sur les éléments collectés jusqu'à la date de son rapport, étant toutefois rappelé que des circonstances ou événements ultérieurs pourraient mettre en cause la continuité d'exploitation. S'il conclut à l'existence d'une incertitude significative, il attire l'attention des lecteurs de son rapport sur les informations fournies dans les comptes annuels au sujet de cette incertitude ou, si ces informations ne sont pas fournies ou ne sont pas pertinentes, il formule une certification avec réserve ou un refus de certifier ;
- il apprécie la présentation d'ensemble des comptes annuels et évalue si les comptes annuels reflètent les opérations et événements sous-jacents de manière à en donner une image fidèle.

Fait à Neuilly-sur-Seine,

Le commissaire aux comptes  
PricewaterhouseCoopers Audit



2020.04.29  
18:26:19 +02'00'

Thierry Charron

### **3.3. Pro forma financial information**

None.

### **3.4. Dividend policy**

The Company declares that it has no dividend policy in place.

### **3.5. Legal and arbitration proceedings**

There are no governmental, judicial or arbitration proceedings (including any proceedings of which the Company is aware, which are in abeyance or of which it is threatened) that may or might have had a significant effect on the financial position or profitability of the Company in the last 12 months.

The Company has therefore not recorded any provision for litigation.

However, the Company wishes to point out that an opposition was filed by BASF against a European patent for a biodegradable plastic production process via the introduction of enzymes, stemming from the family of patents registered by the CNRS, the University of Poitiers and Valagro, and for which CARBIOS has an exclusive worldwide license.

### **3.6. Significant change in the issuer's financial position**

No significant changes in the Company's financial position have occurred since the end of the last fiscal year for which audited financial statements or interim financial information have been issued.

### **3.7. Additional information concerning CARBIOLICE**

The information presented below is taken from the CARBIOLICE financial statements as at December 31, 2019. As at the date of this document, the Statutory Auditors were in the process of preparing a report on these financial statements. This information is, therefore, provisional, to the extent that CARBIOLICE's financial statements have not yet been approved by the CARBIOLICE Board of Directors.

For your information, we inform you that Jean-Claude Lumaret did not receive any compensation from CARBIOLICE from January 1, 2019 to August 31, 2019, the date on which his term of office as Chairman of CARBIOLICE came to an end. Since September 1, 2019, Nadia Auclair, Chief Executive Officer of CARBIOLICE, has also been Chairwoman of CARBIOLICE.

This section 3.7 contains specific information relating to operating flows between CARBIOS and CARBIOLICE.

**BILAN ACTIF**

ACTIF		Exercice N 31/12/2019 12		Exercice N-1 31/12/2018 12	Ecart N / N-1	
		Brut	Amortissements et dépréciations (à déduire)	Net	Net	
	Capital souscrit non appelé (I)					
ACTIF IMMOBILISÉ	<b>Immobilisations incorporelles</b>					
	Frais d'établissement	40 000	26 667	13 333	21 333	- 8 000 - 37.50
	Frais de développement					
	Concessions, brevets et droits similaires	8 079 446	1 627 535	6 451 911	7 246 112	- 794 200 - 10.96
	Fonds commercial (1)	2 042 654		2 042 654	2 042 654	
	Autres immobilisations incorporelles					
	Avances et acomptes	113 220		113 220		113 220
	<b>Immobilisations corporelles</b>					
	Terrains					
	Constructions	424 823	121 473	303 350	330 274	- 26 924 - 8.15
	Installations techniques, matériel et outillage	3 075 087	2 465 569	609 518	507 893	101 625 20.01
	Autres immobilisations corporelles	214 397	140 353	74 043	98 345	- 24 302 - 24.71
	Immobilisations en cours					
	Avances et acomptes	41 726		41 726	62 551	- 20 825 - 33.29
	<b>Immobilisations financières (2)</b>					
	Participations mises en équivalence					
	Autres participations					
	Créances rattachées à des participations					
	Autres titres immobilisés					
	Prêts					
	Autres immobilisations financières	14 068		14 068	11 920	2 148 18.02
	<b>Total II</b>	<b>14 045 420</b>	<b>4 381 596</b>	<b>9 663 824</b>	<b>10 321 082</b>	<b>- 657 259 - 6.37</b>
ACTIF CIRCULANT	<b>Stocks et en cours</b>					
	Matières premières, approvisionnements	237 092	7 422	229 670	343 291	- 113 621 - 33.10
	En-cours de production de biens					
	En-cours de production de services					
	Produits intermédiaires et finis	200 940	65 742	135 198	178 270	- 43 073 - 24.16
	Marchandises					
	Avances et acomptes versés sur commandes	9 598		9 598	360	9 238 115
	<b>Créances (3)</b>					
	Clients et comptes rattachés	129 605		129 605	166 048	- 36 443 - 21.95
	Autres créances	761 996		761 996	714 918	47 077 6.58
Comptes de Régularisation	Capital souscrit - appelé, non versé					
	Valeurs mobilières de placement					
	Disponibilités	3 066 493		3 066 493	2 059 979	1 006 514 48.86
	Charges constatées d'avance (3)	45 075		45 075	47 375	- 2 300 - 4.86
	<b>Total III</b>	<b>4 450 797</b>	<b>73 164</b>	<b>4 377 633</b>	<b>3 510 242</b>	<b>867 392 24.71</b>
	Frais d'émission d'emprunt à évaluer (IV)					
	Primes de remboursement des obligations (V)					
	Ecart de conversion actif (VI)					
	<b>TOTAL GÉNÉRAL (I+II+III+IV+V+VI)</b>	<b>18 496 217</b>	<b>4 454 760</b>	<b>14 041 457</b>	<b>13 831 324</b>	<b>210 133 1.52</b>

(1) Dont droit au bail

(2) Dont à moins d'un an

(3) Dont à plus d'un an

14 068

Méthode de présentation - Voir le rapport d'Expert Comptable

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Notes to the CARBIOLICE statement of financial position:

- The gross amounts of the item "Concessions, patents and similar rights," valued at €8,095,370, correspond mainly to the license granted by CARBIOS to CARBIOLICE for an amount of €8 million. As a reminder, in 2016, CARBIOS recorded non-monetary operating income of €8 million, for which the counterparty was a receivable from CARBIOLICE (in which the Company then held a 99% stake), subsequently converted into equity in this same company;
- The amounts of the item "Goodwill" valued at €2,042,654 come entirely from the partial transfer of assets made by Limagrain Ingrédients in 2016 for a total of €3.5 million (see paragraph 1.6.2.2).

**BILAN PASSIF**

<b>PASSIF</b>		<b>Exercice N</b> 31/12/2019 12		<b>Exercice N-1</b> 31/12/2018 12		<b>Ecart N / N-1</b>	
						Euros	%
<b>CAPITAUX PROPRES</b>	Capital (Dont versé : 22 200 000) Primes d'émission, de fusion, d'apport Ecart de réévaluation	22 200 000		18 850 000		3 350 000	17.77
	<b>Réserves</b>						
	Réserve légale						
	Réserves statutaires ou contractuelles						
	Réserves réglementées						
	Autres réserves						
	Report à nouveau	-6 773 753		-3 106 598		-3 667 155	-118.04
	<b>Résultat de l'exercice (Bénéfice ou perte)</b>	-3 809 814		-3 667 155		-142 659	-3.89
	Subventions d'investissement	47 441				47 441	
	Provisions réglementées						
	<b>Total I</b>	11 663 874		12 076 247		-412 373	-3.41
<b>AUTRES FONDS PROPRES</b>	Produit des émissions de titres participatifs						
	Avances conditionnées			500 000		-500 000	-100.00
	<b>Total II</b>			500 000		-500 000	-100.00
<b>PROVISIONS</b>	Provisions pour risques						
	Provisions pour charges						
	<b>Total III</b>						
<b>DETTES (1)</b>	<b>Dettes financières</b>						
	Emprunts obligataires convertibles						
	Autres emprunts obligataires						
	Emprunts auprès d'établissements de crédit	1 644 332		500 000		1 144 332	228.87
	Concours bancaires courants	1 064		1 147		-83	-7.24
	Emprunts et dettes financières diverses						
	Avances et acomptes reçus sur commandes en cours	57 363		58 895		-1 532	-2.60
	<b>Dettes d'exploitation</b>						
	Dettes fournisseurs et comptes rattachés	294 354		453 591		-159 237	-35.11
	Dettes fiscales et sociales	330 062		241 444		88 619	36.70
<b>Comptes de Régularisation</b>	Dettes sur immobilisations et comptes rattachés						
	Autres dettes	50 408				50 408	
	Produits constatés d'avance (1)						
	<b>Total IV</b>	2 377 583		1 255 077		1 122 506	89.44
	Ecart de conversion passif (V)						
	<b>TOTAL GÉNÉRAL (I+II+III+IV+V)</b>	14 041 457		13 831 324		210 133	1.52

(1) Dettes et produits constatés d'avance à moins d'un an

838 119 1 055 077

Mission de présentation - Voir le rapport d'Expert Comptable

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## COMPTE DE RESULTAT

	Exercice N 31/12/2019 12			Exercice N-1 31/12/2018 12	Ecart N / N-1	
	France	Exportation	Total		Euros	%
<b>Produits d'exploitation (1)</b>						
Ventes de marchandises	419 360		419 360	525 232	-105 872	-20.16
Production vendue de biens	182 167	161 198	343 365	599 456	-256 091	-42.72
Production vendue de services	6 181		6 181	5 345	836	15.64
<b>Chiffre d'affaires NET</b>	<b>607 708</b>	<b>161 198</b>	<b>768 906</b>	<b>1 130 033</b>	<b>-361 127</b>	<b>-31.96</b>
Production stockée			-431	-215 935	215 504	99.80
Production immobilisée				50 000	-50 000	-100.00
Subventions d'exploitation				254 080	-145 222	-57.16
Reprises sur dépréciations, provisions (et amortissements), transferts de charges			108 838	9 384	-9 382	-99.98
Autres produits			2			
<b>Total des Produits d'exploitation (I)</b>			<b>877 315</b>	<b>1 227 542</b>	<b>-350 227</b>	<b>-28.53</b>
<b>Charges d'exploitation (2)</b>						
Achats de marchandises			370 979	462 128	-91 150	-19.72
Variation de stock (marchandises)						
Achats de matières premières et autres approvisionnements			232 865	357 417	-124 552	-34.85
Variation de stock (matières premières et autres approvisionnements)			106 199	107 750	-1 550	-1.44
Autres achats et charges externes *			1 915 058	2 126 033	-210 975	-9.92
Impôts, taxes et versements assimilés			27 121	30 211	-3 091	-10.23
Salaires et traitements			1 057 260	843 723	213 538	25.31
Charges sociales			417 561	311 009	106 552	34.26
Dotations aux amortissements et dépréciations						
Sur immobilisations : dotations aux amortissements			1 093 540	1 091 938	1 602	0.15
Sur immobilisations : dotations aux dépréciations						
Sur actif circulant : dotations aux dépréciations			50 064	23 100	26 964	116.73
Dotations aux provisions						
Autres charges			9	180 180	-180 171	-100.00
<b>Total des Charges d'exploitation (II)</b>			<b>5 270 656</b>	<b>5 533 488</b>	<b>-262 832</b>	<b>-4.75</b>
<b>1 - Résultat d'exploitation (I-II)</b>			<b>-4 393 341</b>	<b>-4 305 946</b>	<b>-87 395</b>	<b>-2.03</b>
<b>Quotes-parts de Résultat sur opération faites en commun</b>						
Bénéfice attribué ou perte transférée (III)						
Perte supportée ou bénéfice transféré (IV)						

(1) Dont produits afférents à des exercices antérieurs

(2) Dont charges afférentes à des exercices antérieurs

Maison de présentation - Voir le rapport d'Expert Comptable

EXCO CLERMONT FERRAND



**COMPTE DE RESULTAT**

	Exercice N		Exercice N-1		Ecart N / N-1	
	31/12/2019	12	31/12/2018	12	Euros	%
<b>Produits financiers</b>						
Produits financiers de participations (3)						
Produits des autres valeurs mobilières et créances de l'actif immobilisé (3)						
Autres intérêts et produits assimilés (3)						
Reprises sur dépréciations et provisions, transferts de charges						
Différences positives de change				8	- 8	- 100. 00
Produits nets sur cessions de valeurs mobilières de placement						
<b>Total V</b>				8	- 8	- 100. 00
<b>Charges financières</b>						
Dotations aux amortissements, dépréciations et provisions						
Intérêts et charges assimilées (4)		391		5 786	- 5 394	- 93. 23
Différences négatives de change				22	- 22	- 100. 00
Charges nettes sur cessions de valeurs mobilières de placement						
<b>Total VI</b>		391		5 808	- 5 416	- 93. 26
<b>2. Résultat financier (V-VI)</b>		- 391		- 5 800	5 408	93. 25
<b>3. Résultat courant avant impôts (I-II+III-IV+V-VI)</b>		- 4 393 732		- 4 311 746	- 81 987	- 1. 90
<b>Produits exceptionnels</b>						
Produits exceptionnels sur opérations de gestion		14 549		15 977	- 1 427	- 8. 93
Produits exceptionnels sur opérations en capital		285 458		311 165	- 25 707	- 8. 26
Reprises sur dépréciations et provisions, transferts de charges						
<b>Total VII</b>		300 008		327 142	- 27 134	- 8. 29
<b>Charges exceptionnelles</b>						
Charges exceptionnelles sur opérations de gestion		52 000		1 263	50 737	115
Charges exceptionnelles sur opérations en capital		278 482		299 275	- 20 793	- 6. 95
Dotations aux amortissements, dépréciations et provisions						
<b>Total VIII</b>		330 482		300 538	29 944	9. 96
<b>4. Résultat exceptionnel (VII-VIII)</b>		- 30 474		26 604	- 57 078	- 214. 55
Participation des salariés aux résultats de l'entreprise (IX)						
Impôts sur les bénéfices (X)		- 614 393		- 617 987	3 594	0. 58
<b>Total des produits (I+III+V+VII)</b>		1 177 322		1 554 692	- 377 369	- 24. 27
<b>Total des charges (II+IV+VI+VIII+IX+X)</b>		4 987 136		5 221 847	- 234 711	- 4. 49
<b>5. Bénéfice ou perte (total des produits - total des charges)</b>		- 3 809 814		- 3 667 155	- 142 659	- 3. 89

\* Y compris : Redevance de crédit bail mobilier

: Redevance de crédit bail immobilier

(3) Dont produits concernant les entreprises liées

(4) Dont intérêts concernant les entreprises liées

Méthode de présentation - Voir le rapport d'Expert Comptable

EXCO CLERMONT FERRAND

# **Intra-group cash flows through the simplified income statements of CARBIOS and CARBIOLICE**

Cash flows in thousand euros	CARBIOLICE – 2018 fiscal year		CARBIOLICE – 2019 fiscal year	
		<i>Of which CARBIOS</i>		<i>Of which CARBIOS</i>
Operating revenues	1,228	0	877	0
Operating expenses	5,533	929	5,271	588
Operating income	(4,306)	(929)	(4,393)	(588)
NET INCOME	(3,667) <sup>(1)</sup>	(929)	(3,810)	(588)

<sup>(1)</sup> In the Company's 2018 Reference Document, a provisional amount of -€3,607 was stated. The annual financial statements of CARBIOLICE having been approved since the filing of this document, this amount has been updated to present a final value.

Readers are reminded that the information presented above is taken from the CARBIOLICE financial statements as at December 31, 2018 and December 31, 2019. The financial statements for the year ended December 31, 2019 had not been subject to a report by the Statutory Auditors as at the date of this document, however a report is in the process of being prepared. This information is, therefore, provisional, to the extent that CARBIOLICE's financial statements have not yet been approved by the CARBIOLICE Board of Directors.

## 4. INFORMATION ON THE COMPANY AND ITS SHARE CAPITAL

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<b>4. INFORMATION ON THE COMPANY AND ITS SHARE CAPITAL .....</b>	<b>115</b>
4.1. <i>Share capital</i> .....	116
4.1.1. Amount of share capital .....	116
4.1.2. Non-equity shares .....	116
4.1.3. Treasury stock .....	116
4.1.4. Potential share capital .....	116
4.1.5. Unissued authorized share capital .....	117
4.1.6. Information about the share capital of any member of the Company that is covered by an option or a conditional or unconditional agreement providing for placing capital under option .....	121
4.1.7. Table of changes in the share capital .....	121
4.1.8. Statement of Company shares pledged as collateral .....	122
4.2. <i>Principal shareholders</i> .....	123
4.2.1. Distribution of share capital .....	123
4.2.2. Double voting rights .....	124
4.2.3. Control of the Issuer .....	125
4.2.4. Agreements that could lead to a change of control .....	125
4.3. <i>Articles of Incorporation and bylaws</i> .....	125
4.3.1. Registration and corporate purpose (Article 4 of the bylaws) .....	125
4.3.2. Provisions of Company bylaws, charters or regulations concerning members of the Board of Directors and Executive Management .....	126
4.3.3. Categories of existing shares (Articles 10 and 11 of the bylaws) .....	130
4.3.4. Conditions for amending the rights of shareholders .....	131
4.3.5. Shareholders' Meetings (Articles 22 to 29 of the bylaws) .....	131
4.3.6. Provisions impacting a change of control .....	134
4.3.7. Crossing of thresholds (Article 11.3 of the bylaws) .....	134
4.3.8. Changes in the share capital (Article 7 of the bylaws) .....	134
4.4. <i>Information concerning the issuer</i> .....	135
4.4.1. History of the Company .....	135
4.4.2. Investments .....	136
4.5. <i>Trends in share price</i> .....	138
4.5.1. General information .....	138
4.5.2. Trends in share price since January 1, 2019 .....	138
4.6. <i>Employees</i> .....	139
4.6.1. Human Resources .....	139
4.6.2. Equity interests and securities giving access to share capital held by executive corporate officers and employees .....	140
4.6.3. Profit-sharing and incentive agreements .....	146

## 4.1. Share capital

### 4.1.1. Amount of share capital

As at the date of this Universal Registration Document, the Company's share capital stood at €4,833,226.30 divided into 6,904,609 ordinary shares with a nominal value of €0.70 each, entirely subscribed and fully paid-up.

### 4.1.2. Non-equity shares

As at the date of this Universal Registration Document, there are no non-equity shares.

### 4.1.3. Treasury stock

The Company concluded a liquidity agreement with the company Gilbert Dupont on December 2, 2016, taking effect on December 19, 2016, for a period of 12 months and renewable by tacit agreement. The purpose of this agreement is to favor the liquidity of transactions and the price stability of CARBIOS shares without hindering the regular functioning of the market.

We inform you that on December 31, 2019, the following resources were allocated to the liquidity account:

- Number of shares: 5,830 securities;
- Cash balance of the liquidity account: €73,043.50;
- Carrying amount of the shares: €53,949.

Please note that, when the agreement was drafted, the following funds were included in the dedicated liquidity account:

- 15,016 shares transferred from the former liquidity agreement;
- €38,779.55 in cash transferred from the former liquidity agreement.

Over the period from June 30, 2019 to December 31, 2019, the following transactions were executed:

- 1,005 purchase transactions;
- 1,010 sales transactions.

Over the same period, the volumes traded represented:

- 94,585 shares for €688,251.51 in purchases;
- 98,500 shares for €716,753.48 in sales.

### 4.1.4. Potential share capital

The table below summarizes all of the BSAs and BSPCEs issued by the Company for the benefit of its corporate officers, employees and consultants, and not exercised as at the date of this Universal Registration Document:

Holders	BSA 2011-1	BSA 2012-1	BSA 2012-2	BSA 2013-1	BSA 2015-2	BSA 2015-3	BSA 2016-1
DEINOVE		170,000					
Jacqueline Lecourtier	1,253		6,747	1,600			
Pascal Juéry					9,600		
Jean Falgoux						9,600	
Ian Hudson							9,600
TOTAL	1,253	170,000	6,747	1,600	9,600	9,600	9,600

Holders	BCE 2012-1	BCE 2013-1	BCE 2015-2	BCE 2016-1	BCE 2017-1	BCE 2019-1	BCE 2020
Alain Marty			31,000				46,250
Jean-Claude Lumaret		30,000					92,500
Alain Chevallier	1,548	60000					
Jean Falgoux				37,982			
Martin Stephan					35,000		46,250
Ian Hudson						28,000	
<b>TOTAL</b>	<b>1,548</b>	<b>36,000</b>	<b>31,000</b>	<b>37,982</b>	<b>35,000</b>	<b>28,000</b>	<b>185,000</b>

As at the date of this Universal Registration Document, the various BSA and BSPCE plans allow the subscription of new ordinary shares, potentially representing a total of 562,930 shares to be issued, i.e. a dilution of 8.15% on an undiluted basis (amounting as at the date of this Universal Registration Document to 6,904,609 shares) and 7.53% on a diluted basis.

Details of the various allocation plans are set out in section 4.6.2 of this Universal Registration Document.

#### 4.1.5. Unissued authorized share capital

The table below presents the various financial delegations granted to the Board of Directors by the Combined Shareholders' Meeting of the Company:

Purpose of the resolution	Resolution	Period of validity and expiration date	Issue price	Ceiling (maximum nominal amount in euros)	Implementation of delegations of authority/proxies during 2019
Delegation of authority to the Board of Directors to decide to issue, on once or more occasions, a maximum number of 185,000 share subscription warrants – the “BSAs” – granting rights to the subscription of 185,000 new ordinary Company shares, this issuance being reserved for the benefit of a specific category of persons (Directors – consultants – the Company's management team)	SM of June 14, 2018 Seventeenth resolution	This delegation is no longer valid, as it was rendered ineffective by the delegation of authority for the same purpose approved by the Shareholders' Meeting of June 19, 2019.	Subscription price of BSAs: set by the Board of Directors in light of the report by the independent appraiser appointed by the Board of Directors  Subscription price of shares upon exercising BSAs: set by the Board of Directors, and at least equal to the average volume-weighted price of the last twenty (20) trading days prior to the allocation of the aforementioned BSAs by the Board of Directors	Nominal amount of the maximum capital increase: €129,500  This amount shall be deducted from the amount of the overall authorized ceiling, set in the 20 <sup>th</sup> resolution <sup>(1)</sup>	Meeting of the Board of Directors of April 4, 2019: issue of 9,600 BSA 2019-1
Delegation of authority to the Board of Directors to decide to issue, on once or more occasions, a maximum number of 185,000 founder share subscription warrants (BSPCEs) granting rights to the subscription of 185,000 new ordinary	SM of June 14, 2018 Eighteenth resolution	This delegation is no longer valid, as it was rendered ineffective by the delegation of authority for the same purpose approved by the Shareholders' Meeting of June 19, 2019.	BSPCEs issued without consideration. The subscription price of shares on the exercise of the BSPCE: set by the Board of Directors, it being understood that if the Company has carried out a capital increase	Nominal amount of the maximum capital increase: €129,500  This amount shall be deducted from the amount of the overall authorized ceiling, set in the 20 <sup>th</sup> resolution <sup>(1)</sup>	Meeting of the Board of Directors of December 6, 2018: issue of 28,000 BCE 2019-1 starting January 1, 2019

Purpose of the resolution	Resolution	Period of validity and expiration date	Issue price	Ceiling (maximum nominal amount in euros)	Implementation of delegations of authority/proxies during 2019
Company shares, this issuance being reserved for the benefit of a specific category of persons (employees and management team of the Company subject to the Company employee tax regime)			through the issue of securities giving rights equivalent to those resulting from the exercise of the warrant within six months prior to the warrant allocation, this price must be at least equal to the issue price, set at the time of issue, of the securities in question.  If such a capital increase has not taken place within six months prior to the allocation of the BSPCEs, the subscription price of the underlying shares shall be set by the Board of Directors, and shall be at least equal to the average volume- weighted price of the last twenty (20) trading days prior to the allocation of the aforementioned BSPCEs by the Board of Directors.		
Authorization granted to the Board of Directors for the purchase by the Company of its own shares in accordance with Article L.225-209 of the French Commercial Code	SM of June 19, 2019 Ninth Resolution	18 months, effective from the SM, i.e. until December 18, 2020	-	€3,000,000	None
Delegation of authority to the Board of Directors to decide on either the issuance, with preferential subscription rights, of shares and/or securities giving access, immediately or in the future, to the share capital or giving rights to debt securities, or the incorporation into the share capital of profits, reserves or share premiums	SM of June 19, 2019 Tenth resolution	26 months, effective from the SM, i.e. until August 18, 2021	-	The nominal amount of capital increases is set at €1,810,000 <sup>(2)</sup> . Nominal amount of securities representing debt: €20,000,000 <sup>(3)</sup>	None

Purpose of the resolution	Resolution	Period of validity and expiration date	Issue price	Ceiling (maximum nominal amount in euros)	Implementation of delegations of authority/proxies during 2019
Delegation of authority to the Board of Directors to decide on the issuance of shares and/or securities giving access, immediately or in the future, to the share capital or giving rights to debt securities, with cancellation of preferential subscription rights without naming beneficiaries and by public offering	SM of June 19, 2019 Eleventh resolution	26 months, effective from the SM, i.e. until August 18, 2021	At least equal to the volume-weighted average of the last five (5) trading sessions prior to setting the issue price for new shares, reduced, as the case may be, by a maximum discount of 20%, after correction of this average in the event of any difference in dividend entitlement dates	The nominal amount of capital increases is set at €1,810,000 <sup>(2)</sup> . Nominal amount of securities representing debt: €20,000,000 <sup>(3)</sup>	None
Delegation of authority to the Board of Directors to decide on the issuance of shares and/or securities giving access, immediately or in the future, to the share capital or giving rights to debt securities, with cancellation of preferential subscription rights, by means of private placement and within a limit of 20% of the share capital per year	SM of June 19, 2019 Twelfth resolution	26 months, effective from the SM, i.e. until August 18, 2021	At least equal to the volume-weighted average of the last five (5) trading sessions prior to setting the issue price for new shares, reduced, as the case may be, by a maximum discount of 20%, after correction of this average in the event of any difference in dividend entitlement dates	The nominal amount of capital increases is set at €1,810,000 <sup>(2)</sup> . Nominal amount of securities representing debt: €20,000,000 <sup>(3)</sup>	None
Delegation of authority to the Board of Directors to decide on the issuance of shares and/or securities giving access, immediately or in the future, to the share capital or giving rights to debt securities, with cancellation of shareholders' preferential subscription rights in favor of certain categories of beneficiary <sup>(4)</sup>	SM of June 19, 2019 Thirteenth resolution	18 months, effective from the SM, i.e. until December 18, 2020	At least equal to the volume-weighted average of the last five (5) trading sessions prior to setting the issue price for new shares, reduced, as the case may be, by a maximum discount of 20%, after correction of this average in the event of any difference in dividend entitlement dates	The nominal amount of capital increases is set at €1,810,000 <sup>(2)</sup> . Nominal amount of securities representing debt: €20,000,000 <sup>(3)</sup>	<u>Board meetings of June 20 and 24, 2019:</u> implementation of the delegation of authority  <u>Decision of the Chief Executive Officer dated June 28, 2019:</u> The Chief Executive Officer made use of the delegation granted to him by the Board of Directors at its meetings of June 20 and 24, 2019 and a capital increase of €1,572,120.20 through the issue of 2,245,886 new shares of the Company was noted.
Authorization to the Board of Directors, for the purposes of increasing the	SM of June 19, 2019 Fourteenth Resolution	26 months (it being specified that this authorization		The nominal amount of capital increases is set at €1,810,000 <sup>(2)</sup> .	None

Purpose of the resolution	Resolution	Period of validity and expiration date	Issue price	Ceiling (maximum nominal amount in euros)	Implementation of delegations of authority/proxies during 2019
number of securities issued in accordance with the provisions of Article L.225-135-1 of the French Commercial Code, in the event of the implementation of the delegations of authority referred to in the previous four resolutions, with maintenance or cancellation of preferential subscription rights, depending on the case		shall be implemented within thirty (30) days of the close of the subscriptions for each capital increase determined under the previous four resolutions).	-	Nominal amount of securities representing debt: €20,000,000 <sup>(3)</sup>	
Delegation of authority to the Board of Directors to decide to issue, on once or more occasions, a maximum number of 185,000 share subscription warrants – the “BSAs” – granting rights to the subscription of 185,000 new ordinary Company shares, this issuance being reserved for the benefit of a specific category of persons (Directors – consultants – the Company’s management team)	SM of June 19, 2019 Fifteenth Resolution	18 months, effective from the SM, i.e. until December 18, 2020	<u>Subscription price of BSAs:</u> set by the Board of Directors in light of the report by the independent appraiser appointed by the Board of Directors  <u>Subscription price of shares upon exercising BSAs:</u> set by the Board of Directors, and at least equal to the average volume-weighted price of the last twenty (20) trading days prior to the allocation of the aforementioned BSAs by the Board of Directors	Nominal amount of the maximum capital increase: €129,500  This amount shall be deducted from the amount of the overall authorized ceiling, set in the 18th resolution <sup>(2)</sup> .	None
Delegation of authority to the Board of Directors to decide to issue, on once or more occasions, a maximum number of 185,000 founder share subscription warrants (BSPCEs) granting rights to the subscription of 185,000 new ordinary Company shares, this issuance being reserved for the benefit of a specific category of persons (employees and management team of the Company subject to the Company employee tax regime)	SM of June 19, 2019 Sixteenth Resolution	18 months, effective from the SM, i.e. until December 18, 2020	<u>BSPCEs issued without consideration</u>  <u>The subscription price of shares on the exercise of the BSPCE:</u> set by the Board of Directors, it being understood that if the Company has carried out a capital increase through the issue of securities giving rights equivalent to those resulting from the exercise of the warrant within six months prior to the warrant allocation, this price must be at least equal to the issue price, set at the time of issue, of the securities in question.	Nominal amount of the maximum capital increase: €129,500  This amount shall be deducted from the amount of the overall authorized ceiling, set in the 18th resolution <sup>(2)</sup> .	



Purpose of the resolution	Resolution	Period of validity and expiration date	Issue price	Ceiling (maximum nominal amount in euros)	Implementation of delegations of authority/proxies during 2019
			If such a capital increase has not taken place within six months prior to the allocation of the BSPCEs, the subscription price of the underlying shares shall be set by the Board of Directors, and shall be at least equal to the average volume- weighted price of the last twenty (20) trading days prior to the allocation of the aforementioned BSPCEs by the Board of Directors.		
Authorization to the Board of Directors to reduce the Company's share capital by means of cancelling shares	SM of June 19, 2019 Nineteenth Resolution	18 months, effective from the SM, i.e. until December 18, 2020	-	Limit of 10% of the Company's share capital, per twenty-four-(24)- month period	None

<sup>(1)</sup> This amount is deducted from the overall ceiling of capital increases provided for in the Twentieth Resolution of the Shareholders' Meeting of June 14, 2018, set at €1,810,000.

<sup>(2)</sup> This amount is deducted from the overall ceiling of capital increases provided for in the Eighteenth Resolution of the Shareholders' Meeting of June 19, 2019, set at €1,810,000.

<sup>(3)</sup> This amount is deducted from the overall ceiling of issuances of debt securities provided for in the Eighteenth Resolution of the Shareholders' Meeting of June 19, 2019, set at €20,000,000.

<sup>(4)</sup> The categories of beneficiaries covered by the Thirteenth Resolution of the Shareholder's Meeting on June 19, 2019 are the following:

- French or foreign law investment companies and investment funds investing in a similar or complementary sector to that of the Company; and
- industrial companies with a similar or complementary activity to that of the Company.

Subsequent to the close of fiscal year 2019, the Board of Directors, at its meeting on March 12, 2020, made use of the Sixteenth Resolution of the Combined Shareholders' Meeting of June 19, 2019 to issue 185,000 BCE-2020.

#### **4.1.6. Information about the share capital of any member of the Company that is covered by an option or a conditional or unconditional agreement providing for placing capital under option**

As at the date of this Universal Registration Document, to the Company's knowledge, there are no options that concern the Company's share capital or the capital of any member of the Group, nor any conditional or unconditional agreements providing for placing capital under option.

#### **4.1.7. Table of changes in the share capital**

The table below presents the changes in the Company's share capital since its creation.

Date	Nature of the transaction	Nominal value per share	Issue premium per share	Number of shares issued/cancelled	Total number of shares	Share capital after transaction
<b>Bylaws</b>	Creation	€1.00	-	500,000	500,000	€500,000.00
<b>01/17/2012</b>	Increase	€1.00	-	300,000	800,000	€800,000.00

05/10/2012	Increase	€1.00	-	700,000	1,500,000	€1,500,000.00
07/09/2012	Increase	€1.00	€1.25	577,780	2,077,780	€2,077,780.00
09/28/2012	Increase	€1.00	€1.25	75,555	2,153,335	€2,153,335.00
12/04/2012	Increase	€1.00	€1.25	533,332	2,686,667	€2,686,667.00
02/20/2013	Decrease	€0.70	-	-	2,686,667	€1,880,666.90
12/13/2013	Increase	€0.70	€6.315	116,647	2,803,314	€1,962,319.80
12/13/2013	Increase	€0.70	€13.33	934,959	3,738,273	€2,616,791.10
01/13/2014	Increase	€0.70	€13.33	11,400	3,749,673	€2,624,771.10
03/04/2015	Increase	€0.70	€1.55	3,500	3,753,173	€2,627,221.10
03/04/2015	Increase	€0.70	€0.30	5,000	3,758,173	€2,630,721.10
03/22/2016	Increase	€0.70	€0.30	30,000	3,788,173	€2,651,721.10
03/22/2016	Increase	€0.70	€1.55	10,000	3,798,173	€2,658,721.10
03/21/2017	Increase	€0.70	€0.30	7,614	3,805,787	€2,664,050.90
03/21/2017	Increase	€0.70	€1.55	29,000	3,834,787	€2,684,350.90
07/21/2017	Increase	€0.70	€7.05	466,182	4,300,969	€3,010,678.30
09/19/2017	Increase	€0.70	€5.30	20,000	4,320,969	€3,024,678.30
09/19/2017	Increase	€0.70	€5.50	15,000	4,335,969	€3,035,178.30
09/19/2017	Increase	€0.70	€5.90	15,000	4,350,969	€3,045,678.30
09/19/2017	Increase	€0.70	€5.79	10,000	4,360,969	€3,052,678.30
09/19/2017	Increase	€0.70	€6.45	30,000	4,390,969	€3,073,678.30
09/19/2017	Increase	€0.70	€6.55	15,000	4,405,969	€3,084,178.30
09/19/2017	Increase	€0.70	€7.70	35,000	4,440,969	€3,108,324.10
09/19/2017	Increase	€0.70	€1.55	49,494	4,490,463	€3,143,678.30
09/19/2017	Increase	€0.70	€0.30	2,506	4,492,969	€3,145,078.30
11/20/2017	Increase	€0.70	€8.30	20,000	4,512,969	€3,159,078.30
11/20/2017	Increase	€0.70	€8.40	30,000	4,542,969	€3,180,078.30
11/20/2017	Increase	€0.70	€8.55	10,000	4,552,969	€3,187,078.30
11/20/2017	Increase	€0.70	€1.55	3,500	4,556,469	€3,189,528.30
12/12/2017	Increase	€0.70	€1.55	10,838	4,567,307	€3,197,114.90
03/27/2018	Increase	€0.70	€9.70	5,688	4,572,995	€3,201,096.50
05/03/2018	Increase	€0.70	€9.70	116	4,573,111	€3,201,177.70
06/27/2018	Increase	€0.70	€9.70	168	4,573,279	€3,201,295.30
09/20/2018	Increase	€0.70	€9.70	588	4,573,867	€3,201,706.90
09/20/2018	Increase	€0.70	€7.60	40,000	4,613,867	€3,229,706.90
12/06/2018	Increase	€0.70	€9.70	3,356	4,617,223	€3,232,056.10
12/06/2018	Increase	€0.70	€4.40	20,000	4,637,223	€3,246,056.10
12/06/2018	Increase	€0.70	€4.85	20,000	4,657,223	€3,260,056.10
06/28/2019	Increase	€0.70	€5.75	2,245,886	6,903,109	€4,832,176.30
12/04/2019	Increase	€0.70	€1.55	1,500	6,904,609	€4,833,226.30

#### 4.1.8. Statement of Company shares pledged as collateral

None.

## 4.2. PRINCIPAL SHAREHOLDERS

### 4.2.1. Distribution of share capital

#### 4.2.1.1. Distribution of share capital over the last three fiscal years

Shareholders	Capital at 12/31/2017			Capital at 12/31/2018			Capital at 12/31/2019		
	Number of shares	% of share capital	% of voting rights	Total number of shares	% of share capital	% of voting rights	Total number of shares	% of share capital	% of voting rights
Holding Incubatrice Chimie Verte	913,179	19.97%	33.27%	235,843	5.07%	9.36%	407,330	5.90%	7.28%
Fonds Truffle Capital	1,126,698	24.64%	20.52%	899,392	19.31%	18.43%	1,263,759	18.30%	17.98%
Deinove	0	0%	0%	0	0%	0%	0	0%	0%
Directors <sup>87</sup>	9,207	0.20%	0.17%	5,707	0.12%	0.12%	11,807	0.17%	0.19%
Copernicus AM	0	0%	0%	0	0%	0%	620,154	8.98%	8.82%
Business Opportunities for L'Oréal Development (BOLD)	0	0%	0%	0	0%	0%	387,596	5.61%	5.51%
Michelin Ventures	0	0%	0%	0	0%	0%	310,077	4.50%	4.41%
Treasury shares	9,652	0.1%	N/A	15,417	0.33%	N/A	5,830	0.08%	N/A
Free float	2,513,129	54.98%	46.04%	3,500,864	75.17%	72.09%	3,898,056	56.46%	55.80%
<b>Total</b>	<b>4,571,865</b>	<b>100.0%</b>	<b>100.0%</b>	<b>4,657,223</b>	<b>100.0%</b>	<b>100.0%</b>	<b>6,904,609</b>	<b>100.0%</b>	<b>100.0%</b>

#### 4.2.1.2. Breakdown of share capital as at the date of this Universal Registration Document

The table below indicates the breakdown of CARBIOS' share capital and voting rights, to the best of the Company's knowledge, as at April 22, 2020, as well as the breakdown of share capital if all the financial instruments issued or to be issued giving access to the capital were to be exercised:

Shareholders	Existing share capital					Breakdown of share capital in the event of the exercise of all instruments giving access to the share capital				
	Total number of shares	% of share capital	Theoretical number of voting rights	Number of voting rights exercisable	% of voting rights exercisable	Total number of shares	% of share capital	Theoretical number of voting rights	Number of voting rights exercisable	% of voting rights exercisable
Holding Incubatrice Chimie Verte	182,353	2.64%	184,921	184,921	2.67%	182,353	2.44%	184,921	184,921	2.48%
Fonds Truffle Capital	1,248,854	18.09%	1,248,854	1,248,854	18.04%	1,248,854	16.72%	1,248,854	1,248,854	16.69%
Deinove	0	0%	0	0	0%	170,000	2.28%	170,000	170,000	2.27%
Directors <sup>88</sup>	11,807	0.17%	13,514	13,514	0.20%	246,237	3.30%	247,944	247,944	3.31%
Copernicus AM	620,154	8.98%	620,154	620,154	8.96%	620,154	8.30%	620,154	620,154	8.29%
BOLD	387,596	5.61%	387,596	387,596	5.60%	387,596	5.19%	387,596	387,596	5.18%
Michelin Ventures	310,077	4.50%	310,077	310,077	4.48%	310,077	4.15%	310,077	310,077	4.14%
Treasury shares	8,103	0.12%	8,103	0	N/A	8,103	0.11%	8,103	0	N/A
Free float	4,135,665	59.90%	4,156,151	4,156,151	60.05%	4,294,165	57.50%	4,314,651	4,314,651	57.65%
<b>Total</b>	<b>6,904,609</b>	<b>100%</b>	<b>6,929,370</b>	<b>6,921,267</b>	<b>100%</b>	<b>7,467,539</b>	<b>100%</b>	<b>7,492,300</b>	<b>7,484,197</b>	<b>100%</b>

<sup>87</sup> The "Directors" line in the table does not take into account the holdings of Truffle Capital, which can be found on a specific line. Truffle Capital, represented by Philippe Pouletty, has been a member of the Board of Directors since September 20, 2018.

<sup>88</sup> The "Directors" line in the table does not take into account the holdings of Truffle Capital, which can be found on a specific line. Truffle Capital, represented by Philippe Pouletty, has been a member of the Board of Directors since September 20, 2018.

CARBIOS' principal shareholders include:

- Truffle Capital, an important and independent player in the European venture capital market. Truffle Capital aims to build and support high-potential companies developing breakthrough technologies, in two business sectors: Life Sciences and Information Technologies. Today, Truffle Capital manages more than €500 million in vehicles for natural persons (FCPIs, management mandates and holdings), as well as institutional funds (FPCIIs), and has built a solid portfolio of rapidly growing innovative companies;
- Copernicus Asset Management is a manager of private and public investment funds. It is based in Switzerland and recognized by the local supervisory body FINMA, the CSSF in Luxembourg and the CBI in Ireland. Through the investment vehicles it manages, Copernicus AM is constantly looking for innovative investments with high growth potential that can improve social well-being and address important issues such as the environment;
- Business Opportunities for L'Oréal Development (BOLD) is a venture capital fund created by L'Oréal to support the development of innovative start-ups with high growth potential by purchasing minority stakes in their share capital and providing them with expertise, networks and mentoring;
- The Michelin Ventures Fund was created by Michelin and launched in 2018 to give concrete expression to Michelin's open innovation approach. The purpose of this fund is to invest in high-tech materials that include sustainable development, new experiences and digital solutions that improve the mobility of goods and people. The purpose of the fund is to promote safer, more pleasant and environmentally responsible mobility;
- Holding Incubatrice Chimie Verte, created and advised by Truffle Capital. This was formed through a public offering as defined by French tax legislation relating to tax reductions benefiting investment in small and medium-sized enterprises (SMEs). In line with the commitments made upon its creation, Holding Incubatrice Chimie Verte has adopted an investment strategy exclusively focused on young innovative SMEs.

Dilution generated by the exercise of various BSA and BCE plans based on the number of shares as at the date of this Universal Registration Document

- 354,530 BCEs. If all of these BCEs were exercised, they would give rights to 354,530 new shares.
- 208,400 BSAs. If all of these BSAs were exercised, they would give rights to 229,100 new shares.

	Existing securities	In the event of exercising BCEs	In the event of exercising BSAs	In the event of exercising BSAs and BCEs
<b>Total number of shares</b>	6,904,609	354,530	208,400	562,930
<b>Total number of shares after exercising warrants</b>		7,259,139	7,113,009	7,467,539
<b>Dilution (on an undiluted basis)</b>		5.13%	3.02%	8.15%

#### 4.2.2. Double voting rights

Double voting rights compared to the percentage of share capital they represent are granted to all fully paid-up shares for which proof is provided of registration in the name of the same shareholder for at least two years.

As at the date of this Universal Registration Document (April 22, 2020), among the shareholders, Holding Incubatrice Chimie Verte held double voting rights for 2,568 of its shares, Jean-Claude Lumaret held double voting rights for 1 of his shares and Alain Chevallier held double voting rights for 1,706 of his shares. Registered shareholders included under the free float held double voting rights for 20,486 of their shares.

As at the date of this Universal Registration Document, 24,761 Company shares carried double voting rights. These shares represent 0.36% of the share capital and 0.72% of exercisable voting rights.

#### **4.2.3. Control of the Issuer**

Given the capitalization table and the table showing the breakdown of voting rights set out in section 4.2.2 above, it is clear that capital and voting rights are distributed in such a way that no shareholder holds either a majority of securities or votes, or a minority that could block certain decisions.

The Company believes, therefore, that there is no risk that control be exercised in an abusive manner by any of its shareholders. It should be noted that four of the nine Directors on the Company's Board of Directors are independent, that the positions of Chairman and Chief Executive Officer are separate within the Company and that the latter has put in place statutory committees (Scientific Committee and Audit Committee) and non-statutory committees (Intellectual Property Committee, Compensation and Appointments Committee and Industrialization Committee), as described earlier in paragraphs 2.1.8.2.1 and 2.1.8.2. of this Universal Registration Document.

The Company has not taken any other measures to ensure that control is not exercised in an abusive manner.

#### **4.2.4. Agreements that could lead to a change of control**

No particular feature of the articles of incorporation, bylaws, charter or regulations of the Company would have the effect of hindering, delaying or preventing a change of control.

To the Company's knowledge, there is no agreement in force whose implementation, at a future date, would lead to a change of control of the Company.

### **4.3. Articles of Incorporation and bylaws**

The Company's bylaws were developed in accordance with the provisions applicable to a *Société anonyme* (public limited company) under French law.

The main provisions described below are taken from the Company's bylaws in force as at the date of this Universal Registration Document.

#### **4.3.1. Registration and corporate purpose (Article 4 of the bylaws)**

The purpose of the Company is, directly or indirectly, in France as well as abroad:

- the exercise of any research, development, production, marketing activity in France and abroad, relating to biotechnologies and, in particular, technologies, processes and products in the field of transformation of biomass and bioremediation;
- the exercise of any activity related to green chemistry, and in particular technologies, processes and products in the field of green chemistry;
- the acquisition, subscription, holding, management or disposal in any form whatsoever of all shares or securities in all French or foreign legal companies or entities, created or to be created, and more generally, the management of holdings in the Company's sector of activity;
- the direct or indirect holding of equity in any operations that may be related to any one of the above-mentioned purposes, or likely to promote them, by means of the creation of new companies, contributions or the subscription or purchase of securities or company rights, mergers, partnerships, equity holdings or other;
- and, more generally, any moveable or immoveable, industrial, commercial or financial transactions related, directly or indirectly, to this purpose or to any similar or connected purposes, or that may be useful for this purpose or may facilitate its realization.

#### **4.3.2. Provisions of Company bylaws, charters or regulations concerning members of the Board of Directors and Executive Management**

##### **4.3.2.1. Board of Directors (Articles 13 to 16 and 18 of the bylaws)**

###### Board of Directors (Article 13 of the bylaws)

The Company is governed by a Board of Directors composed of a minimum of three (3) members and a maximum of eighteen (18) members, subject to the exemptions provided by law in the event of a merger.

###### Appointment and removal of Directors (Article 14.1 of the bylaws)

Throughout the life of the Company, the Directors are appointed by the Ordinary Shareholder's Meeting. However, in the event of a merger or spin-off, they may be appointed by the Extraordinary Shareholders' Meeting. The Directors' term of office is four (4) years. It ends at the close of the Ordinary Shareholders' Meeting convened to approve the financial statements for the year just ended and held during the year in which said Director's term of office expires.

Any exiting Director is eligible for reappointment provided he/she meets the conditions of this Article.

Directors may be dismissed and replaced at any time by the Ordinary Shareholders' Meeting.

Natural persons over the age of eighty-five (85) years may not be Directors; when they come to exceed this age during a term in office, they shall automatically be deemed to have resigned at the next Shareholders' Meeting. Any appointment made in breach of the above provisions shall be null and void, with the exception of those which may be made on an interim basis.

Any natural person appointed as a Director shall, at the time of their appointment and throughout their term of office, comply with the legal requirements concerning the number of directorships that a natural person can hold in joint stock companies with their registered office in mainland France, save as otherwise provided for by law.

A Company employee may only be appointed Director if his or her employment contract corresponds to a genuine job. The number of Directors tied to the Company by an employment contract may not exceed one-third of the number of Directors in office.

###### Legal entity Director (Article 14.2 of the bylaws)

Directors may be natural persons or legal entities. In the latter case, upon appointment, the legal entity is required to designate a permanent representative who is subject to the same terms and conditions and who incurs the same civil and legal liabilities as if he/she were a Director in his/her own name, without prejudice to the joint and several liability of the legal entity he/she represents. The permanent representative of a legal entity appointed as Director is subject to the same age conditions that apply to Directors who are natural persons.

The term of office of the permanent representative appointed by the legal entity shall be the same as that of the legal entity he/she represents.

If the legal entity revokes the term of its permanent representative, it must notify the Company of this revocation without delay, by registered letter, also providing the identity of its new permanent representative. The same applies in the event of the death or resignation of the permanent representative.

Designation of the permanent representative as well as the termination of his/her term of office are subject to the same formalities of disclosure as if he/she were a Director in his/her own name.

###### Vacancy, death, resignation (Article 14.3 of the bylaws)

In the event of vacancy due to death or resignation of one or several Directors, the Board of Directors may make appointments on an interim basis between two Shareholders' Meetings.

When the number of Directors has fallen below the minimum legal requirement, the remaining Directors must immediately convene an Ordinary Shareholders' Meeting to make up the required number of Board members.

Temporary appointments made by the Board are subject to ratification at the first Ordinary Shareholders' Meeting thereafter. Failing ratification, resolutions adopted and acts performed by the Board at an earlier date nonetheless remain valid.

#### Chairman of the Board of Directors (Article 15.1 of the bylaws)

The Board of Directors elects from among its members a Chairman who is, in order for the nomination to be valid, a natural person. The Board of Directors determines his/her compensation.

The Chairman of the Board of Directors organizes and directs the Board's work, on which he/she reports to the Shareholders' Meeting. He/she oversees the proper functioning of the Company's governance bodies and ensures, in particular, that Directors are capable of fulfilling their mission.

In order to exercise his/her duties, the Chairman of the Board of Directors must be less than eight-five (85) years old. Should this age limit be reached while holding such position, the Chairman of the Board of Directors shall be deemed to have automatically resigned and a new Chairman shall be appointed under the conditions provided for in this Article.

The Chairman is appointed for a term that may not exceed his/her term of office as Director. He/she may be re-elected.

The Board of Directors may remove him/her at any time.

In the event of temporary impediment or the death of the Chairman, the Board of Directors may delegate the duties of Chairman to a Director.

In the event of temporary impediment, this delegation is granted for a limited duration; it is renewable. In the event of death, it is valid until the election of a new Chairman.

#### Meetings of the Board of Directors (Article 15.2 of the bylaws)

The Board of Directors meets as often as required in the Company's interest, at the request of the Chairman or two Directors.

When it has not met for more than two (2) months, at least one-third of the members of the Board of Directors may request the Chairman to convene the Board for a predetermined agenda.

The Chief Executive Officer may also request the Chairman to convene the Board of Directors for a predetermined agenda.

The Chairman is bound by the requests that are addressed to him/her by virtue of the two preceding subparagraphs. The meetings may be convened by any means, even orally.

The Board meets at the Company's registered office or at any other place (in France or abroad) designated in the notice of meeting, under the chairmanship of its Chairman or, in case of impediment, a member appointed by the Board to chair the meeting.

The meetings are chaired by the Chairman of the Board of Directors. In case of impediment of the Chairman, at each session, the Board appoints a session Chairman from among its members present.

The Board may appoint a Secretary at each session, even from outside of its members. An attendance register shall be kept and signed by the Directors participating in the Board meeting.

Directors, as well as any person convened to meetings of the Board of Directors, shall exercise discretion with respect to information of a confidential nature and presented as such by the Chairman.

#### Quorum and majority (Article 15.3 of the bylaws)

The Board may deliberate validly only if at least half of the Directors are present or deemed present, subject to arrangements introduced by internal rules in the event of recourse to videoconferencing or other means of telecommunication.

Unless otherwise stipulated by these bylaws and subject to arrangements introduced in the event of recourse to videoconferencing or other means of telecommunication, decisions are reached by a majority vote of members present or represented, or deemed present.

For calculating the quorum and majority, Directors who attend a Board meeting by means of video conferencing or other means of telecommunication within the terms defined in the internal rules of the Board of Directors are deemed present. However, actual presence or presence through representation shall be necessary for any deliberations of the Board concerning the approval of the annual and consolidated financial statements as well as for approval of the management report and the Group's management report and for decisions related to removal of the Chairman of the Board of Directors, the Chief Executive Officer and the Deputy Chief Executive Officer.

Furthermore, half of the Directors in office may oppose holding a meeting of the Board of Directors by means of videoconferencing or telecommunication. This opposition must be notified in the manner and within the time periods that shall be determined in the internal rules and/or those laid down by legal or regulatory provisions.

#### Representation (Article 15.4 of the bylaws)

Any Director may grant proxy, in writing, to another Director to represent him/her at a session of the Board of Directors.

Each Director may hold only one proxy per meeting by virtue of the foregoing paragraph.

These provisions are applicable to the permanent representative of a legal entity Director.

#### Powers of the Board of Directors (Article 16 of the bylaws)

The Board of Directors determines the Company's business strategy and oversees its implementation.

With the exception of powers expressly assigned to the Shareholders' Meetings and within the limits of the corporate purpose, the Board of Directors handles all matters pertaining to the proper running of the Company and settles matters of concern through its deliberations.

In its relationships with third parties, the Company shall be bound even by acts of the Board of Directors that do not fall within the scope of its corporate purpose, unless it can prove that the third party knew that the act exceeded this purpose or that it could not have been unaware given the circumstances; disclosure of the bylaws shall not of itself be sufficient proof thereof.

The Board of Directors carries out any checks and verifications that it deems appropriate.

Each Director must receive the information necessary for carrying out his/her duties and may obtain from Executive Management any documents that he/she deems useful.

The Board may decide to create committees with a consultative role, particularly strategy, audit and compensation committees, as well as a scientific committee whose members, chosen from the Board of Directors or from outside the Company, shall have an advisory function and shall report to the Board of Directors.

#### Compensation (Article 18 of the bylaws)

The Shareholders' Meeting may grant to Directors, as compensation for their work, a fixed annual sum in respect of Directors' attendance fees, as determined by the Shareholders' Meeting, without being bound by previous decisions. This amount shall be charged to operating expenses.



The Board of Directors shall freely allocate to its members the overall sum granted to Directors as attendance fees; it may, in particular, allocate to Directors who are members of advisory committees a share that is greater than that of other Directors.

The Board of Directors may allocate special compensation for tasks or mandates entrusted to Directors.

The Board of Directors may authorize reimbursement of travel and related expenses and expenses incurred by Directors in the interest of the Company.

#### **4.3.2.2. Executive Management (Article 17 of the bylaws)**

##### Organizing principle (Article 17.1 of the bylaws)

In accordance with legal provisions, either the Chairman of the Board of Directors or another individual appointed by the Board of Directors and bearing the title of Chief Executive Officer is responsible for the Executive Management of the Company.

The choice between these two methods of Executive Management is made by the Board of Directors, which must inform the shareholders and third parties accordingly, in accordance with regulatory requirements.

The Board's decision concerning the Executive Management model is taken by a majority vote of the Directors present or represented, subject to the special provisions of Article 15.3 above in the event of the Directors' participation in the Board meeting by videoconferencing or any other means of telecommunication.

A change in the Executive Management model does not entail a modification of the bylaws.

When the Chairman of the Board of Directors is responsible for the Company's Executive Management, the following provisions relating to the Chief Executive Officer apply to him/her.

##### Executive Management – Chief Executive Officer (Article 17.2 of the bylaws)

Depending on the decision made by the Board of Directors, in accordance with the provisions set out above, the Company's Executive Management is either discharged by the Chairman of the Board of Directors, or by a natural person (who may or may not be a Director or a shareholder) appointed by the Board of Directors and bearing the title of Chief Executive Officer.

When the Board of Directors opts for the separation of the duties of Chairman of the Board of Directors and Chief Executive Officer, it appoints the Chief Executive Officer, sets the duration of his/her term of office, determines his/her compensation and, where relevant, the limits to his/her powers.

No-one may be appointed Chief Executive Officer if he/she is over eighty-five (85) years old. Moreover, if a Chief Executive Officer in office comes to exceed that age, he/she shall be deemed to have automatically resigned.

The Chief Executive Officer may be removed at any time by the Board of Directors. When the Chief Executive Officer is not the Chairman of the Board of Directors, his/her removal may give rise to damages if it is unjustified.

The Chief Executive Officer has the widest powers to act in the Company's name in all circumstances. He/she exercises these powers within the limits of the corporate purpose and subject to the powers expressly granted by law to Shareholders' Meetings and the Board of Directors.

He/she represents the Company in its relations with third parties. The Company is bound by the actions of the Chief Executive Officer even if they are outside the Company's corporate purpose, unless the Company can prove that the third party was aware that the action was outside the Company's corporate purpose, or that the third party could not be unaware of this in view of the circumstances. Publication of the bylaws does not, of itself, constitute such proof.

##### Deputy Chief Executive Officers

On the proposal of the Chief Executive Officer, whether this office is held by the Chairman of the Board of Directors or by another person, the Board of Directors may appoint one or more natural persons as Deputy Chief Executive

Officer(s), who may or may not be Board members or shareholders, to assist the Chief Executive Officer. The number of Deputy Chief Executive Officers is limited to five (5). If a Deputy Chief Executive Officer is a Board member, his/her term of office cannot exceed that of his/her directorship.

No-one may be appointed Deputy Chief Executive Officer if he/she is over eighty-five (85) years old. Should a Deputy Chief Executive Officer come to exceed that age while in office, he/she will be deemed to have automatically resigned.

Deputy Chief Executive Officers may be removed at any time by the Board of Directors, on recommendation of the Chief Executive Officer. Their removal without just cause may give rise to the payment of damages.

By agreement with the Chief Executive Officer, the Board of Directors determines the scope and duration of the powers granted to the Deputy Chief Executive Officers. Deputy Chief Executive Officers have the same powers with respect to third parties as the Chief Executive Officer.

Should the Chief Executive Officer cease to perform his/her duties, or be prevented from doing so, unless decided otherwise by the Board of Directors, the Deputy Chief Executive Officers shall remain in office and will retain their powers until the new Chief Executive Officer is appointed.

The Board of Directors determines the Deputy Chief Executive Officers' compensation.

#### Delegation of powers (Article 17.3 of the bylaws)

The Board of Directors may entrust persons, whether they are Board Members or not, with permanent or temporary duties, as it sees fit, delegate powers to them and set their compensation as it deems appropriate.

### **4.3.3. Categories of existing shares (Articles 10 and 11 of the bylaws)**

#### **4.3.3.1. Form of shares (Article 10 of the bylaws)**

Shares are issued in registered or bearer form, at the shareholder's discretion, with the exception of securities that must necessarily be created in registered form pursuant to laws and regulations in force; this is particularly true for shares issued for cash until they are fully paid up.

Any holder of securities that are part of an issue including both bearer shares and registered shares has the possibility of converting these securities to the other form.

Registered shares give rise to registration in an individual account under the conditions and according to the terms provided for in the laws and regulations in force. These individual accounts may be pure registered accounts or administered registered accounts, at the shareholder's discretion.

Bearer shares give rise to registration in an account held by an authorized financial intermediary.

For the purposes of identifying the holders of bearer shares, the Company has the right to request at any time, at its own expense, from the central custodian that manages the Company's securities issue account, the name or company name, nationality, year of birth or year of incorporation and address of the security holders, as well as the quantity of securities held by each of them, and where appropriate, any restrictions that may apply to the securities. This information is gathered by the central custodian and then communicated to the Company, under conditions laid down by applicable laws and regulations.

#### **4.3.3.2. Transfer of shares (Article 11.1 of the bylaws)**

Shares are freely transferable from their issuance in the manner prescribed by law. They remain transferable after dissolution of the Company and until the close of liquidation proceedings.

They are registered in an account and may be transferred by account transfer in accordance with the terms and conditions provided for by law and applicable regulations.

The provisions of this Article are generally applicable to all securities issued by the Company.

#### **4.3.3.3. Rights and obligations attached to shares (Article 11.2 of the bylaws)**

1 - Each share entitles the holder to a net share of profits, corporate assets or liquidation surplus proportionate to the percentage of capital it represents.

It entitles the holder to participate, under the conditions laid down by law and these bylaws, in Shareholders' Meetings and to vote on resolutions.

2 - Shareholders' liabilities do not exceed the amount of their initial investment. The rights and obligations attached to a share follow ownership of the share regardless of the holder.

Ownership of a share automatically entails acceptance of the bylaws and decisions of the Shareholders' Meeting.

3 - Each time that it is necessary to possess several shares to exercise any right, in case of exchange, grouping, allocation of shares, capital increase or decrease, merger or any corporate operation, the owners of isolated shares, or of a number below that required, may only exercise those rights on the condition that they personally see to the pooling and, where appropriate, the purchase or sale of the necessary number of shares.

#### **4.3.3.4. Indivisibility of shares – Bare ownership – Usufruct (Article 11.4 of the bylaws)**

1 - Shares are indivisible with regard to the Company.

Co-owners of undivided shares are represented at Shareholders' Meetings by one of them or by a single representative. In case of disagreement, the representative shall be appointed by a court upon the request of the most diligent co-owner.

2 - The right to vote belongs to the usufructuary in Ordinary Shareholders' Meetings and to the bare owner in Extraordinary Shareholders' Meetings. Nevertheless, shareholders may agree to any other distribution for exercising voting rights at Shareholders' Meetings. The Company shall be informed of this agreement by registered letter and shall be bound to respect it for all meetings which convene following expiration of a one-month period after mailing of the letter.

The right to vote is exercised by the owner of pledged securities.

#### **4.3.4. Conditions for amending the rights of shareholders**

Company bylaws do not provide for any particular rules that derogate from ordinary corporate law.

#### **4.3.5. Shareholders' Meetings (Articles 22 to 29 of the bylaws)**

##### **4.3.5.1. Quorum and majority (Article 22 of the bylaws)<sup>89</sup>**

Shareholders' Meetings deliberate under the conditions set by law.

The Ordinary Shareholders' Meeting makes all decisions other than those which, by law and these bylaws, fall within the exclusive competence of an Extraordinary Shareholders' Meeting. The Ordinary Shareholders' Meeting can only conduct business validly at first notice if the shareholders present or represented hold at least one-fifth of the shares with voting rights. Upon second notice, no quorum is required. The meeting issues decisions by a simple majority vote of shareholders present or represented.

The Extraordinary Shareholders' Meeting is vested with sole competence to amend any provisions of the bylaws. The Extraordinary Shareholders' Meeting can only conduct business validly if the shareholders present or represented, on first notice, hold at least one-quarter, and on second notice, one-fifth of the shares with voting rights. Failing this latter quorum, the second meeting may be postponed to a date no later than two months from the date of the meeting originally convened. The meeting issues decisions by a two-thirds vote of shareholders present or represented.

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<sup>89</sup> The compliance of Article 22 of the bylaws with the Pacte Law concerning the new rules for taking into account abstentions at Shareholders' Meetings will be proposed at the Company's next Shareholders' Meeting.

In the event of the use of videoconferencing or other means of telecommunication permitted by law under conditions laid down in Article 23 below, shareholders who attend the meeting by videoconferencing or by means of telecommunication are deemed present for the purposes of calculating a quorum and majority.

#### 4.3.5.2. Convocation (Article 23 of the bylaws)

Shareholders' Meetings are convened either by the Board of Directors, by the Statutory Auditors or by a representative designated by a court under terms and conditions provided for by law.

Meetings are held at the Company's registered office or at any other place designated in the notice of meeting.

When company shares are admitted for trading on a regulated market or if its shares are not all registered shares, the company is required to publish a notice of meeting in the *Bulletin des Annonces Légales Obligatoires* (BALO) at least thirty-five (35) days before any Shareholders' Meeting.

Convocation of Shareholders' Meetings takes place by publication in a newspaper empowered to publish legal notices in the administrative district (*département*) of the Company's registered office and, furthermore, in the *Bulletin des Annonces Légales et Obligatoires* (BALO).

Nevertheless, the notices provided for in the previous subparagraph may be replaced by an invitation, at the Company's expense, in a simple letter or registered letter addressed to each shareholder. This invitation may also be transmitted by means of electronic telecommunication implemented under applicable regulatory conditions.

Any shareholder may also, if decided by the Board at the time the meeting is convened, attend and vote by videoconferencing or other means of telecommunications that allows them to be identified, under the conditions and in accordance with the provisions laid down by applicable laws and regulations.

Any meeting improperly convened may be deemed invalid. Nevertheless, an action for invalidity shall be inadmissible where all shareholders were present or represented.

#### 4.3.5.3. Agenda (Article 24 of the bylaws)

The agenda of meetings is decided by the author of the notice of meeting.

Nevertheless, one or more shareholders representing at least 5% of the share capital (or a group of shareholders meeting legal conditions) may request, under conditions provided for by law, that draft resolutions be placed on the agenda. The request shall be accompanied by the text of the draft resolutions, which may include a short explanation of the purpose.

These draft resolutions, which must be brought to the attention of shareholders, shall be included on the agenda and submitted to the vote of the meeting.

The meeting may not deliberate on an issue that is not included on the agenda. Nevertheless, it may, in any circumstances, remove one or more Directors and move to replace them.

The meeting agenda may not be modified on the second convening.

When the meeting is called to deliberate on changes to the business or legal organization of the Company, on which the Works Council has been consulted in accordance with Article L. 2323-6 of the French Labor Code, the opinion of the Council is provided to the meeting.

#### 4.3.5.4. Admission (Article 25 of the bylaws)

Any shareholder may attend Shareholders' Meetings in person, by proxy or by correspondence, irrespective of the form they take.

Shareholders shall be entitled to attend Shareholders' Meetings:

- for registered shares, by their registration in a registered share account held by the Company, on the second business day prior to the meeting at zero hours, Paris time;
- for bearer shares, by their recording in the bearer share accounts held by an authorized intermediary, on the second business day prior to the meeting at zero hours, Paris time.

The registration of shares in bearer share accounts held by an authorized intermediary shall be ascertained by a shareholding certificate issued by the latter.

Shareholders whose shares are not fully paid-up are not entitled to attend meetings.

#### **4.3.5.5. Shareholder proxies and voting by correspondence (Article 26 of the bylaws)**

##### Shareholder proxy

A shareholder may be represented by another shareholder, a spouse, a civil partner or any other person, natural or legal, of his/her choice.

Any shareholder may receive powers from other shareholders to represent them at a Shareholders' Meeting, without any restrictions other than those resulting from statutory provisions setting the maximum number of votes that any one person may have in both his/her own name and as a proxy.

##### Vote by correspondence

Once the notice of meeting is issued, a voting by correspondence form and enclosures may be given or sent, at the Company's expense, to any shareholder who requests such documents in writing.

The Company must comply with any request filed or received at the registered office no later than six (6) days before the date of the meeting.

#### **4.3.5.6. Shareholders' Meeting Committee (Article 27 of the bylaws)**

Shareholders' Meetings are chaired by the Chairman of the Board of Directors or, in his/her absence, by a Director appointed by the Board for this purpose. Failing that, the meeting itself elects its Chairman.

In the event of convocation by the Statutory Auditors, a court officer or by liquidators, the meeting is chaired by the person or one of the people who convened the meeting.

Tellers for the meeting are those two members of the aforementioned meeting who hold the greatest number of votes and who accept the role.

The Shareholders' Meeting Committee appoints a Secretary, who may be chosen from outside the shareholders.

#### **4.3.5.7. Minutes of the meeting (Article 28 of the bylaws)**

Deliberations of Shareholders' Meetings are recorded in minutes drafted by members of the Committee and signed by them.

They include the date and place of the meeting, the mode of convening, the agenda, the composition of the Committee, the number of shares participating in the vote and the quorum reached, documents and reports submitted to the meeting, a summary of the discussions, the text of resolutions put to a vote and the results of the voting.

The minutes are entered into a special register held at the registered office under regulatory conditions.

If, for lack of a required quorum, a meeting cannot properly deliberate, this shall be recorded by the Committee in the minutes of the aforementioned meeting.

#### **4.3.5.8. Shareholders' right to information and oversight (Article 29 of the bylaws)**

Prior to each Shareholders' Meeting, the Board of Directors must make the necessary documents available to shareholders to enable them to reach a well-founded decision and make an informed judgment about management and the Company's business activities.

Following the communications referred to above, any shareholder is entitled to ask, in accordance with legal and regulatory requirements, written questions to which the Board of Directors shall be bound to answer during the Shareholders' Meeting.

All shareholders have the right at any period to obtain the documents that the Board of Directors is required, as the case may be, to make available to them at the registered office, or to send to them, in accordance with applicable laws and regulations.

#### **4.3.6. Provisions impacting a change of control**

The Company's bylaws do not contain any provisions that could have the effect of delaying, deferring or preventing a change in its control.

#### **4.3.7. Crossing of thresholds (Article 11.3 of the bylaws)**

Any natural or legal person acting alone or in concert, who comes to own a number of shares representing a percentage of share capital or voting rights exceeding thresholds set by law, shall inform the Company, within the statutory timeframe, from the time the shareholding threshold is exceeded, of the total number of shares or voting rights held.

This information shall also be provided within the same timeframe when the equity ownership interest or voting rights fall below the thresholds set by law.

The person required to supply this information shall specify the number of shares that he/she holds giving future access to the share capital as well as the attached voting rights.

If it is required by the rules of the financial instruments market other than a regulated market on which Company shares are traded, this person shall also inform the *Autorité des Marchés Financiers*, within the timeframe and in accordance with procedures established by its General Regulation, from the date the shareholding threshold is crossed. Where appropriate, this information shall be made public under the conditions established by the General Regulation of the *Autorité des Marchés Financiers*.

If shares have not been properly disclosed under the aforementioned conditions, those shares exceeding the portion, and which should have been legally declared, are deprived of voting rights for any Shareholders' Meeting that is held until the expiry of a two-year period following the date on which such notice is properly reported.

Under the same conditions, voting rights attached to these shares and which were not properly disclosed may not be exercised or delegated by the defaulting shareholder.

The French Commercial Court having jurisdiction over the registered office may, upon request of the Company Chairman, a shareholder or the *Autorité des Marchés Financiers*, order a total or partial suspension of voting rights of any shareholder who has not made the necessary declarations, for a period not exceeding five years.

#### **4.3.8. Changes in the share capital (Article 7 of the bylaws)**

1 - The share capital may be increased by any means and under any terms and conditions provided for by law. The Extraordinary Shareholders' Meeting is the sole body authorized to decide, based on a report by the Board of Directors, on a capital increase.

Shareholders have, in proportion to the amount of their shares, a preferential subscription right for shares issued for cash as part of a capital increase, a right that they may waive on an individual basis. The Ordinary Shareholders' Meeting may decide to cancel this preferential subscription right under conditions established by law.

2 - A capital reduction may be authorized or decided by the Extraordinary Shareholders' Meeting; in no case may it undermine the equality of shareholders.

The reduction of capital to an amount below the legal minimum may only be decided under the condition precedent of a capital increase intended to bring capital to at least the legal minimum, unless the Company is transformed into another form that does not require a capital amount exceeding the share capital after its reduction.

Failing that, any interested party may ask the courts to dissolve the Company. Dissolution may not be declared if, on the day the Court rules on the merits, the situation has been rectified.

#### **4.4. Information concerning the issuer**

##### **4.4.1. History of the Company**

###### **4.4.1.1. Company name and business name**

The Company's name is CARBIOS.

###### **4.4.1.2. Trade and Company Register and LEI**

The Company is registered in the Trade and Company Register of Clermont-Ferrand under number 531 530 228. The Company is registered under legal entity identifier (LEI) 969500M2RCIWO4NO5F08.

###### **4.4.1.3. Date of incorporation and duration**

The Company has been registered with the Commercial Court of Paris since April 5, 2011. Since the transfer of the registered office on November 19, 2012, the Company is registered with the Commercial Court of Clermont-Ferrand. The duration of the Company is fixed at 99 years from its registration in the Trade and Companies Register, i.e. until April 5, 2110, unless it is dissolved early or extended.

The accounts closing date is December 31 of each year.

###### **4.4.1.4. Registered office, legal form, applicable law and website**

CARBIOS is a *société anonyme* (public limited company) with a Board of Directors.

Its registered office is located at Biopôle Clermont-Limagne, 3 rue Emile Duclaux – 63360 Saint-Beauzire, France.

The Company is subject to French law and governed by its bylaws as well as the laws and regulations of the French Commercial Code for commercial companies.

The telephone number of the registered office is +33 (0)4 73 86 51 76.

The Company has a website: [www.carbios.fr](http://www.carbios.fr).

Please note that the information appearing on the website does not form part of the Universal Registration Document, unless such information is incorporated by reference in said document.

###### **4.4.1.5. Significant events in the Company's history**

April 2011:	Creation of CARBIOS SAS by Holding Incubatrice Chimie Verte (a holding company that supports SMEs that develop breakthrough technologies in sectors with high industrial and social potential, advised by Truffle Capital)
Sept. 2011 – Feb. 2012:	Implementation of the THANAPLAST™ innovative collaborative project with a total budget of €22 million over five years
June 2012:	OSEO-ISI grant agreement for the THANAPLAST™ Project (€9.8 million in grants for overall budget of €22 million, including €6.8 million in grants allocated to CARBIOS for €15 million from the Company's own funds)
July 2012:	Launch of the THANAPLAST™ project Announcement of €3.3 million in funds raised with Truffle Capital, with the payment of an initial tranche of €1.3 million
Dec. 2012:	Payment by Truffle Capital of the second tranche of funds raised (€1.2 million) Finalization of the OSEO ISI validation process, signature of the financing agreement and payment of the first tranche for the THANAPLAST™ program
Feb. 2013:	Transformation into a public limited company ( <i>société anonyme</i> ) with a Board of Directors

Aug. 2013:	Payment by Truffle Capital of the third tranche of funds raised in the form of convertible bonds (€800 thousand)
Sept. 2013:	Completion of Key Stage 1 of the THANAPLAST™ program and receipt from Bpifrance of an initial tranche of €1.7 million
Dec. 2013:	Initial public offering on the Euronext Growth Paris market, which raised nearly €13.1 million, not including the partial exercise of the over-allotment option in January 2014
Jan. 2014:	Partial exercise of the over-allotment option, bringing the total number of shares offered as part of the CARBIOS initial public offering to 946,359 new shares
Dec. 2014:	Completion of Key Stage 2 of the THANAPLAST™ program and receipt from Bpifrance of a second tranche of €700 thousand
Nov. 2015:	Completion of Key Stage 3 of the THANAPLAST™ program and receipt from Bpifrance of a third tranche of €1.6 million
April 2016:	Appointment of Jean Falgoux as Chairman of the Board of Directors of the Company
June 2016:	Partnership with Limagrain Céréales Ingrédients and the investment fund SPI <i>Sociétés de Projets Industriels</i> operated by Bpifrance to create the CARBIOLICE joint venture
Sept. 2016:	Operational launch of the CARBIOLICE joint venture
Dec. 2016:	Completion of Key Stage 4 of the THANAPLAST™ program and receipt from Bpifrance of a fourth tranche of €443 thousand
March 2017:	Establishment of equity line financing with Kepler Cheuvreux
July 2017:	Success of a reserved offer of new and existing shares for €4.2 million at a unit price of €7.75
Oct. 2017:	L'OREAL and the Company sign an agreement to create a Consortium to industrialize CARBIOS technology for enzymatic plastic recycling.
Dec. 2017:	Completion of Key Stage 5 (the final stage) of the THANAPLAST™ program and receipt from Bpifrance of the final tranche of €1,021 thousand
July 2018:	Acceleration of CARBIOLICE developments and second round of financing of €3.35 million by the shareholders, of which €1.1 million was contributed by CARBIOS
Dec. 2018:	Appointment of Ian Hudson as Chairman of the Board of Directors of CARBIOS
Jan. 2019:	CARBIOS and TWB obtain €7.5 million in funding from the Future Investments Program (PIA) operated by the ADEME to accelerate industrialization of the enzymatic recycling of PET plastic and fiber waste.
Jan. 2019:	CARBIOS and CARBIOLICE enter into a joint development agreement with Novozymes for the production and supply of PLA degradation enzymes at industrial scale.
June 2019:	CARBIOS successfully completes a capital increase of €14.5 million at a unit price of €6.45 per share.
Dec. 2019:	CARBIOS receives €1.4M from ADEME following the success of the first milestone of its CE-PET research project.
Jan. 2020:	CARBIOS enters into another joint development agreement with Novozymes for the production and supply of PET degradation enzymes at industrial scale.
April 2020:	Publication of an article co-authored by CARBIOS and TBI in the prestigious scientific journal "Nature" entitled: "An engineered PET-depolymerase to break down and recycle plastic bottles."

#### 4.4.2. Investments

The Company has financed all of its investments through its equity capital and has also received an interest-free loan from the FIAD of €152 thousand<sup>90</sup> for the acquisition of a pre-pilot laboratory. In 2019, the Company also leased equipment for the implementation of its PET enzymatic recycling pilot for a total of €323 thousand.

##### 4.4.2.1. Main investments made by the Company in the past three years

<sup>90</sup> Please refer to section 3.1.5.9 of this Universal Registration Document.



#### 4.4.2.1.1. Laboratory and pilot

The largest investments made by CARBIOS since 2013 have mainly been for the laboratory that the Company established in 2014. These facilities were commissioned on July 1, 2014 (for an amount of €680 thousand at the end of 2014) and acquisitions have continued since then for a total amount of €1,565 thousand at the date of this Universal Registration Document, of which €29 thousand in 2017, €25 thousand in 2018 and €24 thousand in 2019.

The Company also commissioned its PET enzyme recycling pilot in 2019. For this, the Company has invested €147 thousand of its own funds and €323 thousand financed by leasing.

#### 4.4.2.1.2. Patents

The Company also dedicates a large part of its resources to the protection of its intellectual property by filing patent applications at an early stage.

At the end of 2019, CARBIOS' intellectual property portfolio thus consisted of 34 patent families (including one under an exclusive worldwide license with the CNRS and the University of Poitiers), including eight new filings made during 2019.

As at December 31, 2019, gross investments made by CARBIOS in patents amounted to €1,269 thousand, of which €164 thousand in 2017, €317 thousand in 2018 and €305 thousand in 2019.

#### 4.4.2.1.3. Equity interests

At December 31, 2019, the Company held 52.70% of the share capital of CARBIOLICE<sup>91</sup>, which was created in 2016 and whose registered office is located in Riom (Puy-de-Dôme, France). The securities thus appear on CARBIOS' balance sheet for a total amount of €11,700,000. Please note that, following the exercise of several share subscription warrants, the Company obtained 1.1 million CARBIOLICE shares in 2018, and a further 1.1 million shares in 2019<sup>92</sup>.

#### 4.4.2.1.4. Other investments

Since the Company is now present at three different sites, development and fitting work has been carried out at the various sites for a total of €91 thousand in 2019, with investments of €10 thousand in 2018 and €29 thousand in 2017. At the same time, the Company invested €59 thousand in office furniture and equipment, and €82 thousand in the development and renewal of its IT system. Regarding the furniture and IT equipment items, the Company had invested €13 thousand in 2018 and €12 thousand in 2017.

With respect to the other fixed asset items, the Company has not made any other significant investments over the last three fiscal years.

#### 4.4.2.2. Main investments in progress

Since December 31, 2019, CARBIOS has continued to invest in general equipment for the laboratory and its new technical center in Riom (Puy-de-Dôme) dedicated to the pilot for its PET plastic and fiber enzymatic recycling technology. In this regard, it recorded €148 thousand in advances paid on fixed assets at December 31, 2019.

At the same time, in accordance with accounting standards, the Company recorded under "Assets under construction", the preliminary expenses incurred for the future commissioning of its industrial demonstration plant. The amount thus recognized at December 31, 2019 was €1,182 thousand.

#### 4.4.2.3. Joint ventures and significant shareholdings

Subsidiary	Capital	Equity	Share of capital in %	Carrying amount of securities	Loans and advances to Fixed assets	Guarantees and endorsements given by CARBIOS	Revenue excluding tax at 12/31/2019	Net income at 12/31/2019
CARBIOLICE	22,200,000	11,663,874	52.70%	11,700,000	-	-	768,906	(3,809,814)

<sup>91</sup> Additional information on CARBIOLICE's financial statements as at December 31, 2019 is presented in section 3.7 of this document.

<sup>92</sup> Please refer to section 1.6.2.2 for details of the capital increases carried out for the benefit of CARBIOLICE.

#### 4.4.2.4. Environmental impact of the use of property, plant and equipment

To the best of the Company's knowledge, no factor of an environmental nature has influenced the Company's operations in recent years or is likely to influence them significantly, directly or indirectly.

The Company's business activity is subject to environmental laws and regulations.

At the time of their acquisition, all diagnostics required by the applicable regulations were performed on all real estate assets held by the Company.

### 4.5. Trends in share price

The Company's shares have been listed on the Euronext Growth Paris market since December 19, 2013.

#### 4.5.1. General information

Number of shares listed as at 12/31/2019	6,904,609
Year high (in 2019)	€9.98
Year low (in 2019)	€4.71
Year's average daily volume (in 2019)	12,905 shares
ISIN	FR0011648716
Stock market indices	Euronext Growth All-share, Euronext Growth Bpifrance Innovation Index, Enter Next PEA PME 150

#### 4.5.2. Trends in share price since January 1, 2019

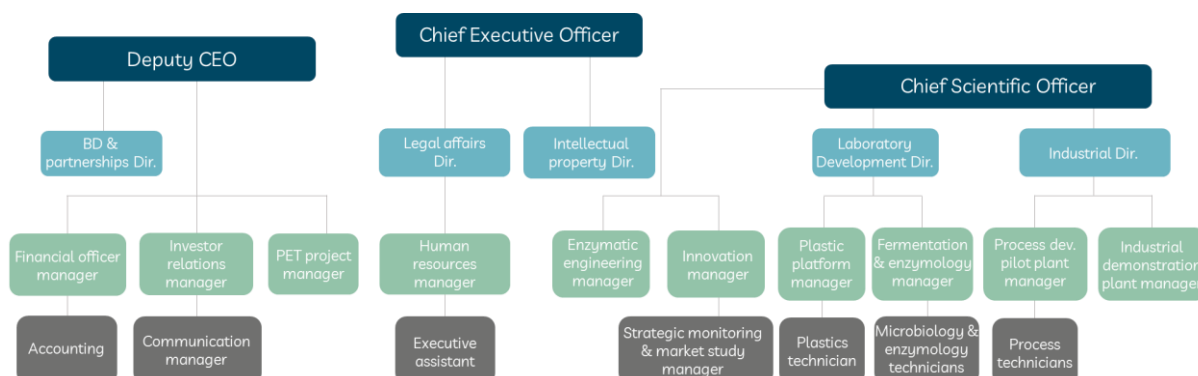
Price per share (in euros)		
	High	Low
<b>2019</b>		
January	7.70	4.71
February	8.20	6.60
March	8.43	7.85
April	9.72	7.22
May	8.30	6.94
June	7.98	6.38
July	7.00	6.60
August	6.86	6.50
September	6.86	5.52
October	7.74	6.14
November	8.38	6.46
December	9.98	8.28
<b>2020</b>		
January	9.90	8.88
February	9.68	6.78
March	8.00	6.06

## 4.6. Employees

### 4.6.1. Human Resources

#### 4.6.1.1. Functional organizational chart of the Company

As at the date of this Universal Registration Document, the Company's functional organizational chart is as follows:



#### 4.6.1.2. Number of employees

The Company headcount as at December 31, 2019 totaled 27 people:

Employees	12/31/2018	12/31/2019
<b>Managers</b>	14	18
<b>Supervisory staff and technicians</b>	5	8
<b>Employees</b>	1	1
<b>Operatives</b>	-	-
<b>TOTAL</b>	<b>20</b>	<b>27</b>

As of the date of this Universal Registration Document, the workforce is divided mainly into three departments, under the responsibility of the three members of the Company's Executive Committee:

- The Intellectual Property and Legal and Administrative Affairs Department (five employees), under the direction of the Chief Executive Officer;
- The Business and Finance Department supervised by the Deputy Chief Executive Officer (seven employees), under the direction of the Deputy Chief Executive Officer;
- The Scientific Department (15 employees) under the direction of the Chief Scientific Officer.

In addition to these employees, nearly 15 researchers are working at academic partners to support the industrial deployment of CARBIO's technologies.

The payroll, as at December 31, 2018 and December 31, 2019, was as follows:

In thousands of euros	12/31/2018	12/31/2019
<b>Salaries and wages</b>	1,628	2,018
<b>Social security contributions</b>	582	912

As part of its budgeted growth, the Company expects to hire additional employees, which will bring its headcount to approximately 35 FTE at the end of the 2020 fiscal year.

#### Human Resources policy

Average seniority is around four years.

The Company's recruitment policy for research, development and industrialization activities consists of hiring researchers and technicians with initial experience, as well as recent graduates.

In order to ensure mentoring and continuous training of its teams, the Company is recruiting experienced managers with senior profiles.

#### **Staff representation**

During the 2015 fiscal year, an electoral procedure was put in place, resulting in the election of a staff representative. In 2018, the Company set up a Social and Economic Committee (in accordance with Article L. 2311-2 of the French Labor Code), which is still in place as at the date of this Universal Registration Document.

#### **4.6.2. Equity interests and securities giving access to share capital held by executive corporate officers and employees**

As of the date of this Universal Registration Document and to the best of the Company's knowledge:

- employees<sup>93</sup> held 800 Company shares and 158,500 BSPCEs; and
- executive corporate officers held 11,807 Company shares and 234,430 BSAs and BSPCEs.

As at the date of this Universal Registration Document, the various BSA and BSPCE plans allow the subscription of new ordinary shares, potentially representing a total of 562,930 shares to be issued, i.e. a dilution of 8.15% on an undiluted basis (amounting as at the date of this Universal Registration Document to 6,904,609 shares) and 7.53% on a diluted basis.

##### **4.6.2.1. Share subscription warrants ("BSAs")**

The table below summarizes, as at the date of this Universal Registration Document, all of the BSAs<sup>94</sup> issued by the Company for the benefit of its corporate officers, employees and consultants, whether subscribed or not, and whether exercised or not:

	BSA 2011-1 08/21/ 2011	BSA 2012-1 09/28/ 2012	BSA 2012-2 09/28/ 2012	BSA 2012-3 12/04/ 2012	BSA 2013-1 06/27/ 2013	BSA 2015-1 06/24/ 2015	BSA 2015-2 06/24/ 2015	BSA 2015-3 06/24/ 2015	BSA 2016-1 12/15/ 2016	BSA 2017-1 06/27/ 2017	BSA 2019-1 04/04/ 2019	TOTAL
DEINOVE		170,000										170,000
Alain Philippart	1,253		6,747		1,600							9,600
Grégoire Berthe	1,253		6,747		1,600							9,600
Jacqueline Lecourtier	1,253		6,747		1,600							9,600
Alain Marty				3,500								3,500
Thierry Ferreira				3,500								3,500
Eric Arnoult (known as Erik Orsenna)					9,600							9,600
Dominique Even						9,600						9,600
Pascal Juéry							9,600					9,600
Jean Falgoux								9,600				9,600
Ian Hudson									9,600			9,600
Jacques Breuil										9,600		9,600
Godefroy Motte											9,600	9,600
<b>TOTAL</b>	<b>3,759</b>	<b>170,000</b>	<b>20,241</b>	<b>7,000</b>	<b>14,400</b>	<b>9,600</b>	<b>9,600</b>	<b>9,600</b>	<b>9,600</b>	<b>9,600</b>	<b>9,600</b>	<b>273,000</b>

For details of the BSAs subscribed or not, and exercised or not, please refer to section 4.6.2.3 of this document.

<sup>93</sup> With the exception of Jean-Claude Lumaret, whose shares and securities are included with the shares of the executive corporate officers.

<sup>94</sup> Excluding BSAs issued to Kepler Cheuvreux described in section 4.6.2.3 below.

#### 4.6.2.2. Founder share subscription warrants (“BSPCEs” or “BCEs”)

The table below summarizes, as at the date of this Universal Registration Document, all of the BSPCEs issued by the Company for the benefit of its corporate officers and employees, whether subscribed or not, and whether exercised or not:

	BCE 2011-1 05/08/ 2011	BCE 2011-2 07/06/ 2011	BCE 2012-1 09/28/ 2012	BCE 2012-2 10/02/ 2012	BCE 2013-1 07/26/ 2013	BCE 2013-2 07/26/ 2013	BCE 2015-1 06/24/ 2015	BCE 2015-2 06/24/ 2015	BCE 2016-1 03/22/ 2016	BCE 2017-1 06/27/ 2017	BCE 2019-1 12/06/ 2018	BCE 2020 03/12/ 2020	TOTAL
Jean-Claude Lumaret	35,000		65,000		30,000							92,500	222,500
Alain Chevallier		7,614	12,386		6,000								26,000
Emmanuel Maille				8,000		2,400	20,600						31,000
Cédric Boisart				8,000		2,400							10,400
Alain Marty								31,000				46,250	77,250
Jean Falgoux									37,982				37,982
Martin Stephan										35,000		46,250	81,250
Ian Hudson											28,000		28,000
<b>TOTAL</b>	<b>35,000</b>	<b>7,614</b>	<b>77,386</b>	<b>16,000</b>	<b>36,000</b>	<b>4,800</b>	<b>20,600</b>	<b>31,000</b>	<b>37,982</b>	<b>35,000</b>	<b>28,000</b>	<b>185,000</b>	<b>514,382</b>

For details of the BCE subscribed or not, and exercised or not, please refer to section 4.6.3.4 of this document.

#### 4.6.2.3. Features of the BSA plans

The table below summarizes the terms and conditions of the various BSA plans, for which the list of beneficiaries is set out in section 4.6.2.1 above. It is specified that each time BSAs are allocated, the subscription price of the warrant is determined by the Board of Directors, in light of a report by an independent expert. The subscription price of the warrant is set without any discount on the value indicated in the expert’s report.

Table 8 (AMF nomenclature): History of stock option allocations

	BSA 2011-1		BSA 2012-1	BSA 2012-2	BSA 2012-3	BSA 2013-1
Date of the Shareholders' Meeting or Board of Directors having allocated the plan	Decision of the Chairman in accordance with the delegation of authority granted by the sole partner on 07/12/2011	Decision of the Chairman in accordance with the delegation of authority granted by the sole partner on 06/08/2012	Collective decision of the shareholders on 09/28/2012	Collective decision of the shareholders on 09/28/2012	Collective decision of the shareholders on 12/04/2012	Decision of the Shareholders' Meeting on 07/26/2013
Number of BSAs issued	2,506	1,253	170,000	20,241	7,000	14,400
Number of shares that may be subscribed or purchased	3,759		170,000	20,241	7,000	14,400
Warrant exercise start date	07/15/2012		According to the achievement of the exercise criteria (see methods above)	09/28/2013	12/04/2014	07/26/2014
Number of BSAs subscribed	3,759		170,000	20,241	7,000	14,400
Price of subscription or purchase of the warrant <sup>(1)</sup>	0.10		Free	0.22	0.22	0.22
Expiration date	07/12/2021	06/08/2022	09/28/2022	09/28/2022	12/04/2022	07/26/2023
Warrant exercise method	Possibility of exercising a number x of warrants between April 15 and July 15 of each year and for the first time on 07/15/2012, for up to 626 warrants calculated according to the following rule beginning from July 15, 2011: $x = (\text{total number of BSAs 2011-1 allocated to the beneficiary} * \text{nb. of months since 07/15/2011}) / 48$		Possibility of exercising the warrants after transfer by the beneficiary to CARBIOS of at least one strain of interest from the collection of cultures of the beneficiary whose degradation properties have been validated by the Board of Directors within the context of the research cooperation agreement signed between the beneficiary and CARBIOS	Possibility of exercising a number x of warrants per complete monthly period beginning from 09/28/2012, and for the first time from 02/28/2013, calculated according to the following rule: $x = (\text{total nb. of BSAs 2012-2 allocated to beneficiary} * \text{nb. of months since on 09/28/2012}) / 48$	Possibility of exercising a number x of warrants per complete monthly period beginning from 12/04/2012, and for the first time from 12/04/2014, calculated according to the following rule: $x = (\text{total nb. of BSAs 2012-3 allocated to beneficiary} * \text{nb. of months since on 12/04/2012}) / 48$	These warrants are exercisable in the event of the occurrence of an IPO prior to June 30, 2014. Possibility of exercising a number x of warrants per complete monthly period beginning on 07/26/2013, and for the first time from 07/26/2014, calculated according to the following rule: $x = (\text{total nb. of BSAs 2013-1 allocated to beneficiary} * \text{nb. of months since 07/26/2013}) / 48$
Exercise price	1.00		2.25	2.25	2.25	80% of IPO price
Number of shares subscribed as of the date of this Universal Registration Document	2,506		0	13,494	7,000	0
Cumulative number of subscription or purchase warrants canceled or null and void	0		0	0	0	12,800
Share subscription warrants that may be exercised at the date of this Universal Registration Document	1,253		170,000	6,747	0	1,600

<sup>(1)</sup> Subscription price determined on the basis of a report prepared and delivered by an independent expert

	BSA 2015-1	BSA 2015-2	BSA 2015-3	BSA 2016-1	BSA 2017-1	BSA 2019-1
<b>Date of the Shareholders' Meeting or Board of Directors having allocated the plan</b>	Decision of the Board of Directors of 06/24/2015	Decision of the Board of Directors of 06/24/2015	Decision of the Board of Directors of 06/24/2015	Decision of the Board of Directors of 12/15/2016	Decision of the Board of Directors of 06/27/2017	Decision of the Board of Directors dated 04/04/2019
<b>Number of BSAs issued</b>	9,600	9,600	9,600	9,600	9,600	9,600
<b>Number of shares that may be subscribed or purchased</b>	9,600	9,600	9,600	9,600	9,600	9,600
<b>Warrant exercise start date</b>	06/24/2016	06/24/2016	06/24/2016	12/15/2017	06/27/2018	04/04/2020
<b>Number of BSAs subscribed</b>	9,600	9,600	9,600	9,600	0	0
<b>Price of subscription or purchase of the warrant<sup>(1)</sup></b>	0.85	0.85	0.85	0.59	1.13	1.38
<b>Expiration date</b>	06/24/2025	06/24/2025	06/24/2025	12/15/2026	06/27/2027	04/04/2029
<b>Warrant exercise method</b>	Possibility of exercising a number x of warrants per complete monthly period beginning on 06/05/2014, and for the first time from 06/24/2016, calculated according to the following rule: $x = (\text{total nb. of BSAs 2015-1 allocated to beneficiary} * \text{nb. of months since 06/05/2014}) / 48$	Possibility of exercising a number x of warrants per complete monthly period beginning on 06/05/2014, and for the first time from 06/24/2016, calculated according to the following rule: $x = (\text{total nb. of BSAs 2015-2 allocated to beneficiary} * \text{nb. of months since 06/5/2014}) / 48$	Possibility of exercising a number x of warrants per complete monthly period beginning on 10/22/2013, and for the first time from 6/24/2016, calculated according to the following rule: $x = (\text{total nb. of BSAs 2015-3 allocated to beneficiary} * \text{nb. of months since 10/22/2013}) / 48$	Possibility of exercising a number x of warrants per complete monthly period, and for the first time from 12/15/2017, calculated according to the following rule: $x = (\text{total nb. of BSAs 2016-1 allocated to beneficiary} * \text{nb. of months since 12/15/2016}) / 48$	Possibility of exercising a number x of warrants per complete monthly period, and for the first time from 06/27/2018, calculated according to the following rule: $x = (\text{total nb. of BSAs 2017-1 allocated to beneficiary} * \text{nb. of months since 06/27/2017}) / 48$	Possibility of exercising a number x of warrants per complete monthly period, and for the first time from 04/04/2020, calculated according to the following rule: $x = (\text{total nb. of BSAs 2019-1 allocated to beneficiary} * \text{nb. of months since 04/04/2019}) / 48$
<b>Exercise price</b>	12.4581	12.4581	12.4581	8.2837	7.86	8.246635
<b>Number of shares subscribed as of the date of this Universal Registration Document</b>	0	0	0	0	0	0
<b>Cumulative number of subscription or purchase warrants canceled or null and void</b>	9,600	0	0	0	9,600	9,600
<b>Share subscription warrants that may be exercised at the date of this Universal Registration Document</b>	0	9,600	9,600	9,600	0	0

<sup>(1)</sup> Subscription price determined on the basis of a report prepared and delivered by an independent expert

Furthermore, through a decision made by the Chief Executive Officer on March 28, 2017, within the context of the establishment of equity line financing, the Company issued 380,000 BSAs to Kepler Cheuvreux, enabling it to subscribe 380,000 shares in the event of the exercise of all said BSAs.

As at the date of this Universal Registration Document, 280,000 BSAs had been subscribed as part of this equity line financing. The 100,000 BSAs subscribed but not yet exercised when the contract expired on March 28, 2019 ceased to be valid.

As at the date of this Universal Registration Document, there were 208,400 BSAs exercisable, granting rights to 208,400 shares.

#### 4.6.2.4. Features of the BSPCE plans

The table below summarizes the terms and conditions of the various BSPCE plans, for which the list of beneficiaries is set out in section 4.6.2.2 above.

Table 8 (AMF nomenclature): History of stock option allocations

	BCE 2011-1	BCE 2011-2	BCE 2012-1	BCE 2012-2	BCE 2013-1
<b>Date of the Shareholders' Meeting or Board of Directors having allocated the plan</b>	Decision of the sole shareholder on 04/06/2011	Decision of the sole shareholder on 07/06/2011	Collective decision of the shareholders on 09/28/2012	Collective decision of the shareholders on 09/28/2012	Decision of the Shareholders' Meeting on 07/26/2013
<b>Number of BSPCEs issued</b>	35,000	7,614	77,386	16,000	36,000
<b>Number of shares that may be subscribed or purchased</b>	35,000	7,614	77,386	16,000	36,000
<b>Warrant exercise start date</b>	04/15/2012	07/15/2012	02/01/2013	09/28/2013	07/26/2014
<b>Number of BSPCEs subscribed</b>	35,000	7,614	77,386	16,000	36,000
<b>Price of subscription or purchase of the warrant</b>	Free	Free	Free	Free	Free
<b>Expiration date</b>	04/06/2021	07/06/2021	09/28/2022	09/28/2022	07/26/2023
<b>Warrant exercise method</b>	Possibility of exercising a number x of warrants between January 15 and April 15 of each year and for the first time on 04/15/2012, for up to 8,750 warrants, calculated according to the following rule beginning from April 15, 2011: $x = (\text{total number of BCEs 2011-1 allocated to the beneficiary} * \text{nb. of months since 04/15/2011}) / 48$	Possibility of exercising a number x of warrants between April 15 and July 15 of each year and for the first time on 07/15/2012, for up to 1,903 warrants calculated according to the following rule beginning from July 15, 2011: $x = (\text{total number of BSAs 2011-2 allocated to the beneficiary} * \text{nb. of months since 07/15/2011}) / 48$	Possibility of exercising a number x of warrants per complete monthly period beginning on 02/01/2012, and for the first time from 02/01/2013, calculated according to the following rule: $x = (\text{total nb. of BCEs 2012-1 allocated to the beneficiary} * \text{nb. of months since 02/01/2012}) / 48$	Possibility of exercising a number x of warrants per complete monthly period beginning on 09/28/2012, and for the first time from 09/28/2013, calculated according to the following rule: $x = (\text{total nb. of BCEs 2012-2 allocated to the beneficiary} * \text{nb. of months since 09/28/2013}) / 48$	These warrants are exercisable in the event of the occurrence of an IPO prior to June 30, 2014. Possibility of exercising a number x of warrants per complete monthly period beginning on 07/26/2013, and for the first time from 07/26/2014, calculated according to the following rule: $x = (\text{total nb. of BCEs 2013-1 allocated to the beneficiary} * \text{nb. of months since 07/26/2013}) / 48$
<b>Exercise price</b>	1	1	2.25	2.25	80% of IPO price
<b>Number of shares subscribed as of the date of this Universal Registration Document</b>	35,000	7,614	75,838	11,500	0
<b>Cumulative number of subscription or purchase warrants canceled or null and void</b>	0	0	0	4,500	0
<b>Share subscription warrants that may be exercised at the date of this Universal Registration Document</b>	0	0	1,548	0	36,000



	BCE 2013-2	BCE 2015-1	BCE 2015-2	BCE 2016-1	BCE 2017-1	BCE 2019-1	BCE 2020
<b>Date of the Shareholders' Meeting or Board of Directors having allocated the plan</b>	Decision of the Shareholders' Meeting on 07/26/2013	Decision of the Board of Directors of 06/24/2015	Decision of the Board of Directors of 06/24/2015	Decision of the Board of Directors of 03/22/2016	Decision of the Board of Directors of 06/27/2017	Decision of the Board of Directors of 12/06/2018	Decision of the Board of Directors of 03/12/2020
<b>Number of BSPCEs issued</b>	4,800	20,600	31,000	37,982	35,000	28,000	185,000
<b>Number of shares that may be subscribed or purchased</b>	4,800	20,600	31,000	37,982	35,000	28,000	185,000
<b>Warrant exercise start date</b>	07/26/2014	06/24/2016	06/24/2016	04/01/2017	06/27/2018	01/01/2020	03/12/2020
<b>Number of BSPCEs subscribed</b>	4,800	20,600	31,000	37,982	35,000	28,000	185,000
<b>Price of subscription or purchase of the warrant</b>	Free	Free	Free	Free	Free	Free	Free
<b>Expiration date</b>	07/26/2023	06/24/2025	06/24/2025	04/01/2026	06/27/2027	01/01/2029	03/12/2030
<b>Warrant exercise method</b>	These warrants are exercisable in the event of the occurrence of an IPO prior to June 30, 2014. Possibility of exercising a number x of warrants per complete monthly period beginning on 07/26/2013, and for the first time from 07/26/2014, calculated according to the following rule: $x = (\text{total nb. of BCEs 2013-2 allocated to the beneficiary} * \text{nb. of months since 07/26/2013}) / 48$	Possibility of exercising a number x of warrants per complete monthly period beginning on 06/24/2015, and for the first time from 06/24/2016, calculated according to the following rule: $x = (\text{total nb. of BCEs 2015-1 allocated to the beneficiary} * \text{nb. of months since 06/24/2015}) / 48$	Possibility of exercising a number x of warrants per complete monthly period beginning on 06/24/2015, and for the first time from 06/24/2016, calculated according to the following rule: $x = (\text{total nb. of BCEs 2015-2 allocated to the beneficiary} * \text{nb. of months since 06/24/2015}) / 48$	Possibility of exercising a number x of warrants per full monthly period beginning on 04/01/2016 and for the first time from 04/01/2017, calculated according to the following rule: $x = (18,991 * \text{nb. of months since 04/01/2016} / 48)$ and the possibility of exercising 18,991 warrants in the event of the occurrence of certain events	Possibility of exercising a number x of warrants per full monthly period beginning on 06/27/2017, and for the first time from 06/27/2018, calculated according to the following rule: $x = (35,000 * \text{nb. of months since 06/27/2017} / 48)$	For the first 14,000 warrants: possibility of exercising x warrants per full monthly period beginning on 01/01/2019, and for the first time from 01/01/2020, calculated according to the following rule: $x = 14,000 * (\text{number of months since 01/01/2019} / 48)$  For the other 14,000 warrants: possibility of exercising y warrants where $y = (\text{number of warrants not yet exercisable}) * \% \text{ determined by the performance of the CARBIOS share price}$	Option (i) to exercise the warrants granted per tranche of ¼ of the total number of warrants granted to each beneficiary based on the achievement of four performance conditions and (ii) early exercise in certain scenarios
<b>Exercise price</b>	80% of IPO price	12.4581	12.4581	11.5066	7.86	5.29999	7.75934
<b>Number of shares subscribed as of the date of this Universal Registration Document</b>	0	0	0	0	0	0	0
<b>Cumulative number of</b>	4,800	20,600	0	0	0	0	0

subscription or purchase warrants canceled or null and void							
Share subscription warrants that may be exercised at the date of this Universal Registration Document	0	0	31,000	37,982	35,000	28,000	185,000

As at the date of this Universal Registration Document, there were 354,530 BCEs exercisable, granting rights to 354,530 shares.

#### 4.6.3. Profit-sharing and incentive agreements

Since the Company does not have a workforce of at least 50 employees, it is not required, pursuant to Article L. 3322-2 of the French Labor Code, to set up a special profit-sharing reserve. Nonetheless, should this threshold be reached, the necessary steps will be taken to constitute such a reserve.

At the time of filing this Universal Registration Document, no mechanism has been put in place by the Company for incentives or a company savings plan or any employee profit-sharing plan that would allow employees to directly or indirectly acquire shares in the Company or in affiliated companies.

## 5. ADDITIONAL INFORMATION

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<b>5. ADDITIONAL INFORMATION .....</b>	<b>147</b>
5.1. <i>Person responsible .....</i>	<i>148</i>
5.2. <i>Persons responsible for auditing the financial statements .....</i>	<i>148</i>
5.2.1. <i>Statutory Auditors .....</i>	<i>148</i>
5.2.2. <i>Statutory Auditors who have resigned or been dismissed.....</i>	<i>149</i>
5.3. <i>Information from third parties, expert statements and declarations of interest .....</i>	<i>149</i>
5.4. <i>Declaration of approval from the competent authority.....</i>	<i>149</i>
5.5. <i>Documents available to the public.....</i>	<i>149</i>
5.6. <i>Cross-reference tables.....</i>	<i>149</i>
5.6.1. <i>Cross-reference table with the information required in the annual financial report, the management report and the corporate governance report .....</i>	<i>149</i>
5.6.2. <i>Cross-reference table with the information required by Annexes 1 and 2 of the Commission Delegated Regulation (EU) No. 2019/980 of March 14, 2019.....</i>	<i>150</i>
5.7. <i>Glossary.....</i>	<i>154</i>

## 5.1. Person responsible

### Person responsible

Jean-Claude LUMARET  
Chief Executive Officer  
Parc d'activités du Biopôle Clermont-Limagne  
3 rue Emile Duclaux  
63360 Saint-Beauzire, France  
Tel: +33 (0)4 73 86 51 76  
Fax: +33 (0)4 73 86 62 37

### Declaration by the person responsible

I certify, after taking all reasonable steps to that effect, that the information contained in this Universal Registration document is, to the best of my knowledge, correct and does not contain any omissions that would alter the scope thereof.

I certify that, to my knowledge, the financial statements were prepared in accordance with applicable accounting standards and provide a true and fair view of the Company's assets, financial position and results, and that the management report, whose information is referenced in the cross-reference table available in section 5.6.1, presents a true picture of the Company's business, results and financial position and describes the principal risks and uncertainties that it faces.

Saint-Beauzire, April 29, 2020

Jean-Claude Lumaret  
Chief Executive Officer

## 5.2. Persons responsible for auditing the financial statements

### 5.2.1. Statutory Auditors

#### Principal Statutory Auditor

PricewaterhouseCoopers Audit  
Represented by Thierry Charron  
63 Rue de Villiers – 92200 Neuilly Sur Seine, France

Appointed at the founding of the Company on April 5, 2011. The Combined General Meeting of June 14, 2018 decided to renew the term of office of the Principal Statutory Auditor for a period of six years expiring at the close of the annual Ordinary Shareholders' Meeting to be held during 2024 that will be convened to approve the financial statements for the year ending December 31, 2023.

PricewaterhouseCoopers Audit is a member of the *Compagnie Régionale des Commissaires aux Comptes* of Versailles.

#### Alternate Statutory Auditor

Patrice Morot  
63 Rue de Villiers – 92200 Neuilly Sur Seine, France

The Combined Shareholders' Meeting of June 14, 2018 decided to renew the term of office of the Alternate Statutory Auditor, Yves Nicolas, who was appointed at the founding of the Company on April 5, 2011, for a period of six years expiring at the close of the annual Ordinary Shareholders' Meeting to be held during 2024 that will be convened to approve the financial statements for the fiscal year ending December 31, 2023. Readers are advised that since the Combined General Meeting of June 14, 2018, Yves Nicolas has retired and been replaced by Patrice Morot. This was ratified at the Company's Shareholders' Meeting on June 19, 2019.

Patrice Morot is a member of the *Compagnie Régionale des Commissaires aux Comptes* of Versailles.

### 5.2.2. Statutory Auditors who have resigned or been dismissed

None.

### 5.3. Information from third parties, expert statements and declarations of interest

None.

### 5.4. Declaration of approval from the competent authority

See the cover page of the Universal Registration Document.

### 5.5. Documents available to the public

During the period of validity of this Universal Registration Document, the following documents (or copies of these documents) may be consulted, on physical media, at the Company's registered office, Biopôle Clermont-Limagne, 3 rue Emile Duclaux – 63360 Saint-Beauzire, France:

- The Articles of Incorporation and Company bylaws;
- All reports, letters and other documents, historical financial information, appraisals and statements made by an expert at the request of the Company, of which a portion is included or referred to in this Universal Registration Document;
- The Company's historical financial information for each of the three fiscal years prior to publication of this Universal Registration Document.

Regulated information within the meaning of the AMF General Regulation shall be available on the Company's website ([www.carbios.fr](http://www.carbios.fr)).

### 5.6. Cross-reference tables

#### 5.6.1. Cross-reference table with the information required in the annual financial report, the management report and the corporate governance report

Annual Financial Report	Chapter/section of the Universal Registration Document
Parent company financial statements	Chapter 3
Management report	
- Information on the Company's business activity	1.1 to 1.7; 1.11.3; 1.11.4; 1.11.5
- Risk factors	1.12.1 to 1.12.8
- Legal information and shareholding	1.10; 2.1; 4.1; 4.2; 4.4.1; 4.6.3
- Financial and fiscal information on the Company	1.11.1; 1.11.1.2.2.7; 1.11.2; 3.1; 3.4;
- Social, societal and environmental information on the Company	4.4.2.4; 4.6.1
Corporate governance report	
- Directors' terms of office and duties	2.1.1.3
- Regulated agreements	2.2.1
- Current delegations	4.5.1
Declaration of natural persons responsible for the annual financial report	5.1
Statutory Auditors' report on the parent company financial statements	3.2

**5.6.2. Cross-reference table with the information required by Annexes 1 and 2 of the Commission Delegated Regulation (EU) No. 2019/980 of March 14, 2019**

The following cross-reference table identifies the information required by Annexes 1 and 2 of the Commission Delegated Regulation (EU) No. 2019/980 of March 14, 2019 in accordance with the layout of the Universal Registration Document:

<b>Annexes 1 and 2 of Delegated Regulation (EU) No. 2019/980</b>	<b>Chapter/section of the Universal Registration Document</b>
<b>1. Persons responsible, third-party information, experts' reports and competent authority approval</b>	Chapter 5
1.1. Identity of the persons responsible	5.1
1.2. Declaration of the persons responsible	5.1
1.3. Experts' declarations	5.3
1.4. Third-party information	5.3
1.5. Statement from the competent authority	5.4
<b>2. Statutory auditors</b>	5.2
2.1. Principal Statutory Auditors	5.2.1
2.2. Statutory Auditors that resigned or were dismissed	5.2.2
<b>3. Risk factors</b>	1.12
<b>4. Information about the issuer</b>	4.4.1
4.1. Company name and business name of the issuer	4.4.1.1
4.2. Place of registration, registration number and LEI of the issuer	4.4.1.2
4.3. Date of incorporation and length of life of the issuer	4.4.1.3
4.4. Registered office of the Company and legal form, applicable legislation, website and other	4.4.1.4
<b>5. Business overview</b>	Chapter 1
5.1. Main activities	1.1; 1.2
5.1.1. Nature of transactions carried out by the issuer	1.1; 1.2
5.1.2. New products and/or services	1.7
5.2. Principal markets	1.5.4; 1.6.5
5.3. Important events	4.4.1.5
5.4. Strategy and objectives	1.4
5.5. Extent of dependence	1.8; 3.5
5.6. Competitive position of the issuer	1.5.5; 1.6.6

<b>Annexes 1 and 2 of Delegated Regulation (EU) No. 2019/980</b>	<b>Chapter/section of the Universal Registration Document</b>
5.7. Investments	4.4.2
5.7.1. Material investments	4.4.2.1
5.7.2. Material investments in progress	4.4.2.2
5.7.3. Joint ventures and significant shareholdings	4.4.2.3
5.7.4. Environmental impact of the use of property, plant and equipment	4.4.2.4
<b>6. Organizational structure</b>	1.10
6.1. Brief description of the group	1.10
6.2. List of significant subsidiaries	1.10
<b>7. Operating and financial review</b>	1.11.1
7.1. Financial position	1.11.1.1
7.1.1. Changes in the issuer's results	3.1
7.1.2. Likely future development of the issuer's activities and its R&D activities	1.5.2; 1.7; 1.11.3
7.2. Operating income	1.11.1.2
7.2.1. Key factors	1.11.1.2.1
7.2.2. Major changes	3.6
<b>8. Capital resources</b>	1.11.2
8.1. Information concerning the issuer's capital	1.11.2.1
8.2. Cash flows of the issuer	1.11.2.2
8.3. Financing needs and financing structure of the issuer	1.11.2.3
8.4. Restrictions on the use of the issuer's capital resources	1.11.2.4
8.5. Expected sources of funding	1.11.2.5
<b>9. Regulatory environment</b>	1.9
<b>10. Trend information</b>	1.11.4
10.1. Most significant trends Significant change in financial performance	1.11.4
10.2. Known trends that are reasonably likely to have a material effect on the issuer's prospects	1.11.4
<b>11. Profit forecasts or estimates</b>	1.11.5
<b>12. Administrative, management and supervisory bodies and senior management</b>	2.1

<b>Annexes 1 and 2 of Delegated Regulation (EU) No. 2019/980</b>		<b>Chapter/section of the Universal Registration Document</b>
12.1.	Information concerning the members of the issuer's administrative and management bodies	2.1.1; 2.1.2
12.2.	Conflicts of interest	2.1.5
<b>13.</b>	<b>Remuneration and benefits</b>	2.1.7
13.1.	Compensation and benefits paid	2.1.7.1
13.2.	Total amounts set aside to provide for pension, retirement or similar benefits	2.1.7.2
<b>14.</b>	<b>Board practices</b>	2.1.8
14.1.	Duration of terms of office	2.1.8.1
14.2.	Service contracts	2.1.8.1.2.2
14.3.	Information concerning committees	2.1.8.2
14.4.	Statement related to corporate governance	2.1.8.2.3
14.5.	Implications of future changes in the composition of bodies	2.1.6
<b>15.</b>	<b>Employees</b>	4.6
15.1.	Human Resources	4.6.1
15.2.	Shareholdings and stock options	4.6.2
15.3.	Any arrangements for involving the employees in the capital of the issuer	4.6.3
<b>16.</b>	<b>Major shareholders</b>	4.2
16.1.	Distribution of share capital	4.2.1
16.2.	Existence of different voting rights	4.2.2
16.3.	Control of the issuer	4.2.3
16.4.	Agreements resulting in a change of control	4.2.4
<b>17.</b>	<b>Related-party transactions</b>	2.2
<b>18.</b>	<b>Financial information concerning the issuer's assets and liabilities, financial position and profits and losses</b>	Chapter 3
18.1.	Historical financial information	Chapter 3
18.1.1.	Audited historical financial information	Chapter 3
18.1.2.	Change of accounting key date	N/A
18.1.3.	Accounting standards	1.11.1.1; 3.1.5.1
18.1.4.	Change in accounting basis	1.11.1.1



<b>Annexes 1 and 2 of Delegated Regulation (EU) No. 2019/980</b>	<b>Chapter/section of the Universal Registration Document</b>
18.1.5. Breakdown of audited financial information	3.1
18.1.6. Consolidated financial statements	N/A
18.1.7. Date of most recent financial information	Chapter 3
18.2. Interim and other financial information	N/A
18.3. Audit of historical annual financial information	3.2
18.4. Pro forma financial information	3.3
18.5. Dividend policy	3.4
18.6. Legal and arbitration proceedings	1.11.3.4; 3.5
18.7. Significant change in the issuer's financial position	3.6
<b>19. Additional information</b>	4.1
19.1. Share capital	4.1.1
19.1.1. Amount of capital issued by class of shares	4.1.1
19.1.2. Non-equity shares	4.1.2
19.1.3. Treasury shares	4.1.3
19.1.4. Securities	4.1.4; 4.6.2
19.1.5. Rights of acquisition and/or any obligations	N/A
19.1.6. Options or agreements	4.1.6
19.1.7. History of share capital	4.1.7
19.2. Articles of Incorporation and bylaws	4.3
19.2.1. Entry in the register and corporate purpose	4.3.1
19.2.2. Rights and preferences of shares	4.3.3.3
19.2.3. Provisions impacting a change of control	4.3.6
<b>20. Material contracts</b>	1.8
<b>21. Documents available</b>	5.5

## 5.7. Glossary

- **Biodegradation**  
The decomposition of materials into simple molecules (H<sub>2</sub>O, CO<sub>2</sub>, humus) through the enzymatic action initiated by micro-organisms.
- **Bioprocess**  
Production process using micro-organisms or enzymes.
- **Enzymatic recycling**  
Enzymatic process for the degradation of a polymer into its constituent monomers followed by a conversion process, by chain formation, of a monomer, or a mixture of monomers, into a polymer.
- **Depolymerization**  
Degradation of a polymer into its constitutive monomers.
- **Enzyme**  
A protein that catalyzes, meaning that it increases the speed of the chemical reaction.
- **Micro-organism**  
Microscopic living organism (bacteria, fungus or yeast), meaning that it is invisible to the naked eye and can only be seen using a microscope.
- **Monomer**  
Molecule, a basic unit, which contributes to the formation of a polymer.
- **Polymer**  
Large molecule composed of the repetition, a large number of times, of one or several monomers.
- **Polymerization**  
Conversion process, through the formation of chains, of a monomer, or of a combination of monomers, into a polymer.
- **PLA** Polylactic Acid  
Biosourced and biodegradable plastic polymer according to standard EN13432 (industrial compost environment). Moreover, it is biocompatible.
- **PET** Polyethylene terephthalate  
Plastic polymer that is the predominant constituent of water bottles and some textile materials such as polyester fibers.