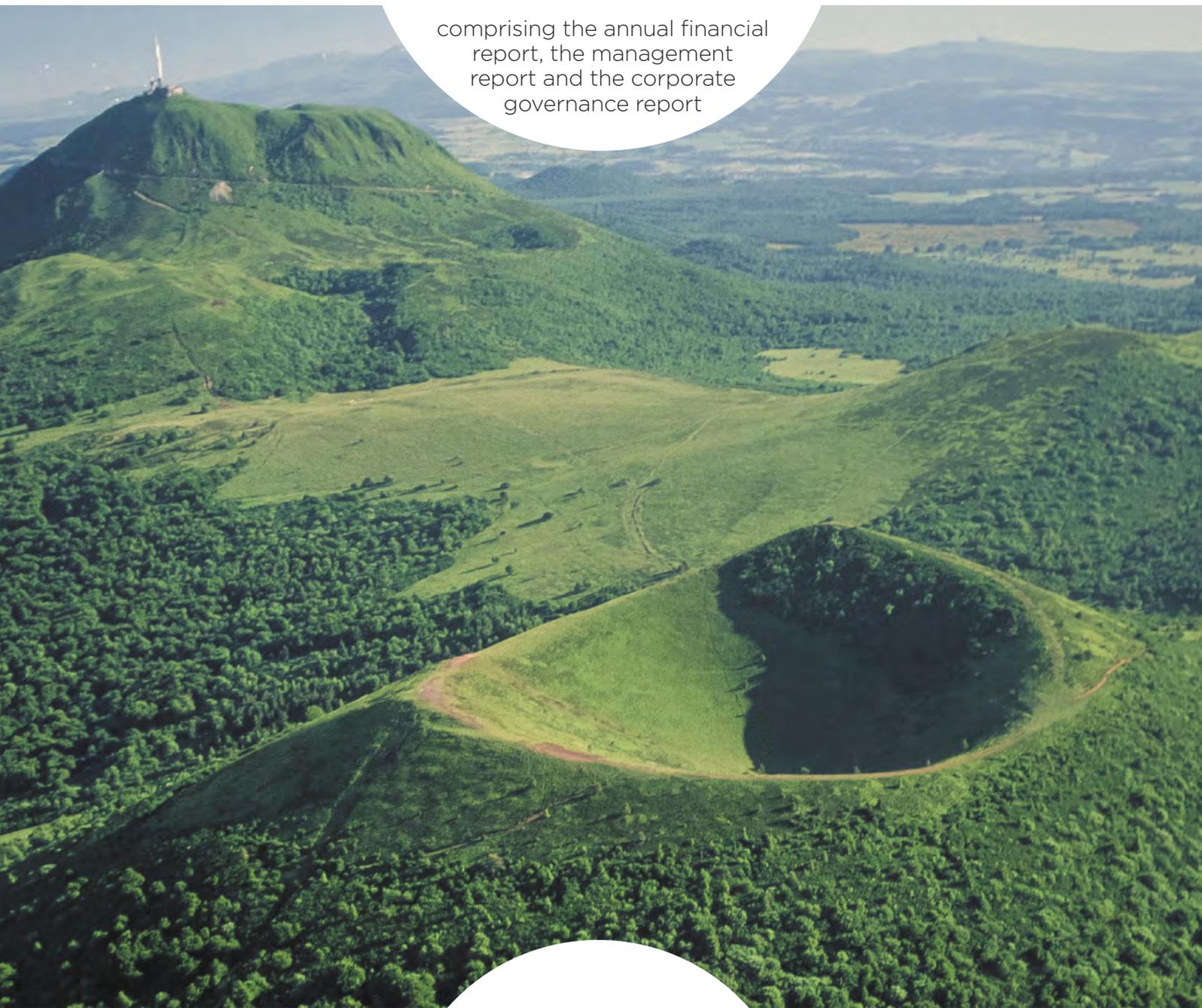


# UNIVERSAL REGISTRATION DOCUMENT 2020

comprising the annual financial  
report, the management  
report and the corporate  
governance report



## CARBIOS

Enzymes powering the **Circular Economy**

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## UNIVERSAL REGISTRATION DOCUMENT

# 2020

comprising the annual financial report,  
Management report and  
2020 Corporate Governance report



This Universal Registration Document was filed on April 14, 2021 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, 2018 and the related Statutory Auditors' report as presented in sections 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 parent company financial statements for the fiscal year ended December 31, 2019 and the related Statutory Auditors' report as presented in sections 3.1 (pages 86 to 106) and 3.2 (pages 107 to 111) of the Universal Registration Document filed with the AMF on April 29, 2020 under the number D.20-0412;
- the review of the Company's results and financial position for the fiscal year ended December 31, 2019 presented in section 1.11 (pages 35 to 45) of the Universal Registration Document filed with the AMF on April 29, 2020 under the number D.20-0412.

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.com](http://www.carbios.com).

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

In this document, the terms:

- **“CARBIOS”** or the **“Company”** refers to the CARBIOS company;
- **“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*

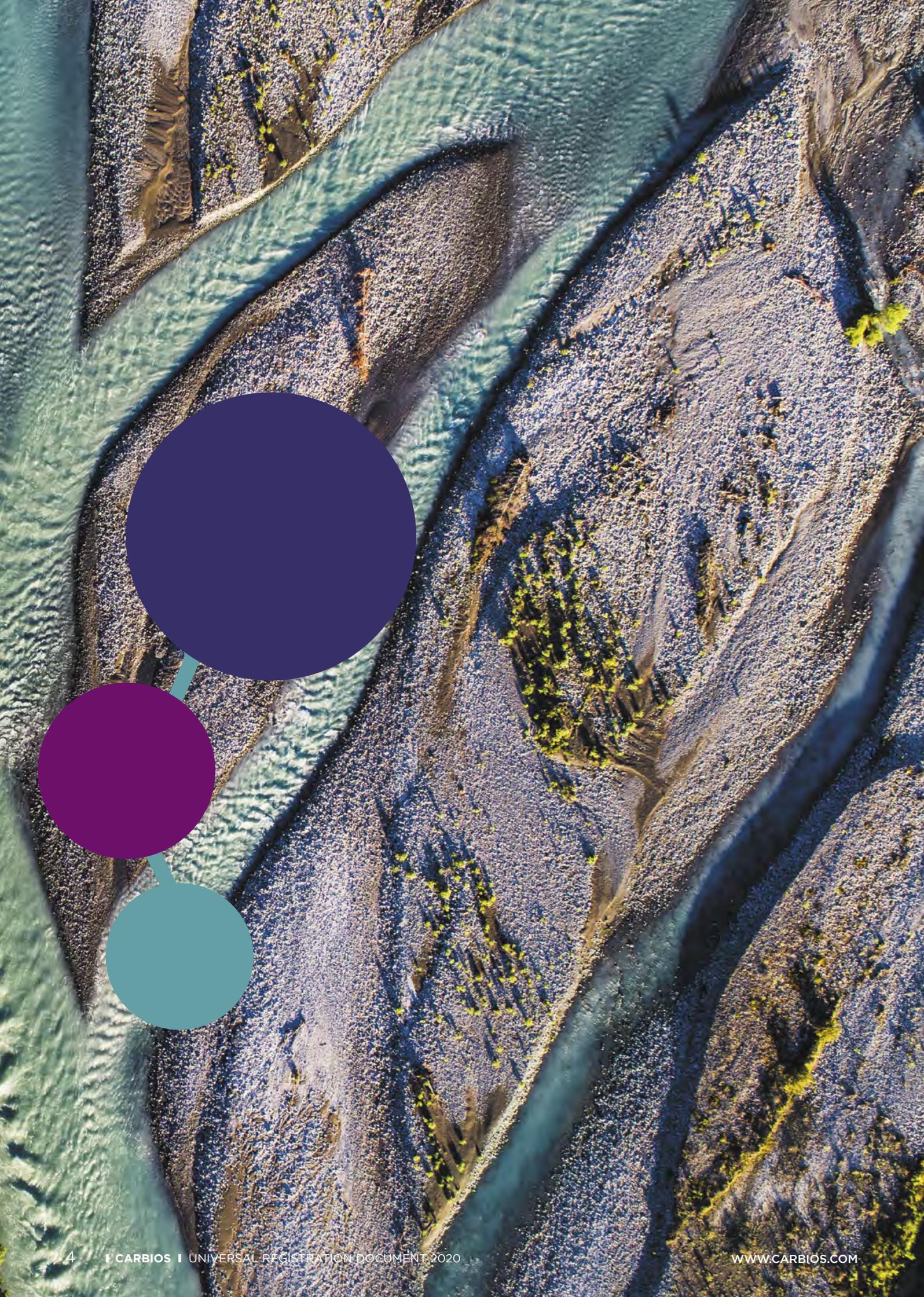
Investors are also invited to take into account the risk factors described in Chapter 3 “Risk factors” in the Universal Registration Document before making their investment decision. The occurrence of one or more of these risks could have an adverse effect on the business, outlook, financial position, 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.

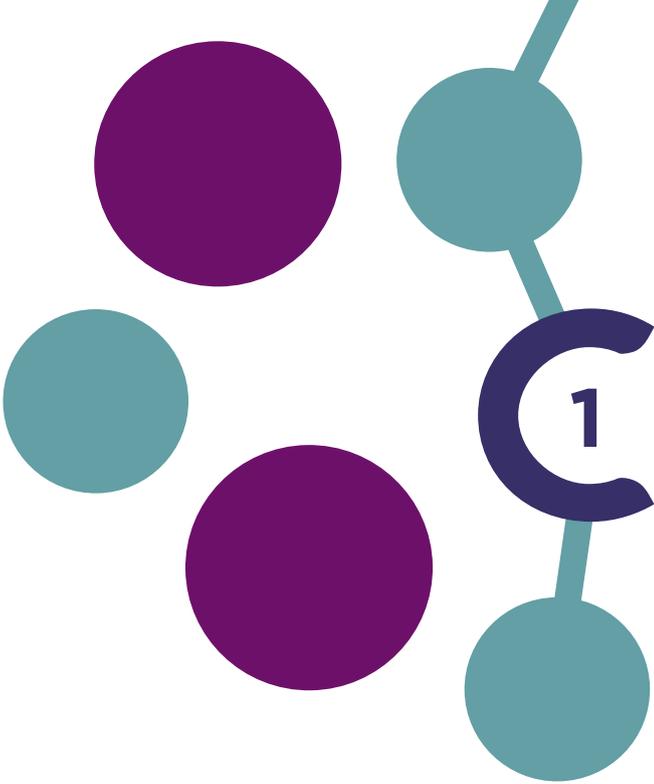
*Rounding*

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 Universal Registration Document may differ slightly from those that would have been obtained by adding the exact (unrounded) values for these figures.

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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.

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# PRESENTATION OF CARBIOS AND ITS ACTIVITIES

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## 1.1 GENERAL OVERVIEW

### 1.1.1 CARBIOS: A GLOBAL PIONEER IN THE USE OF ENZYMES IN THE PLASTICS INDUSTRY

A major global environmental challenge: 150 million tons of plastic waste are generated each year<sup>(1)</sup>, including 9 million tons that ultimately end up in the natural environment, particularly in our seas and oceans<sup>(2)</sup>.

A target market: PET (polyethylene terephthalate), nearly 70 million tons produced each year<sup>(3)</sup>.

A proprietary technology protected by 38 patent families.

International recognition of the PET enzymatic recycling technology by the prestigious scientific journal Nature.

Two CARBIOS innovations labeled as “Efficient Solutions” by the Solar Impulse Foundation.

Construction of an industrial demonstration plant for the enzymatic recycling of PET-based plastics and textiles.

(1) Source: Strait Times in 2015. – (2) Source: Ademe (Agency for ecological transition) in 2012. – (3) Source: IHS Markit in 2018.



CARBIOS, a green chemistry company, develops innovative and competitive processes to revolutionize the lifecycle of plastics and textiles, for the purpose of industrializing them. Through its unique approach of combining enzymes and plastics for the first time, CARBIOS aims to address new consumer expectations and the challenges of a broader energy transition faced by governments and industrial companies by taking up a major challenge of our time: plastic and textile pollution.

CARBIOS was created in April 2011 and floated on the stock market in December 2013. Its Research & Development work has led to major advances opening up new end-of-life recovery methods for plastics and textile materials.

**Through enzymatic recycling technology**, CARBIOS provides an industrial solution to the recycling of PET plastics and textiles (the dominant polymer in bottles, trays and textiles made of polyester), which is a market of more than 70 million tons per year worldwide.

This technology developed by CARBIOS deconstructs all types of PET waste into its basic constituents (monomers). These can then be reused to produce new PET products of the same quality as the original ones.

Building on its progress in the field of PET recycling, CARBIOS aims to put into operation, in September 2021, an industrial demonstration plant, the construction of which is underway on a site in Clermont-Ferrand (estimated overall cost of around €20 million to €25 million). By the end of 2022, this demonstration plant will enable the complete engineering documents for the

process (Process Design Package) to be drawn up and, from 2023, the licensing of its technologies and know-how to its employees, and licensees who will build their own industrial units. At the same time, in 2024, the Company aims to complete the construction of a PET recycling reference unit, including estimated production capacity of 40,000 tons per year (overall cost estimated at around €100 million) which will safeguard the marketing of the first volumes of recycled PET from CARBIOS' technology.

The Company has also developed an **enzymatic biodegradation technology** for PLA (a biosourced polymer) based single-use plastics, which is a strongly growing market estimated at 275,000 tons in 2020<sup>(1)</sup>. This technology can create a new generation of plastics that are 100% compostable in domestic conditions thanks to the integration of enzymes at the heart of the plastic product. This innovation is currently operated under license by CARBIOLICE, a joint venture created in 2016 and currently 62.7% owned by CARBIOS and 37.3% owned by the SPI fund, whose management company is Bpifrance Investissement.

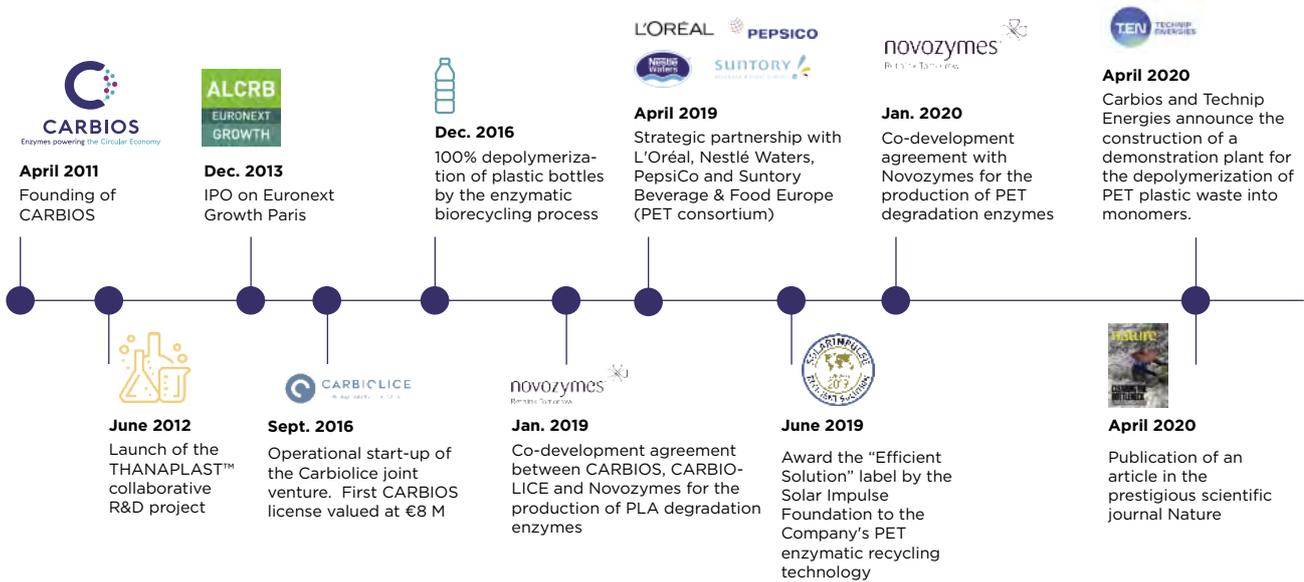
After having validated the piloting and industrial demonstration of the PLA biodegradation technology licensed by CARBIOS, CARBIOLICE aims to carry out the commercial deployment of EVANESTO®, the first additive that enables plastics with a high PLA content (films containing 33% PLA) to achieve OK Compost HOME certification by TÜV AUSTRIA Group<sup>(2)</sup>. The first revenues from this technology occurred in December 2020 with the first sales for end-customer testing purposes.

(1) Source: Nova Institute in 2011, European Bioplastics in 2011, Total Corbion in 2018 and COFCO in 2018.

(2) Please refer to the CARBIOLICE press release of December 1, 2020 / <https://www.carbiolice.com/en/news/press-relations/>



### 1.1.2 KEY DATES IN THE GROUP'S DEVELOPMENT

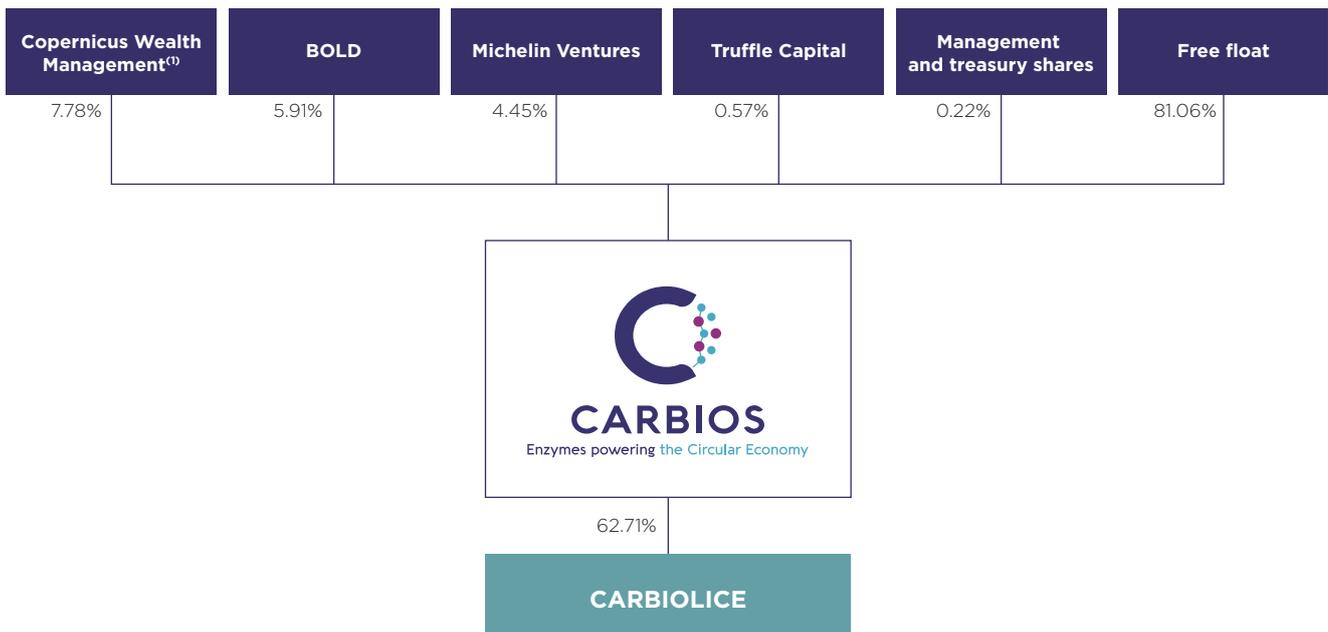


### 1.1.3 A COMMITTED SHAREHOLDER BASE

CARBIOS' shareholding is based on committed investors:

- Copernicus Wealth Management, an asset management company, which invests on behalf of individual third parties in innovative sectors with high growth potential with a positive social or environmental impact;
- the Business Opportunities for L'Oréal Development (BOLD) fund: a private equity fund created by L'Oréal to support the development of innovative start-ups;
- the Michelin Ventures fund, created by Michelin and launched in 2018 in order to materialize Michelin's open innovation approach and to invest in high-tech materials that include a sustainable development dimension;
- Truffle Capital, an independent player in the European Private Equity market (€700 million under management), has been working alongside CARBIOS since its creation.

The following organizational chart is based on the share capital held by each shareholder (excluding potential share capital) as at April 1, 2021.



<sup>(1)</sup> Shares held by funds and/or individuals with the Copernicus Wealth Management SA management company.



# PRESENTATION OF CARBIOS AND ITS ACTIVITIES

General overview

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 6.1 of this Universal Registration Document.

## CARBIOS share data sheet

**Market:** Euronext Growth Paris

**Mnemonic code:** ALCRB

**ISIN code:** FR0011648716

**LEI:** 969500M2RCIWO4NO5F08

**First day of trading:** December 19, 2013

**ICB Classification:** Chemicals/Specialty chemicals

**Indices:** Euronext Growth All-share, Euronext Growth Bpifrance Innovation

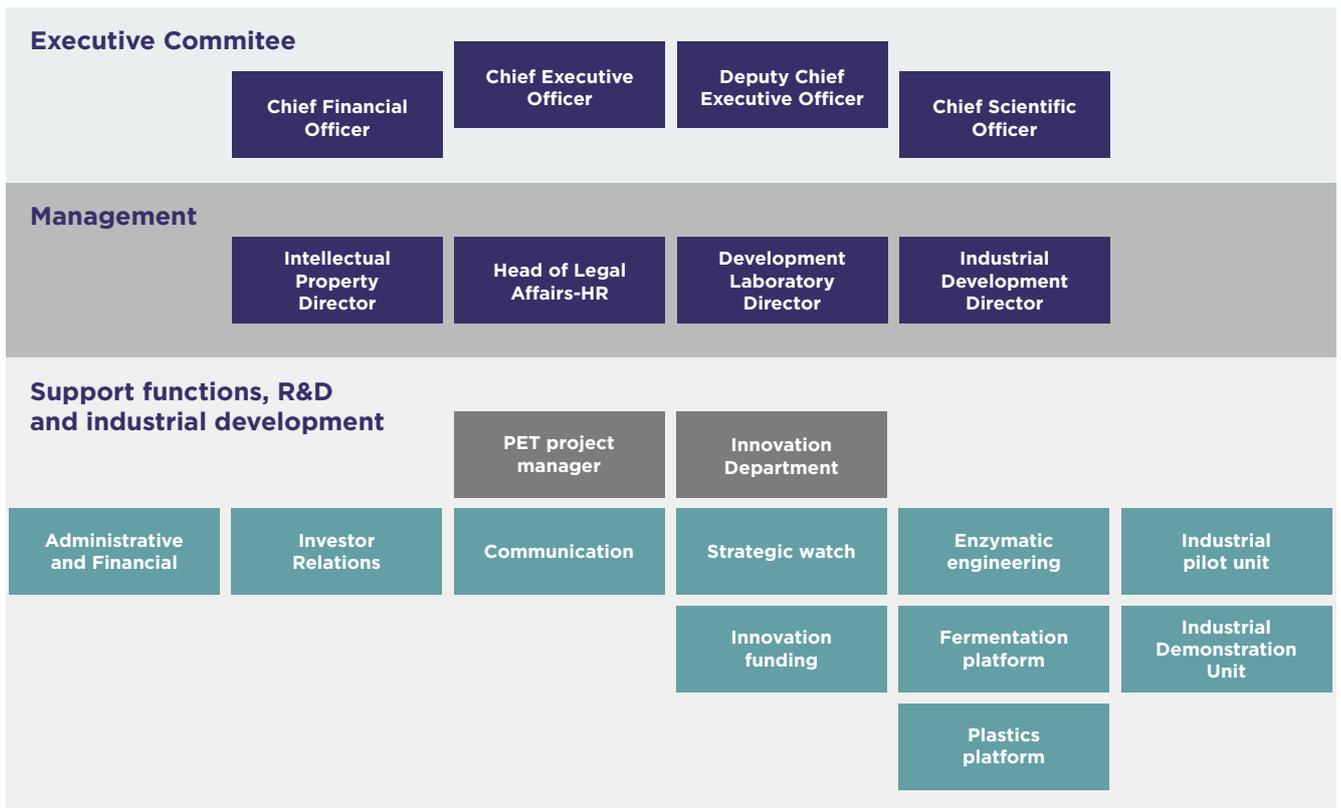
**Number of shares** on April 14, 2021: 8,164,472

**Fiscal year-end date:** December 31

## 1.1.4 ORGANIZATION AND EMPLOYEES

The company is organized around an R&D division, an industrial development division and support functions. All these activities are under the responsibility of four members of the Executive Committee, assisted by two members of the Management Committee.

### › FUNCTIONAL ORGANIZATIONAL CHART ON THE DATE OF THIS UNIVERSAL REGISTRATION DOCUMENT





With the acceleration of its developments, the Company bolstered its teams in fiscal year 2020, in order to gain additional expertise in key areas such as industrial engineering, finance and intellectual property. The Company employed 38 people as of December 31, 2020, compared to 27 people as of December 31, 2019 and 20 people as of December 31, 2018.

In addition to these staff, nearly 15 researchers also remain involved with academic partners and within the PoPLab enzymatic engineering research center<sup>(1)</sup> to support the industrial deployment of CARBIOS technologies.

The ability to recruit and retain highly qualified scientific, technical and management personnel is a key success factor for the Company. As part of its budgeted growth, the Company expects to hire additional employees, which will bring its headcount to approximately 50 FTE at the end of the 2021 fiscal year.

With a view to developing its attractiveness and retaining its employees, CARBIOS favors permanent hires and implements an incentive-based compensation policy that is attractive to its

business sector. The hiring planned for 2021 mainly concerns new jobs created in the regions to support the operational start-up of the PET recycling industrial demonstration plant, which is currently being built on a Michelin Group site in Clermont-Ferrand, and to consolidate the teams for the Reference unit construction project.

In order to retain its key personnel, CARBIOS has set up systems to share the rise in value of the Company *via* share subscription warrants (BSA) and founder share subscription warrants (BSPCE). The Company also introduced annual assessments and a training plan to enable each employee to keep up with and support the Company's developments over the long term.

As part of its policy of supporting training, CARBIOS has also become a sponsor of the INSA Toulouse Foundation, an initiative that strengthens ties between the two entities. The Foundation makes a significant contribution to the training and international outreach of students and scientific executives with the creation of a program backed by the "Biotechnologies and Environment" Chair.



## 1.1.5 AN EXPERIENCED MANAGEMENT TEAM

The CARBIOS Executive Committee is a central body in the management of the Company's projects:

- it ensures and coordinates the development of activities;
- it manages operational matters and determines the actions to be taken;
- it coordinates the approach to cross-functional topics and projects;
- it ensures the development of academic and industrial partnerships; and
- it anticipates and prepares organizational and strategic changes for the Company.

CARBIOS executives ensure the implementation of its strategy and are responsible for the coordination and implementation of action plans within the Company.

Together, they have over 100 years of experience in chemistry and biochemistry.



**JEAN-CLAUDE LUMARET**  
FOUNDER & CEO

**40 YEARS' EXPERIENCE IN THE INTERNATIONAL AGRO-INDUSTRY AND INTELLECTUAL PROPERTY EXPERT**

- **METABOLIC EXPLORER:** VP Strategy & Innovation (Member of the Executive Committee)
- **ROQUETTE:** Director, Business Intelligence, Director BU Fermentation and Industrial Chemistry, Director, Intellectual Property and Regulatory Affairs

Chemical Engineer, Lyon University, European Trademark Expert, CEIPI Center for International IP Study, Strasbourg



**MARTIN STEPHAN**  
DEPUTY CEO

**30 YEARS' EXPERIENCE IN THE CHEMICAL INDUSTRY**

- **CHEMOURS:** Global Director of the Fluorotelomers business, EMEA Director, Sourcing, Logistics & Real Estate
- **DU PONT DE NEMOURS:** Global Product Manager, Business and Market Manager, Sales Director
- **ATOFINA:** Global Business Manager Fluorotelomers
- **ELF ATOCHEM:** Various positions in Finance

MS in Business Management, HEC Paris, BA Economics Paris University



**KADER HIDRA**  
CHIEF FINANCIAL OFFICER

**FINANCIAL MARKETS EXPERT**

- **CITEGESTION (EDF):** CEO of a digital start-up specialized in asset management and software development for Smart Cities
- **EDF:** Investor & Markets Director (Head of IR)
- **MORGAN STANLEY:** Utilities & Clean Energy Specialist Equity Sales
- **BERENBERG:** Utilities & Clean Energy Specialist

Printing & Packaging Engineer (École Polytechnique Grenoble), MBA from Duke University (Fuqua Business School)



**PROF. ALAIN MARTY**  
CHIEF SCIENTIFIC OFFICER

**INTERNATIONAL EXPERT IN ENZYMOLOGY AND BIOLOGICAL PROCESSES**

- **INSA** Institut National des Sciences Appliquées, Toulouse: Professor and Head of a research group
- **AERES** Agence d'Évaluation de la Recherche et de l'Enseignement Supérieur and ANR Agence Nationale de la Recherche: **Evaluator** (France's National Education Research Agencies)

PhD in Biology, Biochemical Engineer, University of Toulouse

(1) Please refer to the press release of January 17, 2020: <https://carbiosa.com/en/carbiosa-announces-strategic-alliance-with-the-national-institute-of-applied-sciences-of-toulouse-insa/>



# PRESENTATION OF CARBIOS AND ITS ACTIVITIES

Market context and opportunities

## 1.2 MARKET CONTEXT AND OPPORTUNITIES

Every year in the world:

86% of packaging waste is not recycled<sup>(1)</sup>,

350 to 400 million tons<sup>(2)</sup> of plastics are produced, including 70 million tons of PET valued at around \$80 billion (+4% per year)<sup>(3)</sup>;

150 million tons<sup>(4)</sup> of plastic waste are generated, including 9 million tons<sup>(5)</sup> that ultimately end up in the natural environment, especially in our seas and oceans,

500 billion units<sup>(6)</sup> of plastic bottles are produced and less than 50% are collected for recycling.

(1) Source: Citigroup in 2018. - (2) Source: PlasticsEurope in 2018. - (3) Source: HIS Markit in 2018. - (4) Source: Strait Times in 2015. (5) Source: Ademe in 2012. - (6) Source: Citigroup in 2018, Euromonitor in 2017.

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.

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>(3)</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.

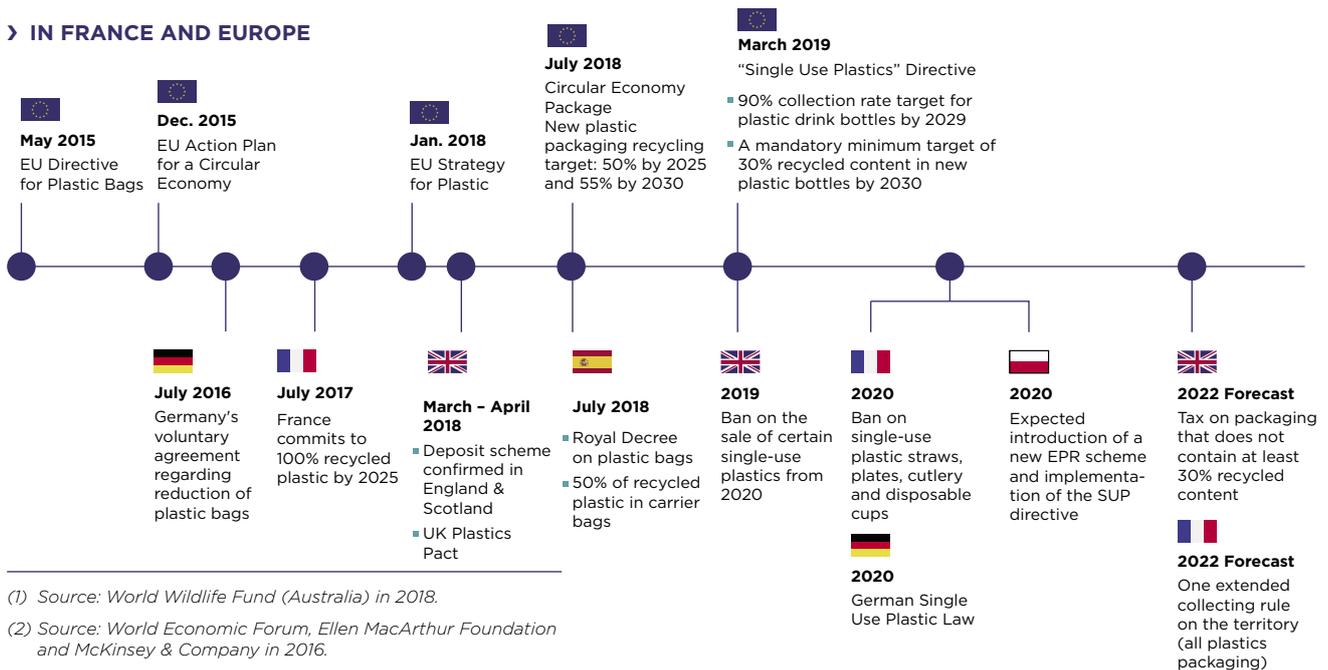
### 1.2.1 AN ENVIRONMENTAL CHALLENGE: MASTERING THE END-OF-LIFE OF PLASTICS

A symbol of the consumption society, plastics are very present in our daily lives and have now become unavoidable. Plastics, which today are still mainly of fossil origin, take around 400 to 500 years<sup>(1)</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>(2)</sup>, so it is urgent to act. Currently, end-of-life plastic waste is managed in

### 1.2.2 GROWING REGULATORY PRESSURE

The implementation of new regulatory provisions is intensifying, both at European and national levels, promoting better management of the end of life of plastics and the development of the circular economy. These changes require all industrial players in the sector to adapt, thereby opening up a strong opportunity for the deployment of CARBIOS technologies.

#### IN FRANCE AND EUROPE



(1) Source: World Wildlife Fund (Australia) in 2018. (2) Source: World Economic Forum, Ellen MacArthur Foundation and McKinsey & Company in 2016. (3) Source: OECD Environment Directorate in 2018.



## 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 oxo-degradable 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, biosourced materials. This level of biosourced materials, set by decree, increased from 30% to 50% on January 1, 2020 and should reach 60% by 2025.

## “Circular Economy” legislative package

Since 2017, France has 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.

## 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.

## The “Single Use Plastics” Directive

In May 2018, the European Commission presented the proposal for the “Single Use Plastics” Directive<sup>(1)</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, oxo-degradable 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.

## Beyond the borders of Europe

Since January 1, 2018, China has banned the importation of certain plastic waste from third countries<sup>(2)</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 17% of the global consumption of PET<sup>(3)</sup>.

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 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>(4)</sup> and Thailand which have<sup>(5)</sup> announced measures in this vein. In addition, an American coalition that includes the plastics industry association, the American Council of Chemistry and waste recycling industrialists are putting pressure on the federal government so that US \$500 million in public funding is allocated to modernizing recycling infrastructures<sup>(6)</sup> over the next few years.

(1) Source: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018L0852&from=ENG>

(2) 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)

(3) Source: *IHS Markit* in 2018, *Transparency Market Research* in 2015 and *Pira International* in 2012.

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

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

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

**1.2.3 STRONG INITIATIVES AND COMMITTED MANUFACTURERS**

In addition to regulatory obligations, pressure from consumers and NGOs is prompting industrial players to take action on this environmental issue and to initiate a transition towards more sustainable solutions with neutral environmental impact. They represent powerful backing for innovation in the fields of recycling and biodegradation, the core of the bioprocesses developed by CARBIOS.

**European Plastics Pact**

Key industry players (Member States, companies that use PET, plastic waste collectors, innovative companies and NGOs) and public bodies have come together in a European Plastic Pact. It was officially launched on March 6, 2020 in Brussels to coordinate the actions to be implemented in order to accelerate the transition to a circular economy for single-use plastic products and packaging. As a co-signatory of the Pact, CARBIOS is actively involved in this European initiative.

**United States**

On August 25, 2020, the United States signed its Plastic Pact, which aims to define a list of packaging considered problematic or unnecessary by 2021 and to take the necessary measures to eliminate them by 2025. The Pact also aims to market only plastic packaging that is 100% reusable, recyclable or compostable, to undertake actions to efficiently recycle or compost 50% of plastic packaging and to ensure 30% recycled or biosourced content in plastic packaging by 2025.

**Canada**

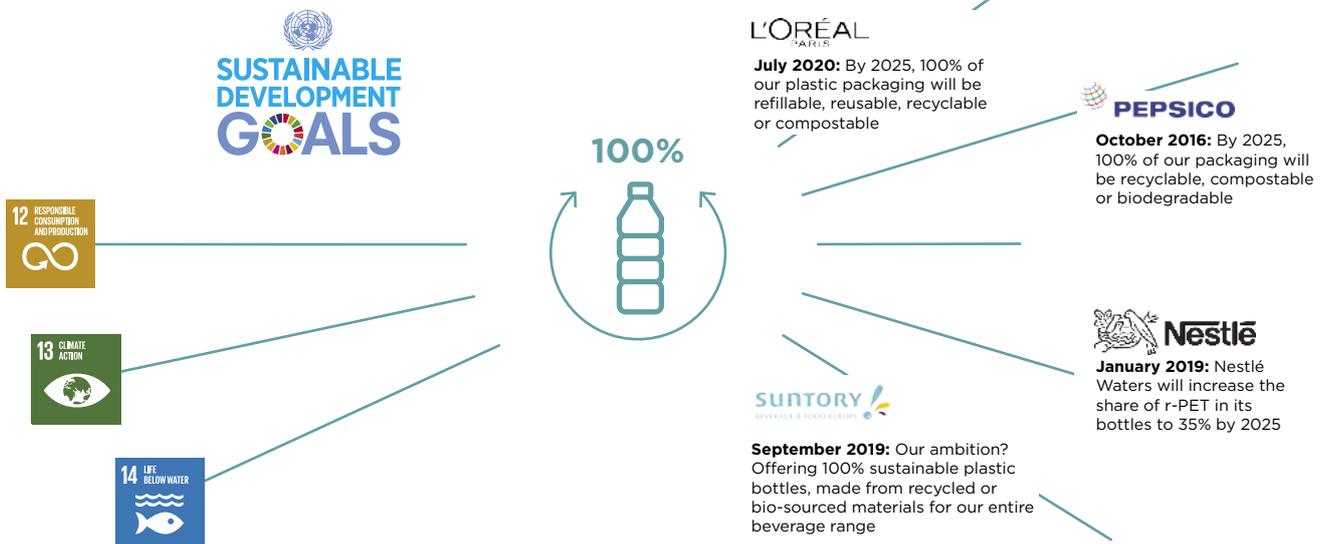
Similarly, Canada launched its Plastic Pact on January 27, 2021 with the aim of recycling or composting 50% of plastic packaging, incorporating 30% recycled content and achieving the marketing of 100% of reusable, recyclable or compostable plastic packaging by 2025.

**French Fashion Pact**

A similar initiative was launched in France on August 26, 2020 targeting the textile sector. This Pact brings together more than 30 global groups such as Gap, H&M, Inditex, Adidas, Nike, Chanel, Hermès, Kering and others, with the aim of limiting the textile industry’s impact on the climate, biodiversity and the oceans *via* targets set for 2030 and 2050.

**Industrial companies’ commitments**

Major manufacturers such as PepsiCo and Nestlé Waters are going beyond the regulatory provisions by committing to incorporating 35 to 100% recycled material in some of their bottle brands by 2025. In view of current recycling rates, achieving these objectives requires the development of new, more environmentally-friendly technologies that preserve the quality of recycled raw materials to enable them to be used in all original applications.



**1.2.4 THE CIRCULAR ECONOMY: AN ESSENTIAL TRANSITION WHICH REQUIRES NEW SOLUTIONS**

The circular economy aims to preserve the intrinsic value and quality of products and materials at every stage of their use. In contrast to the current 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, therefore, a more efficient use of fossil resources, reduction of waste and lower energy consumption, and guidelines for the strategic development of a new, efficient and sustainable industrial ecology.

Only new technologies can enable manufacturers to meet their sustainable development objectives and thus initiate a real transition towards solutions with neutral environmental impact.



## 1.3 STRATEGY

### 1.3.1 AMBITION: BECOME A WORLD LEADER IN THE LIFECYCLE MANAGEMENT OF PLASTICS AND TEXTILES

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 these materials into resources is essential and is currently one of the major focuses of the circular economy.

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

Thus, CARBIOS intends to become a major player in the worldwide plastic and recycling markets, by providing reliable and innovative solutions while meeting the environmental challenges of our time and create long-term value for its shareholders and society as a whole.

### 1.3.2 UNIQUE TECHNOLOGY IN THE WORLD

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 use of enzymes in the plastics industry is a world first for CARBIOS. This innovative approach represents a real technological breakthrough to address the major environmental challenge of plastic pollution as well as the new regulatory challenges related to plastic use.

#### CARBIOS has thus developed two processes:

**Enzymatic recycling:** CARBIOS has developed a biological solution, based on the use of enzymes, to deconstruct some of the most common plastics on the market. Unlike the limited potential of thermomechanical recycling processes, the CARBIOS approach gives value to plastic waste by allowing it to be 100% recycled after use. For the first time in the history of the plastics industry, the infinite recycling of plastic waste into new plastic materials, without any meticulous prior sorting, has become possible, by taking advantage of the natural selectivity of enzymes.

In April 2020, the prestigious Nature journal recognized the innovative nature of this technology developed by CARBIOS and the Company's progress in developing sustainable solutions for the lifecycle management of PET plastics<sup>(1)</sup>.

**Biodegradation:** By incorporating enzymes in a plastic material, of fossil origin or biosourced, when it is manufactured, CARBIOS develops the plastics of the future that are 100% biodegradable with a controlled lifespan.

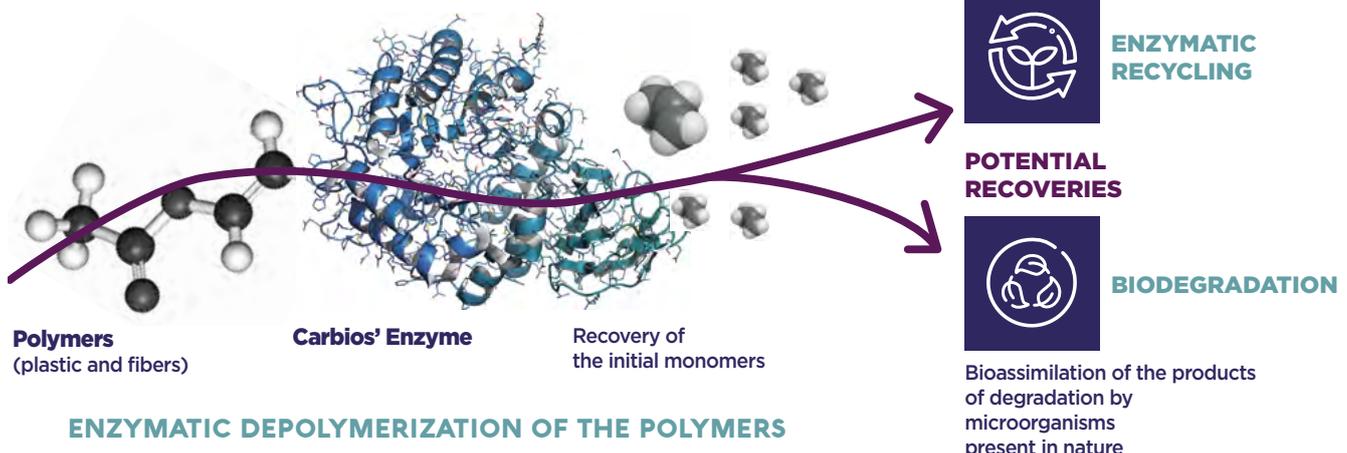
#### Focus on enzymes

In nature, micro-organisms degrade 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.

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 can accelerate production processes, limit unwanted co-products and work under conditions that are less demanding and costly than chemical processes in terms of energy.

#### Enzymes are the new high-performance catalysts for the chemical industry



(1) For more information on this publication in Nature, please refer to section 1.4.2 of this Universal Registration Document.



### 1.3.3 THE STRATEGIC APPROACH

#### 1.3.3.1 An innovation strategy

Since its founding, 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.

The collaborative model set up by CARBIOS 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.

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.

CARBIOS has built on over ten years of Research and Development (patents, results, know-how) from academic laboratories. The Company has set up several collaborative Research and Development programs, bringing together the best public (INRAE, TWB, INSA Toulouse through the TBI laboratory, CNRS) and private sector experts, dedicated to the discovery and optimization of enzymes.

On January 17, 2020, CARBIOS announced a new alliance with INSA Toulouse through its TBI laboratory to set up an enzymatic engineering research center for the recycling and biosynthesis of plastics<sup>(1)</sup>. This laboratory, named PoPLaB (Plastic Polymers and Biotechnologies), was inaugurated on January 28, 2020. Its teams aim to optimize the catalytic properties and thermostability of the enzymes used in the processes developed by CARBIOS and to extend these enzymatic technologies to other applications and polymers of interest to industry.

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

As at the date of this Universal Registration Document, the Company has a research laboratory and a plastics pilot plant at its St-Beauzire site (France), a technical center in Riom (France) to pilot its enzymatic recycling of PET plastics and polyester fibers technology, as well as a cooperative enzymatic engineering research center in Toulouse (France) for plastics recycling and biosynthesis (PoPLaB).

#### 1.3.3.2 An industrialization phase

CARBIOS is now committed to the industrialization of its technologies.

The Company is currently focusing its efforts on the pilot phase of its PET recycling technology and on the construction of its industrial demonstration plant for the enzymatic recycling of PET plastic and polyester fibers.

The commissioning of this demonstration plant, which should concentrate the Company’s largest equipment investments over the next twelve months, is scheduled for September 2021 Michelin Group site in Clermont-Ferrand (France)<sup>(2)</sup>.

This industrial demonstration phase, prior to the first license concessions, aims to enable the development of processes and recycled products (monomers from the depolymerization of materials) that meet manufacturers’ specifications, and to optimize and validate all the parameters required for industrial scale operations on the enzymatic PET recycling technology developed by CARBIOS. In order to ensure the industrial deployment of this proprietary technology, the Company also announced on April 6, 2021<sup>(3)</sup> a project to build a PET recycling reference unit with a production capacity of 40,000 tons per year. For more information on this project, please refer to section 1.4.5 of this Universal Registration Document.

Developing sustainable and efficient circular economy solutions for the recycling of plastic and textile materials requires an unprecedented level of innovation and collaboration. This is why CARBIOS relies on strategic partnerships with major manufacturers to support the implementation of its strategy and the large-scale deployment of its technologies.

#### PET Consortium Agreement

In accordance with the strategy implemented by CARBIOS as part of the Consortium agreement signed in April 2019<sup>(4)</sup> with L’Oréal (co-founder of the Consortium), Nestlé Waters, PepsiCo and Suntory Beverage & Food Europe, the partners worked in 2020 to continue the validation of technical steps aimed at accelerating the industrialization of CARBIOS’ recycling technology. 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. As part of this collaboration, several technical steps and support from partners in the structuring of a new value chain are implemented to support the industrial and commercial deployment of the recycling technology designed and developed by CARBIOS.



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

(2) For more information on the industrial demonstration phase and the grouping of sites, please refer to section 1.4.5.2 of this Universal Registration Document.

(3) Please refer to the April 6, 2021 press release: <https://www.carbios.com/actualisation-strategique-2021-et-resultats-annuels-2020/>

(4) Please refer to the April 29, 2019 press release: <https://carbiosa.com/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/>



### Engineering collaboration with Technip Energies<sup>(1)</sup>

Since February 2017, CARBIOS and Technip Energies, world leader in engineering in the areas of energy, chemistry and biosourced industries, have collaborated on the industrial development of CARBIOS' PET recycling process. In 2019, CARBIOS and Technip Energies signed an engineering services contract covering the definition of a demonstration unit for Terephthalic Acid (TA) and Ethylene Glycol (EG) monomers through the enzymatic recycling of used PET. *Via* this contract, CARBIOS benefits from both Technip Energies' 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.

In April 2020<sup>(2)</sup>, CARBIOS and Technip Energies announced a strengthening of their collaboration for the engineering and construction of the CARBIOS industrial demonstration plant.

### Joint-development agreement with Novozymes

On January 30, 2020<sup>(3)</sup>, CARBIOS announced the signing of a new exclusive co-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. As a reminder, in 2019, CARBIOS and CARBIOLICE signed a co-development agreement with Novozymes for the production and supply of PLA degradation enzymes on an industrial scale.

### 1.3.3.3 An active intellectual property protection policy

Safeguarding its know-how and its technological advances is a major challenge for CARBIOS: the Company's commercial success depends in particular on its ability to obtain patents in order to ensure the protection of its resulting innovations, products and processes.

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 the 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 up to the final phase during industrialization.

CARBIOS has thus ensured that it can guarantee a strategic competitive advantage over sizeable markets to its current and future industrial partners.

CARBIOS is the owner or co-owner, with each of its partners of the results obtained under the THANAPLAST™ and CE-PET programs<sup>(4)</sup>, as well as under the PoPLaB cooperative laboratory set up with INSA Toulouse in January 2020. CARBIOS holds exclusive worldwide exploitation rights for all of these results for the Company's areas 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.

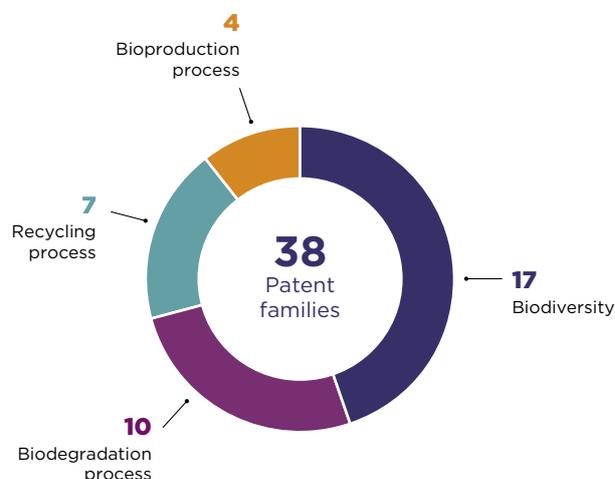
The Company dedicates a significant share of its resources to protecting its innovations. As at December 31, 2020, gross investments made by CARBIOS in patents amounted to €1,659 thousand, of which €391 thousand in 2020.

### Change in the patent portfolio in 2020

During the 2020 fiscal year, CARBIOS' patent portfolio was enhanced with four new patent applications on its own behalf<sup>(5)</sup>. The new applications submitted concern the biodiversity associated with the degrading of PET and PLA.

At the end of 2020, the CARBIOS intellectual property portfolio included 38 families of patents (including one under an exclusive worldwide license with the CNRS and University of Poitiers), representing 158 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). Eleven patents were granted (including 7 in the United States), on all of the Company's projects in 2020, bringing the total number of granted patents in CARBIOS' portfolio to 33.

In particular, CARBIOS consolidated its Intellectual Property portfolio with the issuance of two major patents in the United States that protect the Company's best performing enzymes for the recycling of PET-based post-consumer plastics and a patent in China that protects its proprietary recycling process (which complements the previously announced patent grants in the United States, Europe and Japan<sup>(6)</sup>).



(1) Since the spin-off of TechnipFMC on February 16, 2021, CARBIOS is now working with Technip Energies resulting from this same spin-off.

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

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

(4) For more information on the CE-PET project, please refer to section 1.4.5.1 of this Universal Registration Document.

(5) Please refer to the press release of January 14, 2021: <https://carbiosa.com/carbios-renforce-significativement-son-portefeuille-de-brevets/> (in French).

(6) Please refer to the October 8, 2019 press release: <https://carbiosa.com/en/carbios-new-patents-granted-in-europe-and-japan/>

**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 under asset classes 1, 16, 40 and 42 on March 15, 2012 with the French National Institute for Industrial Property (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;
- a French word mark C-ZYME registered under asset classes 1 and 40 on September 29, 2020 with the INPI under number 204686549;

- an international word mark C-ZYME registered under asset classes 1 and 40, targeting the European Union (and the United Kingdom), the United States, China, Mexico, Indonesia, Japan, Canada, South Korea, Thailand, on March 11, 2021 with the WIPO (World Intellectual Property Organization) under the number 4686549; and a Taiwanese word mark on March 23, 2021 under the number 110019461.

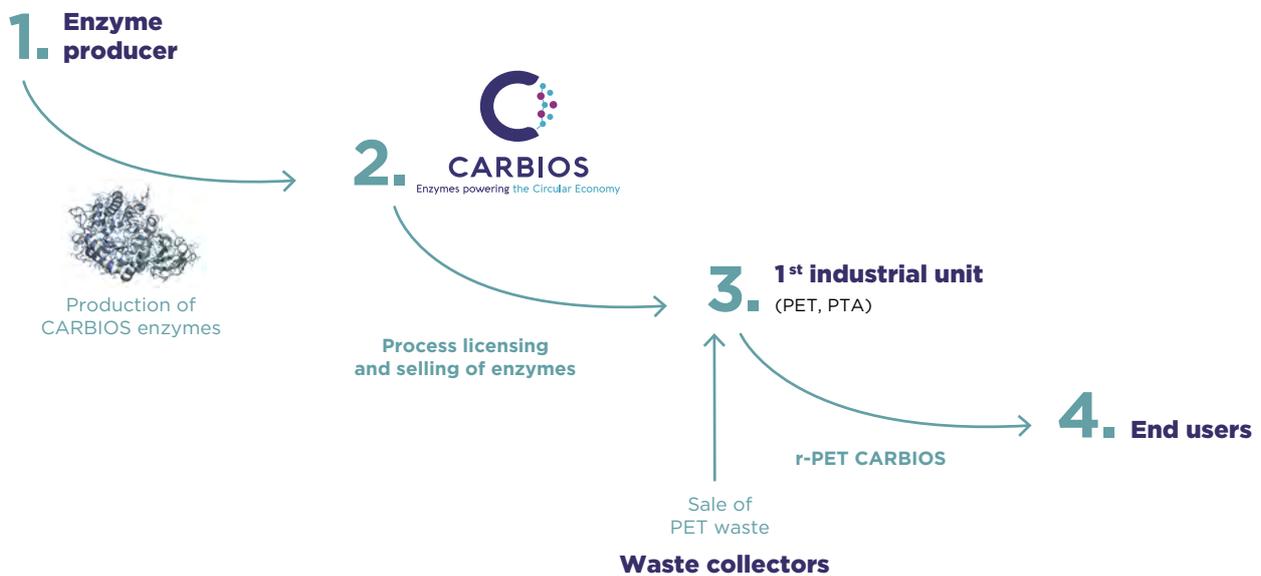
In France and the rest of the European Union, a trademark is protected for 10 years from filing and this protection can be renewed indefinitely.

**1.3.4 A VALUE-CREATING BUSINESS MODEL**

CARBIOS' business development model is based on two types of revenue:

- The granting of licenses for the use of its know-how and intellectual property: the licenses granted will generate revenues in the form of upfront payments, license fees or dividends;
- The sale of proprietary enzymes directly to manufacturers in the sectors concerned by the Company's innovations.

**› INTEGRATION OF CARBIOS' ENZYMATIC RECYCLING TECHNOLOGY INTO THE RECYCLED PET PRODUCTION VALUE CHAIN**



Since 2011, the circular economy and collaboration have been at the heart of CARBIOS' strategy, its developments, and its innovation priorities.

Thanks to:

- committed shareholders;
- experienced management;
- a unique and protected technological offer;
- the support of several world leaders in their respective fields for the industrialization of its technologies.

CARBIOS engages all industry players (collectors, producers, processors, users and consumers) in a sustainable transition towards a true circular economy model.

Thus, the CARBIOS model is based on the development of breakthrough innovations and intense collaboration with all stakeholders.

Today, it offers manufacturers sustainable and eco-friendly alternative solutions for mass consumption markets.

The Company's commitment to designing solutions with a positive impact fuels its long-term competitiveness in order to meet the immense needs of the markets concerned.

By placing the circular economy at the heart of its innovations and strategy, CARBIOS strives to create sustainable financial, environmental, social and economic value.



### 1.3.5 DEVELOPMENTS AND OUTLOOKS

After the launch on the market and completion of the first EVANESTO® sales by its CARBIOLICE subsidiary (using the PLA biodegradation technology developed by CARBIOS), the Company has now committed to the industrialization of its enzymatic PET recycling technology. CARBIOS aims to put into operation, in September 2021, an industrial demonstration plant, the construction of which is underway on a site in Clermont-Ferrand. By the end of 2022, this demonstration plant will enable the complete engineering documents for the process (Process Design Package) to be drawn up and, from 2023, the licensing of its technologies and know-how, and the selling of enzymes to licensees who will build their own industrial units. At the same time, in 2024, the Company aims to complete the construction of a PET recycling reference unit, including estimated production capacity of 40,000 tons per year (overall cost estimated at around €100 million) which will safeguard the marketing of the first volumes of recycled PET from CARBIOS' technology.

#### Next steps

##### Enzymatic biodegradation of PLA

- 2021: Commercial deployment of EVANESTO® (enzymatic biodegradation of PLA-based single-use plastics) by CARBIOLICE.

##### Enzymatic recycling of PET

###### Industrial demonstration plant

Q3 2021: Launch of the first phase of operations at the industrial demonstration plant for the enzymatic recycling of PET;

2nd half-year 2022: Finalization of the Process Design Package (PDP);

1st half-year 2023: First license concessions for enzymatic PET recycling technology.

###### Reference unit

2021-2022: Engineering studies and selection of the unit's construction site;

End of 2022: Start of construction on the Unit;

End of 2024: Commissioning of the Unit; and

2025: First revenues from the operation of the Unit.



## 1.4 ENZYMATIC RECYCLING OF PET: A BUSINESS MODEL THAT CREATES VALUE FOR ALL PLAYERS

Global PET market: nearly 70 million tons produced each year<sup>(1)</sup>

A market for recycled PET supported by a powerful trio: governments, consumers and brands

Enzymatic recycling: the only technology for the infinite recycling of PET plastics and fibers.

International recognition of CARBIOS' innovation by the prestigious scientific journal Nature<sup>(2)</sup> and the awarding of the "Efficient Solution" label from the Solar Impulse Foundation<sup>(3)</sup>

Global partners: L'Oréal, Nestlé Waters, PepsiCo, Suntory Beverage & Food Europe, Novozymes, Technip Energies<sup>(4)</sup>

### 1.4.1 THE PET PLASTICS AND POLYESTER FIBERS MARKET

Since its creation, CARBIOS 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

Description of markets	Production		Growth rate	Target markets (waste)	
	World	Europe		World	Europe
PET packaging (bottles, trays and other containers, etc.)	24 MT*	3,8 MT*	3,4%*	24 MT*	3,8 MT*
PET textiles (coaching, technical fibres, rugs, carpettes, etc.)	42 MT*	0,1 MT*	6%*	42 MT*	10 MT*

\* Source : IHS Markit in 2018.

(1) Source: IHS Markit in 2018.

(2) For more information on this publication in Nature, please refer to section 1.4.2 of this Universal Registration Document.

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

(4) Since the spin-off of TechnipFMC on February 16, 2021, CARBIOS is now working with Technip Energies resulting from this same spin-off.



## PRESENTATION OF CARBIOS AND ITS ACTIVITIES

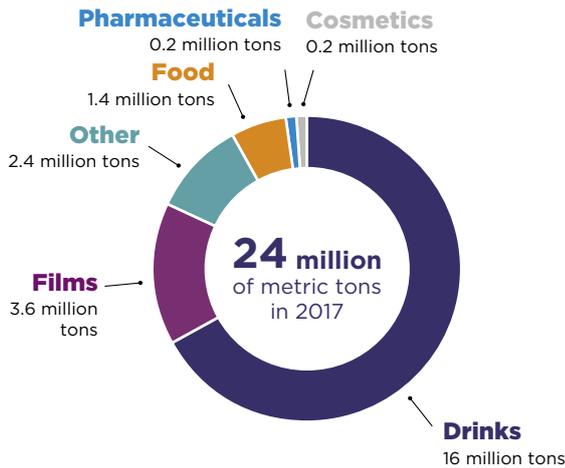
### Enzymatic recycling of PET

#### PET recycling

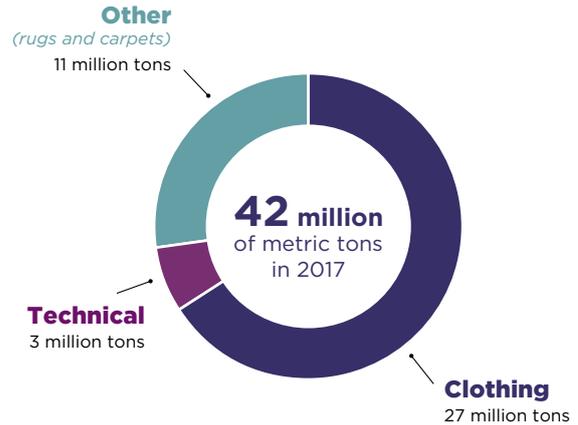
The market for resins and films made of PET (bottles, packaging, etc.) – a polyester of fossil origin widely used by manufacturers – represented global production of around 24 million metric tons<sup>(1)</sup> in 2017 with an annual growth rate of 3.4%<sup>(2)</sup>. This production could

reach over 30 million metric tons in 2025. The market for PET fibers (textiles, rugs, carpets, pillows, duvets, etc.) represented an estimated global production of 42 million metric tons in 2017<sup>(3)</sup> with an annual growth rate of 6%<sup>(4)</sup>, which would take the market to 67 million metric tons in 2025.

#### › BREAKDOWN BY APPLICATION OF CONSERVATION OF VIRGIN PET RESIN



#### › BREAKDOWN BY APPLICATION OF CONSERVATION OF VIRGIN PET TEXTILES

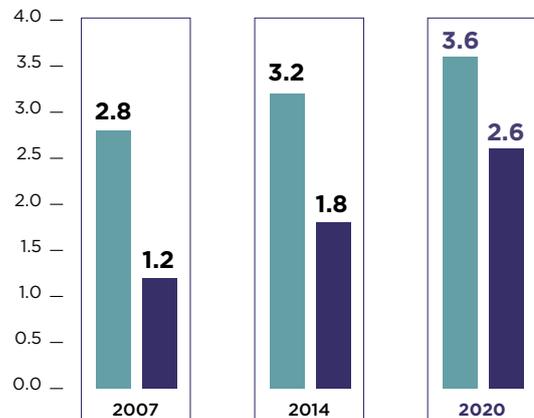


Almost all PET products marketed, whether resins or fibers, turn into waste. PET, which offers significant advantages (weight, durability and flexibility) compared to alternative materials, is therefore a priority target for recycling. However, the recycling rates for waste vary widely and are greatly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

As a result of its activity, the Company believes that it can generate positive environmental outcomes, in particular by opening up recycling to a larger fraction of packaging, which would otherwise be sent to landfill and incineration. Preliminary studies conducted with the consulting firm Deloitte have made it possible to estimate that an industrial unit for the enzymatic recycling of PET with a production capacity of 40,000 tons would make it possible to save 48,000 tons of CO<sub>2</sub> per year by diverting PET waste from incineration.

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>(5)</sup> and the share of waste that they generate is 2 million metric tons, just over 59%<sup>(6)</sup>. 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 as it cannot be recycled<sup>(7)</sup>.

#### › HISTORY AND FORECASTS OF THE QUANTITIES OF PET WASTE (RESINS AND FILMS) PRODUCED AND COLLECTED IN THE EUROPEAN UNION (IN M TONNES)



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

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

■ PET waste<sup>(1)</sup>

(1) Source: PlasticsEurope in 2015.

■ PET waste collected<sup>(2)</sup>

(2) Source: Petcore Europe in 2015.

(1) Source: IHS Markit in 2018.

(2) Source: IHS Markit in 2018.

(3) Source: PCI Wood Mackenzie in 2018.

(4) Source: IHS Markit in 2018.

(5) Source: European Federation of Bottled Waters, Plastics Recyclers Europe and PetCore Europe in 2020.

(6) Source: European Federation of Bottled Waters, Plastics Recyclers Europe and PetCore Europe in 2020.

(7) Source: Company.



### Price trends for virgin PET and recycled PET (r-PET)<sup>(1)</sup>

The price of virgin PET is highly volatile and highly correlated with that of oil. Since July 2018, prices have fallen sharply to reach around €860/t in January 2020. However, the price of r-PET is currently uncorrelated with the oil price, due to very strong demand from market players and a limited supply in terms of both quantity and quality. It has been around €1,400/t since early 2019.

The r-PET market is supported by a powerful trio combining government policies, consumer expectations and the commitments of brands using PET and in particular by the major beverage players who have publicly announced various commitments in terms of the incorporation of r-PET in their products. However, these manufacturers are encountering increasing difficulties in obtaining r-PET: both quantitative and qualitative difficulties related to the low level of clear PET, the only one currently usable by thermomechanical recycling to obtain clear, food-grade r-PET.

This tension on the supply of r-PET explains the current increase in prices and is expected to continue over time, in view of the new regulatory provisions and the commitments of market players.

By allowing a return to monomers of a quality equivalent to virgin petrochemical monomers, CARBIOS' innovative approach would increase the proportion of transparent bottles and other containers produced from PET waste, and thus reduce the share used for secondary applications (such as fibers) which are currently the main destination for r-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. This market is supplemented by the market for PET pots and trays, although collection is still limited. This should help increase the volumes of PET waste available and encourage the introduction of new flows perfectly suited to the enzymatic recycling of PET. CARBIOS intends to offer that market a competitive process compared with the current recycling process, by enabling the reintroduction of the monomers stemming from the depolymerization of all PET waste into the PET production chain.

Beyond that first large-scale market, the potential of this bioprocess is much broader. CARBIOS' enzymatic recycling technology for PET plastics has been made applicable to the recycling of PET fibers with the production, in November 2020, of the first transparent bottles from the recycling of PET polyester textile waste<sup>(2)</sup>.

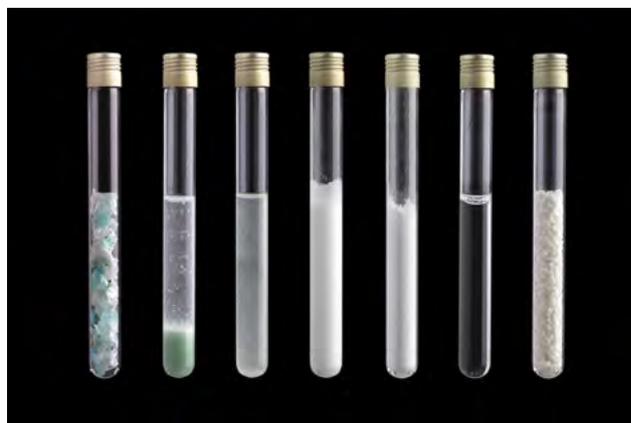
The results obtained by the Company in the area of PET plastic and polyester fiber waste recycling are a real technological breakthrough, allowing the Company to envisage the rapid deployment of its technology on a high value-added market.

### 1.4.2 INNOVATION

The recycling process developed by the Company is a biological process, which makes it possible to infinitely recycle PET plastics and textiles, by going back to the initial monomers, which can be reused in all applications of the original material.

This proprietary technology uses an enzyme capable of specifically depolymerizing the PET contained in the various plastics or textiles to be recycled. At the end of this stage, the monomers that result from the depolymerization are filtered, purified and repolymerized into PET of equivalent quality to virgin PET. For the first time in the industry's history, it becomes possible to create a true circular economy design, that enables infinite recycling and the production of new 100% recycled and 100% recyclable PET products, without loss of quality.

#### ► MAIN STAGES OF THE CARBIOS ENZYMATIC PET RECYCLING PROCESS



*Enzymatic depolymerization of PET plastic waste to form terephthalic acid (TA) and mono-ethylene glycol (MEG) in a hydrolysis reactor and the repolymerization of these monomers into r-PET. (Credit: CARBIOS).*

(1) Source: CIHI from 2018 to 2021.

(2) Please refer to the press release of November 29, 2020: <https://www.carbios.com/en/carbios-produces-first-clear-plastic-bottles-from-enzymatically-recycled-textile-waste/>





# PRESENTATION OF CARBIOS AND ITS ACTIVITIES

## Enzymatic recycling of PET

### Scientific progress

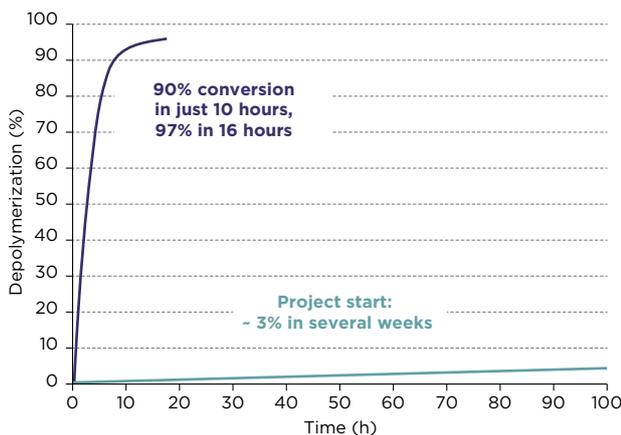
During the 2020 fiscal year, CARBIOS' scientific developments in the area of PET enzymatic recycling resulted in the following progress:

#### Publication in the Scientific Journal "NATURE":

In April 2020<sup>(1)</sup>, CARBIOS published 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 PET plastic waste, followed by recycling into new transparent 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 depolymerization 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.



Cover of the scientific journal *Nature* dated April 9, 2020 and the kinetics of depolymerization of PET plastic waste thanks to PET-depolymerase developed by CARBIOS and TBI.



Depolymerization kinetics of commercial PET plastic waste (colored flakes, washed @95% PET )

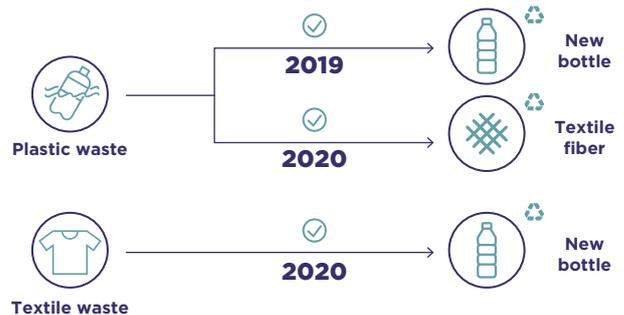
As a reminder, in 2019 CARBIOS received the "Efficient Solution" label from the Solar Impulse Foundation for its proprietary enzymatic PET recycling technology<sup>(2)</sup>.

#### Extension of the recycling process to PET polyester fibers

In November 2020<sup>(3)</sup>, CARBIOS has announced that it has produced the first transparent bottles from polyester textile waste containing 100% recycled Purified Terephthalic Acid (rPTA) with identical properties to those manufactured from virgin PET. This major innovation, which makes it possible, using textile fibers (a grade of PET in which the polymer chains are relatively short), to produce a grade of recycled PET suitable for bottle applications (with longer polymer chains), opens the access to an additional source of recyclable material of around 42 million tons per year<sup>(4)</sup>.



FROM —————> TO 100% rPTA



CARBIOS' scientific developments, during the 2020 fiscal year, underline the strong potential of this technology and confirm the Company's prospects of granting a first operating license by 2023.

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

(2) Please refer to the June 3, 2019 press release: <https://carbios.com/en/carbios-awarded-a-solar-impulse-efficient-solution-label/>

(3) Please refer to the press release dated November 19, 2020: <https://www.carbios.com/en/carbios-produces-first-clear-plastic-bottles-from-enzymatically-recycled-textile-waste/>

(4) Source: IHS Markit in 2018.



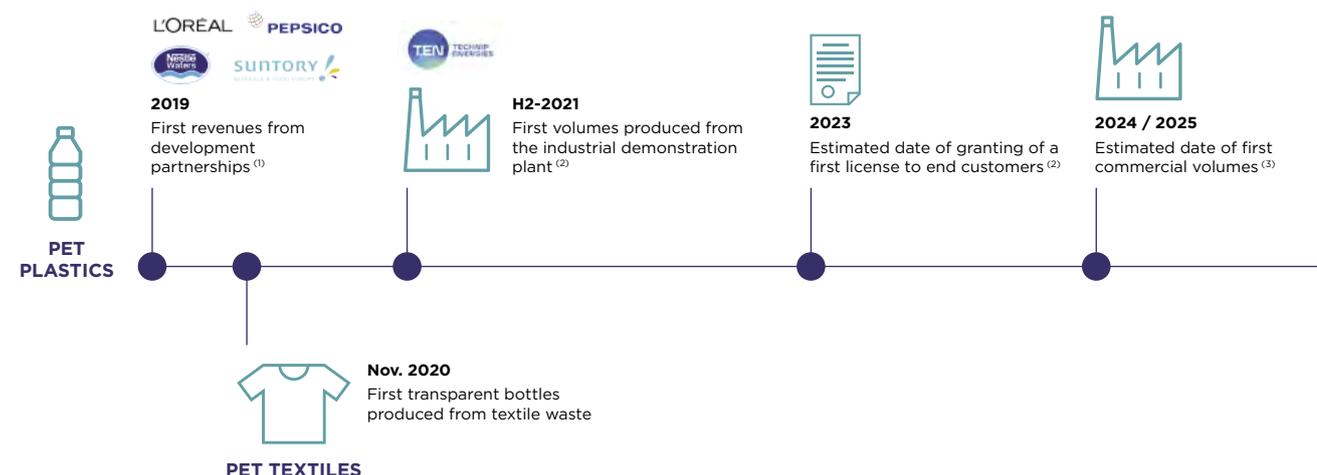
### 1.4.3 SUMMARY OF DEVELOPMENT STAGES

CARBIOS	Enzymatic recycling of pet plastic waste and fibers <sup>(1)</sup>	
Target polymer	PET (plastics)	PET (textiles)
Applications	Packaging (bottles, flasks, trays, films)	Clothing, linens and furnishings (duvets, pillows, etc.)
Development stage	Pilot	Pilot
Development partners	L'Oréal, Nestlé Waters, PepsiCo, Suntory Beverage & Food Europe, Novozymes and Technip Energies <sup>(1)</sup>	Novozymes and Technip Energies <sup>(2)</sup>

(1) PET (PolyEthylene Terephthalate): polymer which is the main constituent of bottles, trays and polyester textiles.

(2) Since the spin-off of TechnipFMC on February 16, 2021, CARBIOS is now working with Technip Energies resulting from this same spin-off.

As a reminder, the technology developed by CARBIOS deconstructs all types of PET waste into its basic components (monomers). These can then be reused to produce new PET products of the same quality as the original ones. The specificity of the CARBIOS process makes it possible to treat the PET present in mixed packaging or textiles by recovering the constituent monomers of the PET present in this waste. Impurities and other polymers potentially present in this mixed waste will be treated in accordance with applicable regulations.



(1) First revenues from the implementation of the "Consortium" agreement bringing together CARBIOS, L'Oréal, Nestlé Waters, PepsiCo and Suntory Beverage & Food Europe since April 2019.

(2) As a test, the first volumes will be produced in 2021 from an industrial demonstration plant. The commissioning of the industrial demonstration plant, scheduled for September 2021, will make it possible by the end of 2022 to enable the complete engineering documents for the process (Process Design Package) to be drawn up and, from 2023, to initiate the licensing of its technologies and know-how to its licensees who will build their own industrial units.

(3) The project to build a Reference Unit, with a production capacity of 40,000 tonnes per year (estimated overall cost of around €100 million), will also consolidate the Company's business model, which will remain the concession, from 2023, of operating licenses for its technologies and know-how and the sale of enzymes to its licensees, who will build their own recycled PET production units capable of delivering the first commercial volumes at the end of 2024 and early 2025.

The development of processes related to polymers other than PET and PLA (polyamides, polyolefins, other polyesters, etc.) may be developed as part of the Company's ongoing Research and Development work.

### 1.4.4 COMPETITIVE ADVANTAGES

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. Moreover, conventional recycling processes do not allow textile waste to be recycled in a closed loop, unlike the CARBIOS process, which makes it possible to upcycle materials.

Thanks to CARBIOS' technology, it is now possible to:

- recycle all PET plastic waste and fibers, without the need for meticulous sorting, including multi-layered, colored and/or opaque plastics and polyester fibers;
- produce recycled PET of the same quality as that of the original polymer that can be used in all applications, even the most demanding, thanks to the recovery of purified monomers that can be repolymerized into polymers with the same quality as the original polymer (without loss of value unlike mechanical recycling). This process makes it possible to recycle plastics and textiles according to a true circular economy principle.

Today, the industrial potential and relevance of this technology are supported by many world-renowned partners, such as Novozymes, L'Oréal, PepsiCo, Nestlé Waters and Suntory Beverage & Food Europe.

For information on CARBIOS' potential competitors in PET recycling, the reader is invited to consult section 3.2.1.3 "Risks associated with the emergence of competing technologies" in this Universal Registration Document.

**1.4.5 INDUSTRIALIZATION STRATEGY**

Since 2019, CARBIOS has pursued the industrial pilot phase of its technology through the CE-PET project<sup>(1)</sup> supported by ADEME. Building on the results obtained in its work, in April 2020, the Company announced the construction of an industrial demonstration plant for the depolymerization of PET plastic waste into monomers. The commissioning of this unit is scheduled for September 2021 in Clermont-Ferrand.

**1.4.5.1 Industrial pilot phase of the technology**

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;

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

Main vectors of development of the CE-PET project	Partners involved
Production and optimization of PET depolymerases;	CARBIOS/TWB
Development and piloting of the PET plastic waste enzymatic recycling process;	CARBIOS/TWB
Development and piloting of the PET textile waste enzymatic recycling process;	CARBIOS/TWB
Competitiveness of the PET waste enzymatic recycling process and securing the sector.	CARBIOS

During the 2020 fiscal year, CARBIOS validated the second stage of the CE-PET project and received an amount of €1 million in the first half of the year, i.e. a total of €2.4 million since obtaining this financing agreement in 2019. As a reminder, CARBIOS could receive up to €4.1 million under this project.

- 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 are working to develop a new generation of proprietary enzymes whose activity, thermostability and absorption will be improved compared to the enzymes previously developed by CARBIOS. This work, carried out within the PoPLaB cooperative laboratory in Toulouse, aims to ensure the best possible yield and productivity of the PET plastic waste depolymerization stage.

As part of this project, CARBIOS is also working to adapt its process to the recycling of PET polyester fibers.

Within its pilot unit inaugurated at the end of 2019, the Company also optimizes the stages of pre-treatment of plastic and textile waste, depolymerization of PET and purification of monomers. Validation of the quality of the monomers obtained is achieved by r-PET re-polymerization tests<sup>(2)</sup>, transformation into products (bottles and fibers), and tests to characterize the mechanical and food-contact properties on these finished products. This work has already made it possible to produce the first batches of transparent bottles from monomers resulting from the depolymerization of PET plastic waste as well as from PET polyester textile waste.



Reactor for the depolymerization of plastic waste and PET textiles into monomers at the CARBIOS pilot unit.

(1) Project carried out as part of the Investment for the Future program operated by ADEME (French Environment and Energy Management Agency)/ agreement no. 1882C0098).

(2) r-PET: recycled PET.



### 1.4.5.2 Industrial demonstration and grouping of sites

In June 2020<sup>(1)</sup>, the Company announced the start of construction of its industrial demonstration plant for the enzymatic recycling of PET plastic waste. CARBIOS is supported and advised by Technip Energies<sup>(2)</sup> for the engineering and construction oversight of this industrial demonstration plant. Its commissioning will make it possible to draw up the complete engineering documents for the process (from waste to monomers) for the construction of a PET recycling reference Unit, with an estimated production capacity of 40,000 tons per year and for the granting of operating licenses. Initially planned for the commune of Saint-Fonts in the Rhône valley, in September 2020 the Company made the strategic decision to integrate its industrial demonstration plant on a new site.

In September 2020, CARBIOS announced<sup>(3)</sup> that it was bringing together its teams on the Cataroux site belonging to the Michelin Group, in the heart of the Clermont-Ferrand urban area. The facilities rented by CARBIOS on this site will accommodate all of the Company's activities currently spread over several locations and in particular, the development laboratory, the pilot plant, the support activities and the industrial demonstration plant. The quality of the new infrastructure will enable CARBIOS to improve the risk profile associated with the industrial demonstration phase while controlling costs and deadlines. The operational teams will thus benefit from an optimal environment to successfully industrialize CARBIOS' enzymatic recycling technology of PET. This industrial demonstration plant should be operational in September 2021. The Company, on the basis of the assumptions used (technical choices in particular), estimates the total final cost of the industrial demonstration plant at between €20 million and €25 million.



3D modeling of the CARBIOS industrial demonstration plant for the depolymerization of PET plastic waste and textiles into monomers. (Credit: Technip Energies).

(1) Please refer to the press release of June 29, 2020: <https://www.carbios.com/en/carbios-begins-construction-on-industrial-demonstration-plant-in-final-step-to-commercializing-its-pet-recycling-technology/>

(2) Since the spin-off of TechnipFMC on February 16, 2021, CARBIOS is now working with Technip Energies resulting from this same spin-off.

(3) Please refer to the press release of September 28, 2020: <https://carbios.com/en/carbios-to-move-facilities-to-a-michelin-site-in-clermont-ferrand-france/>





## PRESENTATION OF CARBIOS AND ITS ACTIVITIES

### Enzymatic recycling of PET

#### 1.4.5.3 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", "Consortium agreements" or "Letter of Intent" which combine R&D cooperation and competitiveness analyses.

In order to ensure the industrial deployment of its proprietary PET recycling technology, the Company announced on April 6, 2021<sup>(1)</sup>, a project to build a Reference Unit aimed at consolidating the Company's business model, which will remain the concession, from 2023, of operating licenses for its technologies and know-how and the sale of its enzymes to its licensees, who will build their own recycled PET production units capable of delivering the first commercial volumes at the end of 2024 and early 2025. Based on initial estimates, which will have to be refined with the commissioning of the demonstration plant, the estimated investment for a recycling reference unit with a production capacity of 40,000 tons per year would be around €100 million.

**The key stages in the construction of this Unit will be as follows:**

- September 2021: Commissioning of the CARBIOS industrial demonstration plant in Clermont-Ferrand, in order to generate the process data required for the design of the Unit;

- 2021-2022: Engineering studies and selection of the Unit's construction site;
- end of 2022: Start of construction on the Unit;
- end of 2024: Commissioning of the Unit; and
- 2025: First revenues from the operation of the Unit.

In this context, CARBIOS announced, on April 6, 2021<sup>(1)</sup>, the signing of a non-exclusive and non-binding agreement in the form of a Letter of Intent with the company Equipolymers, the European leader in the production of PET, which has could host the Unit at its site in Schkopau (Germany) (the "Agreement"). Equipolymers is a subsidiary of EQUATE Petrochemical.

The objective of this agreement is to combine CARBIOS' biorecycling technology and the know-how of Equipolymers, a world-renowned PET producer with R&D know-how in the field of chemical recycling.

This agreement provides for:

- assistance in securing PET waste supply sources for the Unit;
- mutual access to process data from the demonstration plant and CARBIOS technology and Equipolymers facilities.

For more information on the strategic partnerships related to the PET project, please refer to section 2.5 of this Universal Registration Document.

(1) Please refer to the press release of April 6, 2021: <https://www.carbios.com/en/2021-strategic-update-2020-annual-results/>



## 1.5 CARBIOLICE: AN INDUSTRIAL JOINT VENTURE, EXPERT IN THE BIODEGRADATION OF PLA-BASED BIOPLASTICS

PLA market: 275 K metric tons per year<sup>(1)</sup>

EVANESTO®: 1<sup>st</sup> enzymatic biodegradation solution for PLA-based single-use plastics

Technology labeled “Efficient Solution” by the Solar Impulse Foundation<sup>(2)</sup>

CARBIOLICE: A joint venture held by:



### 1.5.1 THE PLA MARKET

The development of biosourced 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, bioplastics accounted for less than 1% of global plastic<sup>(3)</sup> production in 2019, but show strong growth prospects. In 2019, the bioplastics market amounted to around 2.1 million metric tons<sup>(4)</sup> and it should reach 2.4 million metric tons in 2024<sup>(5)</sup>.

Process	Description of markets	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	275 KT1	7 à 9 KT <sup>(1)</sup>	7.7% <sup>(2)</sup>

(1) Source : Projections Nova Institute in 2011, European Bioplastics in 2011.

(2) Source : Total in 2020.

Among biosourced plastics, global annual production capacity of PLA was estimated at around 275,000 metric tons in 2020 and demand<sup>(6)</sup> should continue to increase over the coming years. According to producers, the production capacity could reach around 400,000 metric tons in 2024, representing average

growth of 7.7% a year<sup>(7)</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>(8)</sup>.

(1) Source: Nova Institute in 2011, European Bioplastics in 2011, Total Corbion in 2018 and COFCO in 2018.

(2) Please refer to the CARBIOLICE press release of January 20, 2021.

(3) Source: PlasticsEurope in 2019, European Bioplastics and Nova Institute in 2018.

(4) Source: European Bioplastics and Nova Institute in 2019.

(5) Source: European Bioplastics and Nova Institute in 2019.

(6) Source: Nova Institute in 2011, European Bioplastics in 2011, Total Corbion in 2018 and COFCO in 2018.

(7) Source: Total in 2020.

(8) Source: QYResearch in 2017.

PLA (PolyLactic Acid) is a biosourced and biodegradable plastic polymer according to the EN13432 standard (industrial compost environment) which is also biocompatible, used for:

- food packaging, which represents 33% of the overall PLA market<sup>(1)</sup>;
- disposable tableware (22% of the overall PLA market)<sup>(2)</sup>; and
- electronics and medical applications, in smaller proportions, but sectors that will increase with the arrival of more technical PLA.

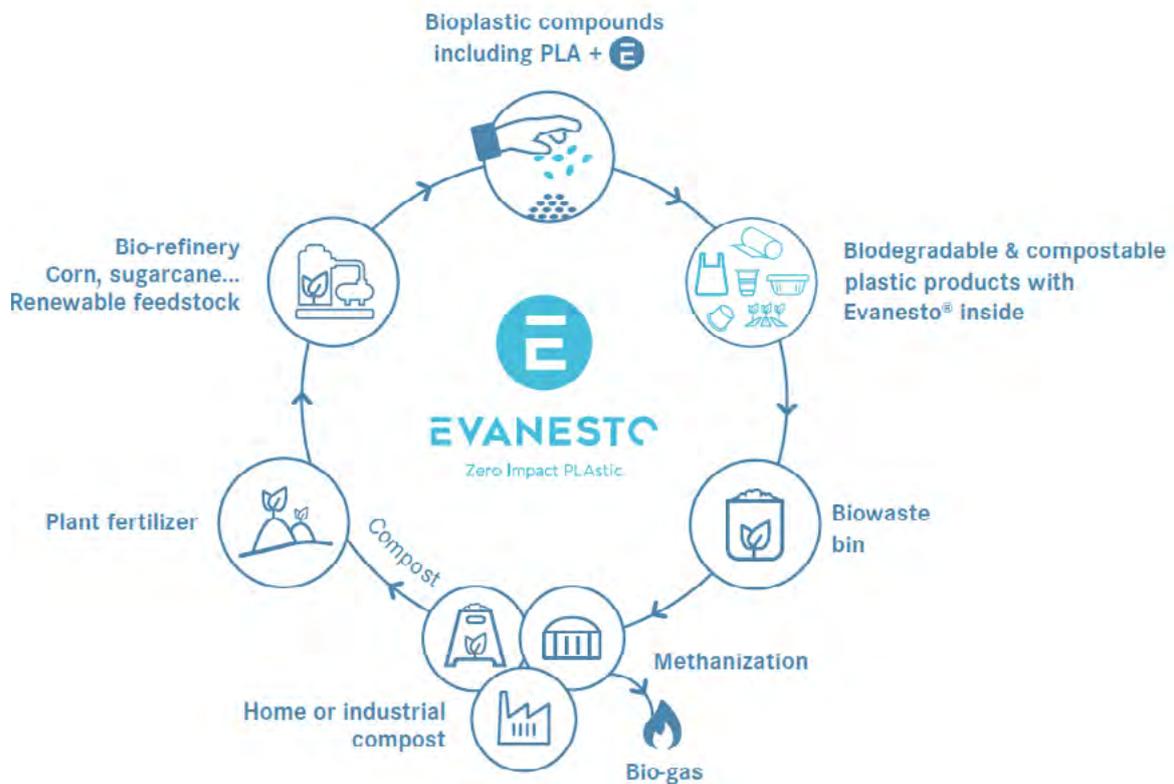
Generally speaking, through their wide range of properties, bioplastics can now compete with conventional fossil-based plastics in various fields (packaging, automotive, textile, biomedical, etc.).

Among these bioplastics, PLA is currently one of the most promising thanks to its remarkable properties, suitable for a wide range of applications.

### 1.5.2 INNOVATION

The innovation of the biodegradation process developed by CARBIOS for PLA-based plastics (biosourced plastics i.e. made from natural resources such as corn or sugar cane) consists of introducing enzymes inside plastic materials to make them biodegradable. These enzymes make it possible for PLA plastics to be 100% biodegradable under universal composting conditions (industrial, domestic or methanization).

This technology, which was licensed to CARBIOLICE in 2016, is implemented in the form of a natural enzyme-based additive known as EVANESTO®, which is easily incorporated into conventional plastic and packaging manufacturing processes.



Credit: CARBIOLICE.

(1) Source: QYResearch in 2017.

(2) Source: QYResearch in 2017.



### 1.5.3 SUMMARY OF DEVELOPMENT STAGES

PLA plastics biodegradation process<sup>(1)</sup> for which CARBIOS has granted an operating license to CARBIOLICE.

Commercial product	Masterbatch EVANESTO®
Target polymer	PLA
Applications	Packaging, agricultural film, bags, industrial films, disposable tableware, etc.
Development stage	Industrial
First licensing revenues for CARBIOS	2016 <sup>(1)</sup>
Estimated date of marketing EVANESTO® solution by CARBIOLICE process to final customers	2020 <sup>(2)</sup>
Development partners	CARBIOS, Novozymes and the Barbier Group

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

(2) Previously forecast for 2019, the first revenues from the biodegradation technology licensed to CARBIOLICE were received at the end of 2020 with the start of marketing of the EVANESTO® solution for the purpose of conducting tests on end customers.

The enzymatic biodegradation of PLA-based bioplastics (made from natural resources such as corn or sugar cane) makes it possible to create a new generation of plastics that are 100% compostable in domestic conditions thanks to the integration of enzymes in the core of these plastics. The introduction of EVANESTO® in the manufacture of PLA-based plastic products allows them to fully biodegrade in industrial or domestic composts. The commercial launch of EVANESTO®, a natural enzyme-based additive derived from the CARBIOS technology, was initiated in December 2020. This is the first additive that allows plastics with a high PLA content (films containing 33% PLA) to achieve the TÜV AUSTRIA Group OK compost HOME certification<sup>(2)</sup>.

### 1.5.4 COMPETITIVE ADVANTAGES

The technology implemented by CARBIOLICE, in the field of PLA-rich plastic biodegradation, aims to offer plastic products which are 100% compostable under domestic conditions, without residues and without ecotoxicity, in under 200 days. In this context, combining sustainability and biodegradability under domestic conditions is one of the major challenges of the enzymatic biodegradation process developed by CARBIOS.

This innovative and eco-friendly alternative offers a positive response to some disadvantages of the biodegradable plastics currently on the market, namely:

- 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
- new plastics designed to be competitive, and which can replace fossil-based plastics in the most common applications.

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<sup>(3)</sup>.

For information on CARBIOLICE's potential competitors in PLA plastic biodegradation, the reader is invited to consult section 3.2.1.3 "Risks associated with the emergence of competing technologies" in this Universal Registration Document.

### 1.5.5 CARBIOLICE: AN INDUSTRIAL AND COMMERCIAL JOINT VENTURE

CARBIOLICE, is a French joint venture, created in September 2016, based in Riom (France), resulting from a tripartite agreement between CARBIOS, the SPI investment (*Sociétés de Projets Industriels*) fund whose management company is Bpifrance Investissement and Limagrain Ingredients. On October 8, 2020, CARBIOS announced the acquisition from Limagrain Ingrédients of its entire 18.02% stake in CARBIOLICE's share capital<sup>(4)</sup>.

After validating the pilot and industrial demonstration phases of the PLA biodegradation technology licensed by CARBIOS, CARBIOLICE is responsible for ensuring the industrial and commercial production of the EVANESTO® product.

The production and marketing of EVANESTO® are secured by a joint development agreement signed in January 2019 by CARBIOS and CARBIOLICE with Novozymes<sup>(5)</sup>, in which Novozymes agrees to become, in the long term, the exclusive supplier of CARBIOLICE, and to produce on an industrial scale the proprietary enzyme developed by CARBIOS for the biodegradation of PLA.

Through its production unit, CARBIOLICE will address specific fields of application, namely the flexible film markets (mulching films, bags and sackcloth manufacturing, industrial films, wrapping films, food packaging), all rigid applications in the agriculture and horticulture sectors, rigid food packaging and disposable plastic tumblers, glasses, cutlery, straws and plates made from plastic.

(1) PolyLactic Acid (polylactic acid) Biosourced and biodegradable plastic polymer according to standard EN13432 (industrial compost environment) which is also biocompatible.

(2) Please refer to the CARBIOLICE press release of December 1, 2020 / <https://www.carbiolice.com/en/news/press-relations/>

(3) For more information on this license agreement, please refer to section 1.5.5.1 of this Universal Registration Document.

(4) Please refer to the October 8, 2020 press release: <https://carbios.com/en/carbios-acquires-limagrain-ingredients-entire-stake-in-the-capital-of-carbiolice/>

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





### 1.5.5.1 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 certain specific biodegradable polyesters, and notably PLA, for certain specific applications. This concession was supported by the signature of a shareholders' agreement on August 31, 2016 ("the Pact") between CARBIOS, Limagrain Ingrédients and the SPI fund operated by Bpifrance Investissement, which defines the rights and obligations of the parties relating to the creation of CARBIOLICE. Under the terms of the Pact, CARBIOS has an option to purchase shares held by SPI, exercisable between the third and sixth anniversary of the Pact, according to the terms and conditions defined in the Pact. Thus, CARBIOS may, if it decides, exercise this purchase option before the sixth anniversary of the Pact. Moreover, the adoption of certain strategic decisions (as defined in the Pact), by CARBIOLICE's Board of Directors requires a positive vote from SPI. Lastly, it is recalled that since the sale by Limagrain Ingrédients of all of its CARBIOLICE shares to CARBIOS on October 8, 2020, Limagrain Ingrédients is no longer a party to the Pact.

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 eleven patent families, ten of which belong wholly or partly to CARBIOS (eight 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, subsequently converted into an equity interest in that company. As of the date of this Universal Registration Document, CARBIOS holds 62.71% of the share capital of 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 recorded the first operating income relating to this license in respect of the 2020 fiscal year as the first sales of products incorporating the CARBIOS technology were made by CARBIOLICE in the last quarter of 2020 for tests with end customers.

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.

### 1.5.5.2 Financing of CARBIOLICE and acquisition of the stake of Limagrain Ingrédients

#### 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 CARBIOLICE's shareholders, the project totals €29.5 million. Since 2016, CARBIOLICE's shareholders have invested €18 million, released in four phases over four years depending on the achievement of technical and commercial milestones. These investments in CARBIOLICE's share capital were made in accordance with the initial commitments and the provisional schedule, as detailed below:

- 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, initially scheduled to be paid in 2019, was released early in July 2018 (including €1.1 million provided by CARBIOS) given the acceleration of CARBIOLICE's developments, namely 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 in the amount of €3.35 million (including €1.1 million provided by CARBIOS) was released in July 2019;
- a fourth and final tranche of funding for an amount of €7.3 million (including €2.8 million from CARBIOS and the balance by the SPI fund) was released in October 2020.

#### Acquisition of the stake of Limagrain Ingrédients in the capital of CARBIOLICE

In October 2020<sup>(1)</sup> CARBIOS announced the acquisition from Limagrain Ingrédients of its entire 18.02% stake in the capital of CARBIOLICE. The acquisition of Limagrain Ingrédients' stake by CARBIOS, was paid for a minority portion in cash and a majority portion in new shares issued by CARBIOS in accordance with the terms and conditions described below. This strategic transaction highlights the confidence in CARBIOLICE's growth potential and CARBIOS' intention to remain its long-term reference shareholder in order to reinforce value creation for its shareholders. This transaction also aims to support the marketing of EVANESTO® and the execution of the Company's growth strategy.

#### Main features of the issue of new CARBIOS shares subscribed by Limagrain Ingrédients<sup>(2)</sup>

- Issue price: Premium over the closing price of CARBIOS share on October 7, 2020.
- Number of shares: 100,000 representing 1.24% of CARBIOS' current share capital.
- Subscription date: October 8, 2020.
- Subscription payment: By way of set-off of Debt.
- Standstill and lock-up commitments for CARBIOS shares: Until January 1, 2021; and

(1) Please refer to the press release dated October 8, 2020: <https://carbios.com/en/carbios-acquires-limagrain-ingredients-entire-stake-in-the-capital-of-carbiolice/>

(2) The shares are issued without preferential subscription rights for the benefit of a category of beneficiaries by decision of the Board of Directors, in accordance with the delegation of authority conferred by the 10<sup>th</sup> resolution approved by the Company's Combined Shareholders' Meeting held on June 18, 2020.



- Conditions for the sale of CARBIOS shares at the end of the lock-up period: Conditional until January 1, 2022, as defined in the assignment agreement.

Prior to the Offering, CARBIOS and Limagrain Ingredients held respectively 52.70% and 18.02% of CARBIOLICE's share capital. At the end of the Offering, CARBIOS' stake in CARBIOLICE's capital

was increased to 70.72%, the balance being held by the SPI fund operated by Bpifrance Investissement.

With this acquisition and the exercise of the fourth and final phase of the CARBIOLICE's financing for an amount of €7.3 million, which took place at the end of October 2020, CARBIOS now holds 62.71% of the shares making up CARBIOLICE's share capital at the end of 2020.

## HISTORY OF EQUITY CONTRIBUTIONS IN CARBIOLICE

<i>(In euros)</i>	CARBIOS	Limagrain Ingrédients	SPI
Creation of the entity	1	-	-
Incorporation of the company	98	1	-
<b>Initial distribution of share capital</b>	<b>99</b>	<b>1</b>	<b>-</b>
<b>Initial distribution of share capital <i>(in %)</i></b>	<b>99.00%</b>	<b>1.00%</b>	<b>0.00%</b>
CARBIOS cash contribution	1,499,901	-	-
Conversion of CARBIOS receivables into CARBIOLICE equity interests	8,000,000	-	-
Partial transfer of assets of Limagrain Ingrédients	-	3,499,999	-
SPI cash contribution			2,500,000
<b>Distribution of share capital at December 31, 2016</b>	<b>9,500,000</b>	<b>3,500,000</b>	<b>2,500,000</b>
<b>Distribution of share capital at December 31, 2016 <i>(in %)</i></b>	<b>61.29%</b>	<b>22.58%</b>	<b>16.13%</b>
<b>Distribution of share capital at December 31, 2017</b>	<b>9,500,000</b>	<b>3,500,000</b>	<b>2,500,000</b>
<b>Distribution of share capital at December 31, 2017 <i>(in %)</i></b>	<b>61.29%</b>	<b>22.58%</b>	<b>16.13%</b>
Cash contribution 2 <sup>nd</sup> installment	1,100,000	250,000	2,000,000
<b>Distribution of share capital at December 31, 2018</b>	<b>10,600,000</b>	<b>3,750,000</b>	<b>4,500,000</b>
<b>Distribution of share capital at December 31, 2018 <i>(in %)</i></b>	<b>56.23%</b>	<b>19.90%</b>	<b>23.87%</b>
Cash contribution 3 <sup>rd</sup> installment	1,100,000	250,000	2,000,000
<b>Distribution of share capital at December 31, 2019</b>	<b>11,700,000</b>	<b>4,000,000</b>	<b>6,500,000</b>
<b>Distribution of share capital at December 31, 2019 <i>(in %)</i></b>	<b>52.70%</b>	<b>18.02%</b>	<b>29.28%</b>
Acquisition of the stake of Limagrain Ingrédients	4,000,000	-4,000,000	-
Cash contribution 4 <sup>th</sup> installment	2,800,000	-	4,500,000
<b>Distribution of share capital at December 31, 2020</b>	<b>18,500,000</b>	<b>-</b>	<b>11,000,000</b>
<b>Distribution of share capital at December 31, 2020 <i>(in %)</i></b>	<b>62.71%</b>	<b>0.00%</b>	<b>37.29%</b>





## PRESENTATION OF CARBIOS AND ITS ACTIVITIES

Other areas of development

### 1.5.5.3 Developments and Outlooks

#### Collaborations

On June 24, 2020<sup>(1)</sup>, CARBIOLICE and the Barbier Group, the French leader in the manufacture of films for agriculture, announced a collaboration to develop biodegradable mulching films that incorporate EVANESTO® technology. This project aims to develop a new generation of mulching films with EVANESTO®, combining a higher PLA content and biodegradation at ambient temperature. As a result, over 1,000 m<sup>2</sup> of films were extruded in May 2020 by CARBIOLICE and the Barbier Group for tests currently being conducted under real growing conditions in several experimental horticultural stations.

As a reminder, in January 2019, CARBIOS and CARBIOLICE also signed a co-development agreement with Novozymes for the production and supply of PLA degradation enzymes on an industrial scale<sup>(2)</sup>.

#### Commercial launch of EVANESTO® and OK compost HOME certification

In December 2020<sup>(3)</sup>, CARBIOLICE announced the commercial launch of EVANESTO®, the first additive that enables plastics with a high PLA content (films containing 33% PLA) to achieve OK compost HOME certification by TÜV AUSTRIA Group<sup>(4)</sup>. Thanks to the introduction of EVANESTO® when PLA-based plastic products are manufactured, packaging films, lids, and soon yoghurt pots, trays, tumblers, etc., which are difficult to recycle today, will be able to fully biodegrade in industrial or domestic composts.

#### Distinctions

Post-closing, on January 20, 2021<sup>(5)</sup>, CARBIOLICE announced that it had received the *Efficient Solution* label from the Solar Impulse Foundation for its EVANESTO solution®. To receive this label, the technology implemented by CARBIOLICE has undergone a meticulous assessment by a group of independent experts according to five criteria covering the three main themes of technical feasibility, social and environmental impact, and economic profitability.

## 1.6 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.

### 1.6.1 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 confirmed by the success of the depolymerization of the PLA to 90% in 24 hours. This progress has made it possible to prove the concept of closed-loop recycling with the production of recycled 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) Please refer to the CARBIOLICE press release of June 24, 2020: <https://www.carbiolice.com/actualites/#relation-presse>

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

(3) Please refer to the CARBIOLICE press release of December 1, 2020: <https://www.carbiolice.com/en/news/press-relations/>

(4) Please refer to the CARBIOLICE press release of December 1, 2020: <https://www.carbiolice.com/en/news/press-relations/>

(5) Please refer to the CARBIOLICE press release of January 20, 2021: <https://www.carbiolice.com/en/news/press-relations/>



## 1.6.2 THE BIODEGRADATION OF PLA TEXTILES AND 3D PRINTED PARTS

In addition to the plastics applications 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>(1)</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).

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. These developments continue today within the CARBIOS' laboratory.

In parallel, CARBIOS has validated a proof of concept 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.

## 1.6.3 PLA BIOPRODUCTION

The CARBIOS process for the bioproduction of PLA, which is complementary to enzymatic recycling, enables the biological repolymerization of monomers into polymers of interest to industry. This innovation makes it possible to envisage an alternative route for producing PLA from lactic acid. In conventional processes, the production of PLA requires a chemical stage of lactic acid condensation to obtain a lactide, and then a chemical polymerization step 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 making it possible to satisfy all the original applications of this biosourced material (food packaging, medical applications, fibers and textiles, etc.). 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.

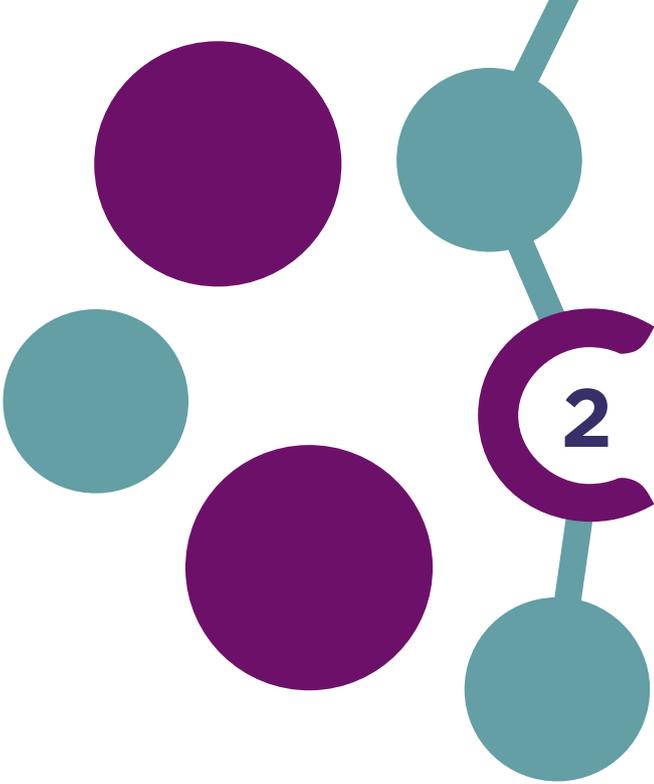
At the date of this Universal Registration Document, the Company considers that the PLA bioproduction market is not sufficiently mature to continue these developments for the purpose of the industrial or commercial exploitation of this technology. The concession or sale of a license at an "upstream"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

In addition, CARBIOS could also consider adapting this process developed for PLA to other biosourced polymers such as PHAs (Polyhydroxyalkanoates).



(1) Source: *Smithers Pira in 2017*.





## COMMENTS ON THE BUSINESS

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## COMMENTS ON THE BUSINESS

Analysis of the business and results

Section 2.1 focuses on the Company's results and financial position for the fiscal years ended December 31, 2019 and December 31, 2020, 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 Chapter 1 of this Universal Registration Document. Likewise, please refer to the financial statements for the fiscal years ended December 31, 2019 and December 31, 2020, as well as the notes thereto, presented in

Chapter 5 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 could envisage changing the presentation of its financial statements to international standards in the near future. To date, the Company does not present any consolidated financial statements with its subsidiary<sup>(1)</sup> CARBIOLICE since it is not required to do so given the fact that it has not yet reached the required consolidation threshold.

## 2.1 ANALYSIS OF THE BUSINESS AND RESULTS

Audited parent company financial statements – French standards (In thousands of euros)	12/31/2020	12/31/2019
Operating revenues	1,643	1,450
<i>Of which revenues derived from contracts with CARBIOLICE<sup>(1)</sup></i>	<i>619</i>	<i>588</i>
Operating expenses	8,464	5,986
<b>OPERATING INCOME</b>	<b>(6,821)</b>	<b>(4,535)</b>
Financial income	(93)	(29)
<b>CURRENT INCOME BEFORE TAXES</b>	<b>(6,914)</b>	<b>(4,564)</b>
Extraordinary gain or loss	(720)	15
Income tax (research tax credit)	(1,488)	(800)
<b>PROFIT OR LOSS</b>	<b>(6,146)</b>	<b>(3,749)</b>

(1) Additional information concerning the financial statements of CARBIOLICE as of December 31, 2020 is presented in Section 5.3 of this Universal Registration Document. As at the date of this document, CARBIOS holds a 62.71% stake in CARBIOLICE, which is, however, a non-consolidated company.

### 2.1.1 KEY FACTORS WHICH HAVE A SIGNIFICANT IMPACT ON CARBIOS' REVENUE

#### 2.1.1.1 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, its technologies and its bioprocesses through the concession of operating licenses for its know-how and its intellectual property 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.

(1) Additional information on CARBIOLICE's financial statements as at December 31, 2020 is presented in section 5.3 of this Universal Registration Document. As at the date of this document, CARBIOS holds a 62.71% 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:

<i>(in euros)</i>	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
<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 2020 (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>(1)</sup> with Limagrain Ingrédients and the SPI (*Sociétés de Projets Industriels*) investment fund for which the management company is Bpifrance Investissement. 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>	2020	2019
Recognized as income	1,487,911	799,779
Received	799,779	1,191,402

### 2.1.1.2 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, 2020, 60% of this funding had been released.

Recent regulations on waste, such as the Energy Transition Law for Green Growth and the Circular Economy package adopted by the European Commission (section 1.2.2 of this Universal Registration Document) can also present opportunities for the Company, in particular in terms of revenues.

## 2.1.2 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. Operating revenues amounted to €1,643 thousand in 2020 (compared with €1,450 thousand in 2019).

For the fiscal year 2020, the Company recorded income of €242 thousand from the subsidy awarded by ADEME, corresponding to the completion of the second key stage of the CE-PET project.

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 for an additional two years and raising its amount to €2,500 thousand. In this regard, the Company invoiced its subsidiary for €526 thousand in 2020.

The Company also rebilled a total of €93 thousand to its subsidiary for fees regarding regulatory matters.

Other operating revenues amounted to €783 thousand.

(1) Additional information on CARBIOLICE's financial statements as at December 31, 2020 is presented in section 5.3 of this Universal Registration Document. As at the date of this document, CARBIOS holds a 62.71% stake in CARBIOLICE, which is, however, a non-consolidated company.

## 2.1.3 RESULTS

### 2.1.3.1 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:

<i>(in thousands of euros)</i>	2020	2019
<b>OTHER COSTS AND EXTERNAL EXPENSES</b>		
External studies, subcontracting and scientific consultations	1,083	621
Consumables	76	61
Supplies	82	72
Rentals, maintenance and upkeep expenses	579	290
Expenses and fees related to industrial property	53	42
Fees	1,378	1,072
Business travel	109	205
Miscellaneous expenses	245	148
<b>TOTAL OTHER EXPENSES AND EXTERNAL EXPENSES</b>	<b>3,605</b>	<b>2,511</b>
Taxes and similar payments	66	25
Salaries and wages	2,904	2,018
Social security contributions	1,288	912
Depreciation of fixed assets	455	349
Other expenses	147	171
<b>TOTAL OPERATING EXPENSES</b>	<b>8,464</b>	<b>5,986</b>

In 2020, CARBIOS' operating expenses amounted to €8,464 thousand (compared to €5,986 thousand in 2019), of which 61% was devoted to research (up by ten points compared to 2019). 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 2020 is mainly due to the increase in external R&D expenses and personnel expenses (in particular R&D) in line with the increased efforts to develop the PET recycling process.

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.

### 2.1.3.2 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. Finally, a loan guaranteed by the State was released on August 31, 2020 at the rate of 0.25%. The conditional advances granted by Bpifrance and ADEME do not carry interest.

<i>(in thousands of euros)</i>	2020	2019
<b>Net financial income</b>		
Financial income	27	32
Financial expenses	120	61
<b>NET FINANCIAL INCOME</b>	<b>(93)</b>	<b>(29)</b>

Financial income mainly comes from investments of available cash amounting to €25 thousand.

Financial expenses in 2020 consist mainly of interest on the Bpifrance loans for €115 thousand.



### 2.1.3.3 Net income

Net income (in thousands of euros)	2020	2019
<b>Current income before taxes</b>	<b>(6,914)</b>	<b>(4,564)</b>
<b>Extraordinary gain or loss</b>	<b>(720)</b>	<b>15</b>
Income tax (research tax credit)	(1,488)	(800)
<b>PROFIT OR LOSS</b>	<b>(6,146)</b>	<b>(3,749)</b>

For the fiscal year 2020, an extraordinary loss of €720 thousand was recognized, mainly from the scrapping of investments made on the Saint-Fons site, which cannot be transferred (up to €780 thousand) to the new demonstrator construction site located in Clermont-Ferrand. This loss is slightly offset by €80 thousand in bonuses on treasury shares realized under the liquidity contract.

CARBIOS also benefited from a Research Tax Credit of €1,488 thousand (compared to €800 thousand in 2019), calculated on the basis of eligible expenses for the Research and Development undertaken by the Company in 2020.

## 2.2 CASH FLOWS AND FINANCIAL STRUCTURE



Statement of financial position (in thousands of euros)	2020	2019
<b>FIXED ASSETS</b>		
<b>Intangible assets</b>	<b>1,086</b>	<b>858</b>
Concessions, patents, licenses, software	1,086	858
<b>Property, plant and equipment</b>	<b>4,605</b>	<b>2,267</b>
Office and IT equipment	146	145
Laboratory equipment and material	4,334	1,985
Fixtures and fittings	125	137
<b>Advances on assets under construction</b>	<b>188</b>	<b>148</b>
<b>Financial assets</b>	<b>20,907</b>	<b>12,027</b>
Equity interests	20,500	11,700
Deposits and guarantees	200	200
Liquidity contract	171	73
Treasury shares	36	54
<b>TOTAL FIXED ASSETS</b>	<b>26,786</b>	<b>15,300</b>
<b>CURRENT ASSETS</b>		
Receivables	199	28
State - receivables	1,720	1,019
Subsidies receivable	0	17
Laboratory raw material inventories	39	21
Other receivables	230	2
Cash, cash equivalents and marketable securities	29,097	15,915
Prepaid expenses	139	75
<b>TOTAL CURRENT ASSETS</b>	<b>31,425</b>	<b>17,075</b>
Deferred expenses	17	11
<b>OVERALL TOTAL</b>	<b>58,228</b>	<b>32,386</b>



## COMMENTS ON THE BUSINESS

### Cash flows and financial structure

Statement of financial position <i>(in thousands of euros)</i>	2020	2019
<b>EQUITY</b>		
Share capital	5,674	4,833
Issue, merger and contribution premiums	59,711	31,275
Retained earnings	(14,115)	(10,366)
Investment subsidies	11	13
Profit and loss for the period	(6,146)	(3,749)
<b>TOTAL EQUITY</b>	<b>45,135</b>	<b>22,005</b>
<b>OTHER EQUITY CAPITAL</b>		
<b>CONDITIONAL ADVANCES</b>	<b>4,173</b>	<b>4,250</b>
<b>DEBT</b>		
Loans	5,647	3,818
Trade and other payables	1,952	1,387
Tax and social liabilities	1,145	749
Other liabilities	1	2
Deferred income	176	176
<b>TOTAL LIABILITIES</b>	<b>8,921</b>	<b>6,131</b>
<b>OVERALL TOTAL</b>	<b>58,228</b>	<b>32,386</b>

## 2.2.1 CAPITAL

<i>In thousands of euros</i>	12/31/2020	12/31/2019
Equity	45,135	22,005
Other equity capital (conditional advances)	4,173	4,250
Loans and financial liabilities	5,647	3,818
Cash and cash equivalents	29,097	15,915
Debt (Cash) - Net position	(23,450)	(12,097)
Net financial debt to equity	N/A	N/A

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

As at December 31, 2020, conditional advances totaled €4,173 thousand.



## 2.2.2 CASH FLOWS

### 2.2.2.1 Comments on working capital and working capital requirements

Working capital amounted to €28,151 thousand, up €13,388 thousand compared to 2019, due to the difference between:

- this fiscal year's fixed resources up by €26,195 thousand, composed of the net capital increase of €29,277 thousand and the amount received from repayable advances, loans and grants of €1,776 thousand. However, this increase in fixed resources is reduced by the negative net cash flow, which amounted to €4,896 thousand;
- the Company's needs, up €12,807 thousand, *i.e.* gross capital expenditure of €12,773 thousand, loan repayments of €25 thousand, and deferred expenses of €10 thousand.

### 2.2.2.2 Information on terms of payment

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

	Article D. 4411.1: Invoices <i>received</i> , outstanding and past due at the closing date					Article D. 4411.2: Invoices <i>issued</i> outstanding and past due at the closing date						
	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day and more)	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)
<b>(A) Overdue payment brackets</b>												
Number of invoices involved						6						0
Total amount of invoices involved, excl. tax		1,120	2,073 <sup>(1)</sup>	0	304,068 <sup>(2)</sup>	307,261						
Percentage of the year's total purchases, excl. tax		0.03%	0.06%		8.43%	8.52%						
Percentage of revenue excluding tax of the fiscal year												
<b>(B) Invoices excluded from (A) concerning disputed or non-recognized debts or receivables</b>												
Number of invoices excluded												
Total amount of excluded invoices												
<b>(C) Contractual or legal payment terms used (Article L. 441-6 or Article L. 443-1 of the French Commercial Code)</b>												
Payment terms used for the calculation of overdue payments						Contractual terms: invoice due date						Contractual terms: 30 days from invoice date

(1) The invoice was not paid because as of December 31, 2020, the Company was awaiting a credit note to settle this invoice. This credit note was received in January 2021.

(2) Corresponds to three invoices put on hold, in accordance with the Company's internal procedure for validating purchases and payments after discussion and agreement with the supplier. The progress of the services requested was not at the level expected by the operational teams as of December 31, 2020. Invoices have since been paid following satisfactory progress.



### 2.2.2.3 Statement of cash flows

<i>In thousands of euros</i>	2020	2019
<b>Cash flows related to operations (A)</b>		
Profit and loss for the period	(6,146)	(3,749)
Depreciation and amortization (including investment subsidies)	453	324
Gains or losses on asset disposals	797	(2)
Changes in working capital requirements for operations	(273)	391
<b>Net cash absorbed by operations</b>	<b>(5,169)</b>	<b>(3,037)</b>
<b>Cash flows related to investments (B)</b>		
Net acquisitions of intangible assets and property, plant and equipment	(3,854)	(1,956)
Net acquisitions of non-current financial assets	(8,880)	(1,203)
Change in fixed asset liabilities	67	753
<b>Net cash absorbed by investments</b>	<b>(12,668)</b>	<b>(2,406)</b>
<b>Cash flow related to financing activities (C)</b>		
Net proceeds from the issuance of shares and BSAs	29,277	13,719
Inflows from loans, net of repayments and expenses	966	1,404
Inflows from repayable advances and investment subsidies	776	1,086
<b>Net cash from financing activities</b>	<b>31,019</b>	<b>16,209</b>
<b>Change in cash and cash equivalents (A + B + C)</b>	<b>13,182</b>	<b>10,766</b>
Cash and cash equivalents at the beginning of the period	15,915	5,149
<b>Cash and cash equivalents at end of period</b>	<b>29,097</b>	<b>15,915</b>

In 2020, the cash flow absorbed by the Company's operations amounted to €5,169 thousand. This was notably due to the accounting loss recognized. As for investment flows, they absorbed €12,668 thousand, mainly due to the acquisition of a €8,800 thousand stake in the subsidiary CARBIOLICE and the creation of an industrial demonstration plant for €2,990 thousand.

Financing operations generated cash flows of €31,019 thousand:

- several capital increases, including issue premiums, for a net amount of €29,277 thousand;
- a loan obtained from Société Générale for €1,000 thousand and a repayable advance of €776 thousand received from ADEME following the validation of key stage 2.

Concerning the Company's financial risks, please refer to section 3.3.2 of this Universal Registration Document.

## 2.2.3 FUNDING

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.

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>	Year 1*	Year 2	Year 3	Year 4	Year 5
Conditional advance	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 contractually stipulated, repayments, consisting of progressive annuities, began in 2019, amounting to €20 thousand, then €25 thousand in 2020. The entire amount will be repayable given the success of the project.

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 January 10, 2019<sup>(1)</sup>, CARBIOS and Toulouse White Biotechnology 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 no. 1882C0098) – 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. As project leader and coordinator of the CE-PET<sup>(2)</sup> project, CARBIOS will be tasked with accelerating the industrialization of its technology for the enzymatic recycling of PET plastics and fibers. The terms and conditions applicable to TWB and CARBIOS as part of this project will be governed by the rules defined by a research and development consortium agreement signed between the Company and INRA on July 9, 2019. Under this agreement, CARBIOS has full ownership of the results obtained under this project (excluding the generic results of TWB for which the Company has a non-exclusive license). The rules for financial returns were defined in a valuation agreement of the CE-PET consortium signed between the Company, INRA and INRA TRANSFERT on January 6, 2020.

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>(3)</sup>. The Company received a grant 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%

repayable advance (with conditions). Upon the validation of each key stage, a predetermined portion of the repayable advance becomes due. During the first half of 2020, the Company received €1 million for the validation of the second key stage of the CE-PET project<sup>(4)</sup>. As a reminder, the Company received €1.4 million for the completion of the first key milestone in 2019, *i.e.* a total amount of €2.4 million since the start of the project.

In 2019 and 2020, the Company financed major capital expenditures on laboratory equipment for the set-up of its pilot through finance leasing totaling €417 thousand.

On July 23, 2020<sup>(5)</sup>, CARBIOS announced the success of a capital increase through an offering to qualified investors by way of an accelerated book-building process. The Company issued 1,028,572 new ordinary shares each with a nominal value of €0.70, at a price of €26.25 per share, issue premium included, for a total amount of €27,000,015, which represents 14.79% of the Company's share capital prior to the transaction on an undiluted basis, *i.e.* a dilution of 12.89%. Strategic shareholders L'Oréal, through its private equity fund BOLD (Business Opportunities for L'Oréal Development), and Michelin Ventures subscribed to the capital increase, in accordance with the undertakings they had made, for a total amount of €3.9 million, which represents 148,571 new shares or 14.44% of the total number of new shares issued as part of this capital increase.

The funds raised as part of this capital increase will be used to finance:

- the second phase of construction of the industrial demonstration plant for the enzymatic recycling of PET based plastic waste, which is scheduled to be commissioned in September 2021;
- the Company's operating expenses, including those related to the industrial demonstration plant; and
- participation in the capital increase of CARBIOLICE, which took place in October 2020.

In August 2020, the Company also obtained a French Government-guaranteed bank loan of €1 million, repayable in full within one year, with the possibility of extending the repayment date through an additional amortization period of up to five years.

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 beyond the next twelve months.

## Expected sources of funding

Following the successful completion of the key stage 2 of the CE-PET project, the Company has collected a total amount of €2.4 million since the start of the project. As a reminder, as part of this project, CARBIOS was granted financing by the by the *Secrétariat Général pour l'Investissement* (SGPI) as part of the Investment for the Future Program (PIA No. 1882C0098) operated by ADEME up to €4.1 million. If key stage 3 is approved, the contract provides for the payment to the Company of an additional €0.8 million, and if the last milestones at the end of the project are validated, CARBIOS will also be entitled to the payment of the remainder of aid, namely €0.8 million.

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

(2) "Circular Economy PET".

(3) Please refer to the press release of July 23, 2020: <https://carbiosa.com/en/carbios-annonce-le-vif-succes-de-son-augmentation-de-capital-par-voie-de-placement-aupres-dinvestisseurs-qualifies-pour-un-montant-de-27-me/>

(3) For more information on the CE-PET project, please refer to section 1.4.5 of this Universal Registration Document.

(4) "Circular Economy PET".

(5) Please refer to the press release of July 23, 2020: <https://www.carbios.com/en/carbios-annonce-le-vif-succes-de-son-augmentation-de-capital-par-voie-de-placement-aupres-dinvestisseurs-qualifies-pour-un-montant-de-27-me/>





## COMMENTS ON THE BUSINESS

### Cash flows and financial structure

## 2.2.4 INVESTMENTS

The Company has financed all of its investments through its equity capital and also received in 2014 an interest-free loan from the FIAD of €152 thousand<sup>(1)</sup> for the acquisition of a pre-pilot laboratory. In 2019 and 2020, the Company also leased equipment for the implementation of its PET enzymatic recycling pilot for a total of €417 thousand.

### 2.2.4.1 Main investments made by the Company in the past three years

#### 2.2.4.1.1 Laboratory and pilot

Investments for its laboratory continued, amounting to €25 thousand in 2018, €24 thousand in 2019, and €273 thousand in 2020, bringing the total to €1,761 thousand on December 31, 2020.

The Company also commissioned its PET enzyme recycling pilot in 2019. For this, as of December 31, 2020, the Company has invested €194 thousand of its own funds and €417 thousand financed by leasing.

#### 2.2.4.1.2 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 2020, CARBIOS' intellectual property portfolio included 38 patent families (including one under exclusive worldwide license from the CNRS and the University of Poitiers and 18 protecting its innovation in the enzymatic recycling of PET plastics and fibers), including five new patent families in fiscal year 2020.

As at December 31, 2020, gross investments made by CARBIOS in patents amounted to €1,659 thousand, of which €317 thousand in 2018, €305 thousand in 2019 and €391 thousand in 2020.

#### 2.2.4.1.3 Equity interests

At December 31, 2020, the Company held 62.71% of the capital of CARBIOLICE<sup>(2)</sup>, founded in 2016 and whose registered office is located in Riom (France), following the acquisition by the Company of Limagrain Ingrédients' entire stake in the capital of CARBIOLICE<sup>(3)</sup>. The securities thus appear on CARBIOS' statement of financial position for a total amount of €20,500,000.

#### 2.2.4.1.4 Other investments

Since the Company is present on three different sites, development and fitting work was carried out on the various sites for a total of €86 thousand at the end of 2020.

At the same time, the Company invested €11 thousand in office furniture and equipment, and €42 thousand in the development and renewal of its IT system. Regarding the furniture and IT equipment items, the Company had invested €142 thousand in 2019 and €13 thousand in 2018.

With respect to the other fixed asset items, the Company has not made any other significant investments over the last three fiscal years.

### 2.2.4.2 Main investments in progress

Since December 31, 2020, 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 €188 thousand in advances paid on fixed assets at December 31, 2020.

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. With a view to commissioning its industrial demonstration plant in 2021, the Company has invested €3,369 thousand (including €2,209 thousand in 2020). It should be noted that these amounts do not take into account €780 thousand charged to the expense account following the decision to relocate the demonstration plant to Clermont-Ferrand (formerly planned for the Saint-Fons site).

### 2.2.4.3 Joint ventures and significant shareholdings

Subsidiary	Share	Equity	Share of capital in %	Carrying amount of securities	Loans and advances in fixed assets	Guarantees and endorsements given by CARBIOS	Revenue excluding tax at 12/31/2020	Net income as of 12/31/2020
CARBIOLICE	29,500,000	(14,515,745)	62.71%	20,500,000	-	-	564,135	(4,465,914)

### 2.2.4.4 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.

(1) Please refer to section 5.1.4.13 of this Universal Registration Document.

(2) Additional information on CARBIOLICE's financial statements as at December 31, 2020 is presented in section 5.3 of this Universal Registration Document.

(3) Please refer to the press release of October 8, 2020: <https://carbiosa.com/en/carbios-acquires-limagrain-ingredients-entire-stake-in-the-capital-of-carbiolice/>



## 2.3 EVENTS AFTER THE REPORTING PERIOD

### MAIN TRENDS SINCE DECEMBER 31, 2020

On January 14, 2021, the Company announced that at the end of 2020 its patent portfolio was enriched with four new patent families and now includes 38 patent families, 18 of which protect its enzymatic recycling technology for plastics and fibers in PET<sup>(1)</sup>.

Since the beginning of the 2021 fiscal year, the Board of Directors, at its meeting on January 15, 2021, granted 85,000 BCE-2021 for the benefit of certain CARBIOS employees. Please refer to Chapter 6 of the Company's 2020 Universal Registration Document.

At its meetings of January 15, 2021 and March 11, 2021, the Board of Directors noted the exercise of 23,125 BCE-2020-1, 9,600 BSA-2015-2, 16,000 BCE-2015-2, 14,375 BCE-2020-4, 9,600 BSA-2016-1, and 9,600 BSA-2015-3. Following these transactions, the share capital stood to €5,715,130.40 divided into 8,164,472 ordinary shares each with a par value of €0.70, fully subscribed and fully paid up.

There was no significant change in the Company's financial performance between December 31, 2020 and the date of this Universal Registration Document.

## 2.4 OUTLOOK AND OBJECTIVES

The Company does not publish any profit forecasts or estimates.

### KNOWN TRENDS THAT ARE REASONABLY LIKELY TO HAVE A MATERIAL EFFECT ON THE ISSUER'S PROSPECTS

The Covid-19 coronavirus epidemic, which appeared in China at the end of 2019, continues to affect France. This crisis, the risks of which are regularly reassessed and updated by the Company, would still be likely to affect the Company's outlook, as described in Section 3.2.3 of this Universal Registration Document.

## 2.5 MATERIAL CONTRACTS

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>(2)</sup> project for which CARBIOS received the funding notification on January 10, 2019<sup>(3)</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 2020, CARBIOS announced that it had successfully validated the second stage of this project and had received €1 million in the first half of 2020, *i.e.* a total of €2.4 million since the start of the project in 2019<sup>(4)</sup>. Within the framework of this project, as leader and coordinator, CARBIOS strives to accelerate the industrialization of its technology for the enzymatic recycling of PET fibers and plastic waste and announced in November 2020 that it had successfully produced the first bottles containing 100% recycled Purified Terephthalic Acid (rPTA) from textile waste that contains a high PET content<sup>(5)</sup>. CARBIOS will be able to receive up to €4.1 million from ADEME for this project. 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.

(1) Please refer to the press release of January 14, 2021: <https://carbiosa.com/carbios-renforce-significativement-son-portefeuille-de-brevets/> (in French)

(2) For more information on the CE-PET project, please refer to section 1.4.5.1 of this Universal Registration Document.

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

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

(5) Please refer to the press release of November 19, 2020: <https://carbiosa.com/en/carbios-produces-first-clear-plastic-bottles-from-enzymatically-recycled-textile-waste/>

- 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>(1)</sup>. This laboratory, named 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. In April 2020, CARBIOS exercised the option provided for under this agreement so that TechnipFMC also supports the Company during the construction phase and the start-up of the industrial demonstration plant operated by CARBIOS. It should be noted that since the spin-off of TechnipFMC on February 16, 2021, CARBIOS is now working with Technip Energies resulting from this same spin-off.
- In September 2020<sup>(2)</sup>, the Company announced that it was bringing together its teams on a same site belonging to the Michelin Group and located near the CARBIOS facilities in Clermont. The facilities rented by CARBIOS will accommodate all of the Company's activities, currently spread over several locations, and in particular the development laboratory, the pilot plant, the support activities and the industrial demonstration plant. Initially planned for the commune of Saint-Fons in the Rhône valley, the industrial demonstration plant will now be integrated into the Michelin Group's Cataroux site. The buildings will be made available in exchange for rent under terms and conditions to be defined in view of CARBIOS' requirements for an optimum operation of its facilities.

## 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>(3)</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>(4)</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 license gave rise to an initial payment of for the benefit of CARBIOS in view of the revenue generated in 2020 by CARBIOLICE through the use of the patent families granted under the license.

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

(2) Please refer to the press release of September 28, 2020: <https://carbiosa.com/en/carbios-to-move-facilities-to-a-michelin-site-in-clermont-ferrand-france/>

(3) Please refer to the April 29, 2019 press release: <https://www.carbios.com/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/>

(4) Please refer to section 1.5.5 of this Universal Registration Document concerning CARBIOLICE.



- This concession was supported by the signature of a shareholders' agreement on August 31, 2016 (the "Pact") between CARBIOS, Limagrain Ingrédients and the SPI fund for which the management company is Bpifrance Investissement, which defines the rights and obligations of the parties relating to the creation of CARBIOLICE. Under the terms of the Pact, CARBIOS has an option to purchase shares held by SPI, exercisable between the third and sixth anniversary of the Pact, according to the terms and conditions defined in the Pact. Thus CARBIOS could, if it decided, exercise this purchase option before the sixth anniversary of the Pact. Moreover, the adoption of certain strategic decisions, as defined in the Pact), by CARBIOLICE's Board of Directors requires a positive vote from SPI. Lastly, it is recalled that since the sale by Limagrain Ingrédients of all of its CARBIOLICE shares to CARBIOS on October 8, 2020, Limagrain Ingrédients is no longer a party to the Pact.
- 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>(1)</sup>.

## 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. The first royalties were recognized in view of the revenue generated by CARBIOLICE through the operation of this family in 2020.
- 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>(2)</sup> of the results obtained under the THANAPLAST™ project.
  - 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 to a retrocession in the form of flat-rate amounts (in 2016) or royalties (from 2020). 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. No payments are to be declared for 2020. In addition, in order to meet their obligations related to use of genetic resources taken from the territories of the signatory States of the Nagoya Protocol, in 2020, CARBIOS and INRAE signed an agreement to access and use a biological material with the University of Kasetsart (Thailand), from which the strain from which the aforementioned enzyme originated was obtained.

- 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. No payments are to be declared for 2020.
- 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>(3)</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.

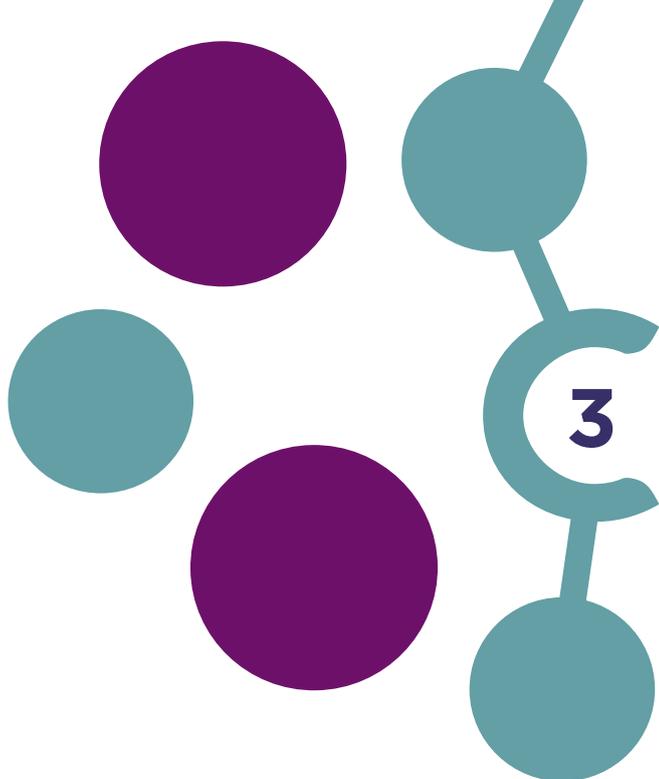
(1) Please refer to the January 29, 2019 press release: <https://carbiosa.com/en/carbios-and-carbiolice-enter-into-a-joint-development-agreement-with-novozymes-for-long-term-supply-of-enzymes-at-industrial-scale/>

(2) Please refer to section 2.2.3 of this Universal Registration Document for the commitments of returns made to Bpifrance.

(3) Please refer to section 2.5 "Agreements associated with the development of the Company's technologies" in this Universal Registration Document.







## RISK FACTOR

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## RISK FACTOR

### Summary of significant and specific risks

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 grouped into 6 categories and are classified in each according to their degree of criticality, in decreasing order according to the Company's assessment at the date of this Universal Registration Document. The occurrence of new events, either internal to the Company or external, is therefore likely to change this order of importance in the future. The risk's probability of occurrence and its magnitude are assessed 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 net criticality of the risk factors is assessed by combining

each risk's probability of occurrence and magnitude, after taking into account the risk management measures implemented by the Company to manage them. The combination of these two criteria makes it possible to give a score to each risk and thus to classify the risks into three levels of criticality (criticality = probability x magnitude): Significant, Moderate, Minor.

As of the date of this Universal Registration Document, the Company is not aware of any significant risks other than those summarized below.

However, the attention of investors is drawn to the fact that the list of risks and uncertainties described below is not exhaustive. Other risks, of which it is not currently aware or that it does not consider to be significant, on the date of publication of this Universal Registration Document, could also have an adverse impact on its business and financial position, its results or its 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.

## 3.1 SUMMARY OF SIGNIFICANT AND SPECIFIC RISKS

The following presentation of the risk factors includes consideration of the Covid-19 pandemic and its impacts.

Risk type	Probability of occurrence	Risk magnitude	Net degree of criticality
<b>1. Risks related to the Company's business and market</b>			
• Risks associated with technology development	Average	High	Significant
• Risks associated with raw materials	Average	Low	Moderate
• Risks associated with the emergence of competing technologies	Average	Low	Moderate
• Risks associated with dependence on key partners	Low	Average	Moderate
<b>2. Financial risks</b>	Average	High	Significant
<b>3. Risks associated with the impact of the Covid-19 epidemic</b>	High	Average	Significant
<b>4. Risks related to the Company's organization</b>			
• Risks of dependence on key personnel	Average	Average	Moderate
<b>5. Risks associated with intellectual property</b>			
• Risks associated with uncertain protection of patents	Average	Low	Moderate
• Risks associated with dependence on third-party technology	Low	Low	Minor
<b>6. Regulatory risks</b>			
• Risks associated with compliance with the Nagoya Protocol on access to genetic resources	Low	Low	Minor
• Risks associated with regulations on plastics intended to come into contact with foodstuffs	Low	Low	Minor



## 3.2 DETAILED PRESENTATION OF SIGNIFICANT AND SPECIFIC RISKS

### 3.2.1 RISKS RELATED TO THE COMPANY'S BUSINESS AND MARKET

#### 3.2.1.1 Risks associated with technology development

##### 3.2.1.1.1 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. The difficulties encountered in obtaining sufficient volumes of PET waste to supply an industrial plant could generate costs such that the economic viability of the technology developed by the Company could be called into question;
- 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's business is highly dependent on the risks associated with the development of innovative products and/or technologies that may lead to discrepancies between the studies carried out and the reality of the target market;
- the Company could decide to abandon all or part of a project.

As part of its PET recycling project, the Company has set itself the goal of building a demonstration plant that will enable it to collect the data necessary for the future construction of a reference unit to consolidate its business model, which remains the licensing of its technologies and know-how and the sale of enzymes to its licensees, who will build their own recycled PET production units. However, the difficulties identified above could prevent the Company from achieving the expected success in implementing this strategy in accordance with the planned schedule.

More specifically, the Company's technical, industrial, regulatory or intellectual property obstacles could lead to complications in the roll-out of its PET recycling technology that could result in the Company not being able to obtain the necessary and sufficient data for the construction of a first reference unit and/or for the conclusion of licensing agreements for its technology allowing licensees to have the engineering documentation of the process and the supply of enzymes necessary for the construction and operation of higher capacity industrial units.

In such a case, any delay or failure in the industrialization phase of the PET recycling technology could prevent the Company from meeting, or to a limited extent, the needs for recycled PET expressed by end-users according to the schedule that it has set and thus jeopardize the Company's commitments and its sustainability.

In any event, the abandonment 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.

##### 3.2.1.1.2 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.

##### 3.2.1.1.3 Degree of risk criticality

Significant.

#### 3.2.1.2 Risks associated with raw materials

##### 3.2.1.2.1 Identification of risks

Regarding the enzymatic recycling process developed by the Company, the raw material required for large-scale operation mainly consists of plastic packaging or textile waste principally made of PET or polyester fibers. Household plastic packaging waste is currently recycled using mechanical technologies and the quantities collected and available are limited. The textile waste is today relatively poorly collected. The recyclable waste stems from across Europe and is collected locally. The volumes of waste required for future industrial units are substantial and will, therefore, require an efficient collection system that is expanded both geographically and to all types of PET waste (packaging waste that is currently not collected and textile waste). 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.





## RISK FACTOR

Detailed presentation of significant and specific risks

### 3.2.1.2.2 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.

### 3.2.1.2.3 Degree of risk criticality

Moderate.

## 3.2.1.3 Risks associated with the emergence of competing technologies

### 3.2.1.3.1 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 technically, environmentally or economically better solutions other than its technologies will not be developed and marketed in the near future.

Fields of application	Direct industrial competitors
Recycling	<b>PET and/or polyester fibers:</b> Loop Industries*, Ioniqa*, Teijin*, Jeplan*, Gr3n*, Garbo*, Axens IFP Group Technologies*, BP*, Eastman*, Cumapol*, Polygenta Technologies* <b>Other polymers:</b> Galactic*, Creacycle*, Worn Again*
Biodegradation	Advanced Enzyme Science Limited and its Enzymoplast® product Manufacturers of compostable plastics for home composting (such as Novamont and its Mater-Bi®, Sphere)

\* Competitors using chemical and non-biological technologies.

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.

### 3.2.1.3.2 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 Technip Energies<sup>(1)</sup>. 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.

### 3.2.1.3.3 Degree of risk criticality

Moderate.

## 3.2.1.4 Risks associated with dependence on key partners

### 3.2.1.4.1 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

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). In 2020, the Company also set up a cooperative laboratory, PopLaB, with INSA Toulouse, through its internationally recognized laboratory TBI (Toulouse Biotechnology Institute).

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. By no longer benefiting from these renowned academic partnerships, the Company may no longer have access to cutting-edge data, materials and equipment for which the Company would be forced to make financial investments that it may not be able to support.

(1) Since the spin-off of TechnipFMC on February 16, 2021, CARBIOS now works with Technip Energies resulting from the same spin-off.



### 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 Technip Energies<sup>(1)</sup> to conduct feasibility and engineering studies for an industrial demonstration plant. In 2020, the Company decided to continue this collaboration with Technip Energies for the engineering and construction oversight of this demonstration plant, which will be operated by CARBIOS and located on the Cataroux site in Clermont-Ferrand<sup>(2)</sup>.

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, in particular, the stages related to the profitability studies for the envisaged partnership, 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 within the framework of the reciprocal exclusivities that are granted, 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 at a competitive cost, and develop and market its products or processes.

In addition, the Company continues to look for partnerships in order to carry out its industrial strategy. If the Company were unable to find suitable partners, its industrial strategy could be called into question or delayed.

#### 3.2.1.4.2 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 Technip Energies (formerly TechnipFMC<sup>(3)</sup>) and Novozymes, thus reinforcing mutual trust – a major asset for the success of these partnerships.

#### 3.2.1.4.3 Degree of risk criticality

Moderate.

## 3.2.2 FINANCIAL RISKS

### 3.2.2.1 Identification of risks

At December 31, 2020, the cash and marketable securities held by the Company totaled €29 million.

At December 31, 2020, the Company's financial liabilities consisted solely of conditional advances of €4,173 thousand and borrowings of €5,647 thousand.

Please refer to section 5.1.4 for an overview of the Company's conditional advances (Note 13) and its debt schedule as at December 31, 2020 (Note 8).

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. As such, for the fiscal year ended December 31, 2020, the Company's operating expenses were €5.2 million in cash, and the cash flow from investments in fixed assets (excluding financial items) was €3.9 million.

The cash flow forecasts for fiscal year 2021 take the following items into consideration:

- available cash of €29 million as at December 31, 2020;
- the receipt of the Research Tax Credit (CIR) of €1.5 million (amount recognized as at December 31, 2020), for which the payment should take place during Q2 2021; and
- the expected receipt of the ADEME grant relating to key stage 3 of the CE-PET project, subject to the validation of the corresponding milestone, *i.e.* €207 thousand in subsidies and €620 thousand in repayable advances<sup>(4)</sup>.

### 3.2.2.2 Risk management

On April 1, 2021, the Company conducted a special review of its liquidity risk, and, on the basis of its cash position, which amounted to €26 million as at April 1, 2021, 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. It should be noted that these items take into account the investments for the

(1) Since the spin-off of TechnipFMC on February 16, 2021, CARBIOS is now working with Technip Energies resulting from this same spin-off.

(2) Please refer to section 2.5 of this Universal Registration Document.

(3) Since the spin-off of TechnipFMC on February 16, 2021, CARBIOS is now working with Technip Energies resulting from this same spin-off.

(4) Please refer to section 5.1.4.13 of this Universal Registration Document.



## RISK FACTOR

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installation of the industrial demonstration plant, the probable final cost of which is estimated at between €20 million and €25 million and that no investment is planned for the start of the Reference unit construction project in 2021, but that engineering work could be undertaken during the next 12 months.

### 3.2.3 RISKS ASSOCIATED WITH THE IMPACT OF THE COVID-19 EPIDEMIC

#### 3.2.3.1 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 years, significantly disrupt the Company's business by causing operational difficulties, particularly due to:

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

Although the impacts of this health crisis remain difficult to quantify, the Company has, in recent months, encountered certain difficulties in the continuation of its activities in particular, given the restrictions and confinement measures suffered by some of its suppliers, service providers and partners. At this stage, however, the Company has managed to limit any delays directly related to the health crisis in the industrial and commercial deployment of its technologies. However, if the restrictions and confinement measures continued to be applied both in France and abroad, the Company could have more and more difficulty in containing the harmful effects of these measures and in particular, the extension of the delays in the supply of certain materials, equipment and products required for the construction and deployment of its industrial demonstration plant. This extension of lead times could delay the start-up of the industrial demonstration plant and, as a result, the collection of the data necessary for the construction of the first industrial and commercial unit using the PET recycling technology developed by the Company. In addition, the negative impact of this epidemic on the financial markets and potentially on the Company's share price could intensify if the health crisis were to continue for several more months.

As of the date of this Universal Registration Document, this health crisis is still affecting France, and several other countries. Its impacts are, therefore, still likely to negatively affect the Company's ability to conduct its business and could cause delays in the industrial and commercial deployment of its technologies.

### 3.2.4 RISKS RELATED TO THE COMPANY'S ORGANIZATION

#### Risks of dependence on key personnel

##### 3.2.4.1 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. These people include the Chief Executive Officer, Jean-Claude Lumaret, the Deputy Chief Executive Officer, Martin Stephan, the Chief Scientific Officer, Professor Alain Marty and the Chief Financial Officer, Kader Hidra.

##### 3.2.2.3 Degree of risk criticality

Significant.

#### 3.2.3.2 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:

Since May 11, 2020, when the lockdown measures were lifted by the government, the Company has relaunched all its R&D and technology management activities while ensuring compliance with barrier measures by all its staff and the implementation of measures to ensure the health and safety of people in its establishments. During the second lockdown, which began in October 2020, these activities were not stopped.

The Company has set up a crisis management system to ensure the continuity of its employees' operations at its various sites and protect their health and safety in the course of their daily work and business travel.

The Company meets these objectives through strict compliance with government guidelines and through the use of teleworking, where possible and necessary. Of the Company's 38 employees, 17 employees working in the Company's tertiary and business activities have the option to continue their teleworking activities.

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.

In these exceptional circumstances, however, the Company benefits from a solid cash flow, secured with the implementation of an EMP (up to one million euros) and, since May 11, 2020, an activity rate of its employees equivalent to 100%.

At the date of this Universal Registration Document, however, the Company is not in a position to assess the impacts that this crisis will have on the fiscal year 2021, if it were to continue.

##### 3.2.3.3 Degree of risk criticality

Significant.

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 38 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. In this context, the Company may not be able to attract or retain such key personnel on economically acceptable terms and thus not be able to compete with reputable companies, groups or research organizations or those benefiting from greater financial strength.

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.

## 3.2.5 RISKS ASSOCIATED WITH INTELLECTUAL PROPERTY

### 3.2.5.1 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.

Thus, despite the care taken, it is possible that the patent applications filed by Carbios have a more limited scope than that expected by the Company.

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.

### 3.2.4.2 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 encourage key beneficiaries to stay in the company and work for its success.

With the acceleration of its developments, the Company bolstered its teams in fiscal year 2020, 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.

### 3.2.4.3 Degree of risk criticality

Moderate.

#### 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.

### 3.2.5.2 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.





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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.

### 3.2.6 REGULATORY RISKS

#### 3.2.6.1 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. The Company mainly works on genetic resources that are not identified by Carbios from a natural strain but in public databases ("Digital Sequence Information") and for which the research work does not require a collection permit. The only exception to date has been the identification of an enzyme for the degradation of polyesters in collaboration with INRAE and for which CARBIOS and INRAE signed an agreement in 2020 to access and use biological material with the University of Kasetsart (Thailand), from which the strain from which the aforementioned enzyme had been obtained.

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.

#### 3.2.5.3 Degree of risk criticality

**Risks associated with uncertain protection of patents:** Moderate.

**Risks associated with dependence on third-party technology:** Minor.

##### 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, a review of this regulation is currently underway and it could include recycling processes that induce a return to monomers. There would then 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. This potential restriction of usable waste sources to food contact waste would de facto limit the volume of waste accessible to future industrial units. It could also impact their economic performance, by excluding from their sources of supply waste that is generally lower in cost since it is not accepted in thermomechanical recycling units.

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 for monomers from the Company's PET enzymatic recycling technology, and thus registration costs for the Company.

#### 3.2.6.2 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) as part of discussions with European bodies such as DG Santé and EFSA (European Food Safety Authority).

**3.2.6.3 Degree of risk criticality**

**Risks associated with compliance with the Nagoya Protocol on Access to Genetic Resources:** Minor.

**Risks associated with regulations on plastics intended to come into contact with foodstuffs:** Minor

**3.3 RISK MANAGEMENT MEASURES****3.3.1 INTERNAL CONTROL ORGANIZATION AND PROCEDURES**

As part of its internal control, the Company has, since its inception, implemented detailed procedures to ensure compliance with the rules in force and to guard against the related risks. These procedures are validated by the Company's management and distributed to all employees who undertake to comply with them. They are also regularly reviewed and adjusted to take into account structural and/or organizational changes in the Company, in order to maintain a minimum level of risk. The finance team also checks on a quarterly and half-yearly basis that procedures are properly followed by carrying out random self-checks on various procedures, the results of which are sent to the Audit Committee (below) and the Statutory Auditor. The teams receive regular feedback on this subject, and corrective measures are taken if necessary.

The reader is also invited to refer to section 4.1.5.2.1.2. "Audit Committee" detailing the composition and role of the Audit Committee, which reports to the Board of Directors and aims to ensure a review of internal control and sound risk management.

In addition to its annual (and sometimes half-yearly) closing work, the Company's Statutory Auditor regularly audits the internal control systems set up by the Company to ensure that documented procedures are in place and effective.

**3.3.2 INSURANCE AND RISK COVERAGE**

At the date of this Universal Registration Document, the Company believes that it has adequate insurance coverage for its activities. In the future, the Company does not foresee any particular difficulties in maintaining adequate levels of insurance within the limits of availability and market conditions.

The Company has subscribed a "Professional Multi-Risk" insurance policy for the premises at its registered office in Saint-Beauzire (Biopôle Clermont-Limagne, 3, rue Émile-Duclaux 63360 Saint-Beauzire) FRANCE, its technical center (Zone Industrielle la Varenne 20-22 Rue Henri Et Gilberte Goudier 63200 Riom FRANCE) and its administrative offices (11 Rue Patrick Dépailler 63000 Clermont-Ferrand FRANCE), the main clauses of which are as follows:

- property insurance against risks of fire, explosions, natural disasters, weather events, water damage, electrical damage,

theft, vandalism, demonstrations, riots, machinery breakdown, glass breakage, the cost of reconstructing the archives on previous events on the Company's premises;

- insurance against the financial consequences of the cessation of activity; and
- Civil Liability Insurance which covers the civil liability of the Company due to its operation.

This insurance is extended to the Company's activities carried out on premises made available by public laboratories. The policy guarantee covers the financial consequences of the civil liability that the Company may incur as a result of material and immaterial damage to property entrusted to the Company in the course of its activities.

In addition, the Company has also taken out a multi-risk insurance policy (including the "all construction risks/all risks assembly-tests," "damage to existing" policies, and a "contracting authority's civil liability" insurance) to cover all the work undertaken as part of its industrial demonstration plant on the Saint-Fons site (for 2020). The guarantees of this policy were then transferred to the selected Clermont-Ferrand site in order to cover the risks inherent to the installation of the industrial demonstration plant in the same way. Structural damage coverage and CNR have also been taken out by the Company to cover risks for its industrial demonstration plant.

Lastly, as part of the two innovation loans, the Company has taken out a borrower guarantee in the event of death, total and irreversible loss of autonomy, total and permanent disability, or total inability to work for key insured persons.

During the fiscal year ended December 31, 2020, the Company recognized an amount of €65 thousand in premiums for all insurance policies to which it has subscribed.

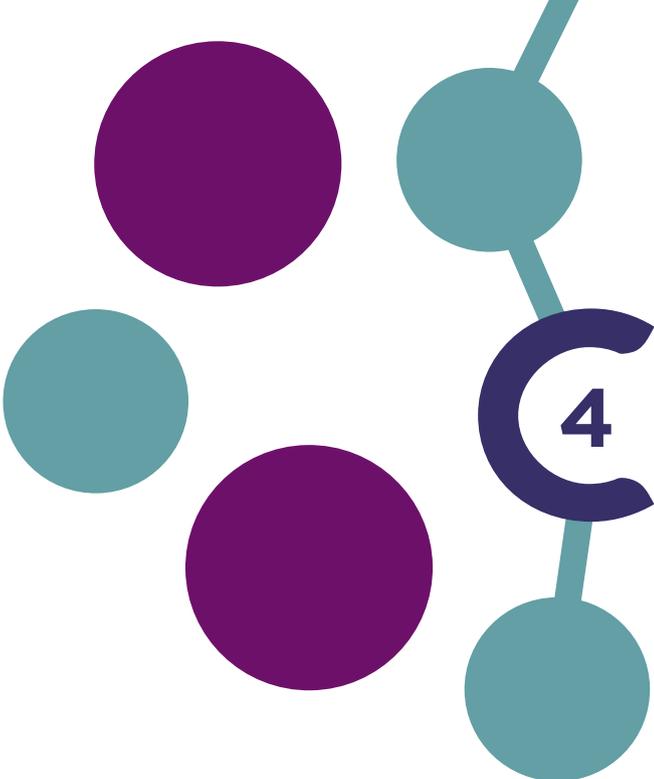
**3.3.3 LEGAL AND ARBITRATION PROCEEDINGS**

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.







## CORPORATE GOVERNANCE

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## 4.1 GOVERNANCE ORGANIZATION

### 4.1.1 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 7.2 of this Universal Registration Document.

#### 4.1.1.1 Directors

##### Information concerning the 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 <sup>(1)</sup>
<b>Ian HUDSON</b>	Chairman of the Board of Directors from January 1, 2019	Male	Director of Arkema	64	British	12/15/2016	-
<b>Jean-Claude LUMARET</b>	Director, Chief Executive Officer and Chief Technical Officer	Male	-	63	French	02/20/2013	-
<b>Jacqueline LECOURTIER</b>	Independent Director	Female	Consulting engineer in the field of energy and the environment	69	French	02/20/2013	-
<b>TRUFFLE CAPITAL, represented by Philippe POULETTY</b>	Director	Male	Chief Executive Officer of Truffle Capital SAS	62	French	10/22/2013 <sup>(2)</sup>	-
<b>Pascal JUÉRY</b>	Independent Director	Male	Chief Executive Officer of Agfa-Gevaert	55	French	06/05/2014	-
<b>Jean FALGOUX</b>	Chairman of the Board of Directors until December 31, 2018 – Director	Male	Director of Bluestar Adisseo Company	69	French	06/24/2015	-
<b>Alain CHEVALLIER</b>	Director	Male	Senior Partner Life Sciences at Truffle Capital	67	French	02/20/2013	Audit Committee
<b>Jacques BREUIL</b>	Independent Director	Male	-	68	French	06/15/2017	Chairman of the Audit Committee
<b>Godefroy MOTTE</b>	Independent Director	Male	Chairman of Adrialis SASU	62	French	02/20/2019	-

<sup>(1)</sup> Only the members of a statutory committee are mentioned in this table. The Company has also set up non-statutory commissions. Please refer to section 4.1.5.2 of this Universal Registration Document for a description of these.

<sup>(2)</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.

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

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

#### Director biographies

##### 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.

##### 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.) (Diploma in Specialized Higher Studies) in management.

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

Alain Chevallier is Senior 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 creation and development of young innovative companies in the field of life sciences, as an investor, 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 and Chairman of the Board of Directors of CARBIOLICE since September 30, 2020. He was also Chairman of the Toulouse Biotechnology Institute (TBI) between March 2018 and March 2021 and has been an associate member of the Chamber of Commerce and Industry of Puy-de-Dôme (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**

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 Entropose Contracting. She was also a member of the Boards of Directors of the *École des Mines de Paris*, the *École Nationale Supérieure des Industries Chimiques* and the *École Nationale Supérieure de Lyon* and a member of the Scientific Boards of CTI, Ifremer, SAB Principia, and IFSTTAR. She currently sits on the Scientific Council of the Department of Military Affairs of the CEA and is a member of the Scientific Committee of the *École des Mines/Telecom*. She is currently a consultant in the field of energy and the environment as well as a Director of Produits Chimiques Auxiliaires et de Synthèse SA and Skytech.

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 Novocare (now Solvay Novocare): 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 Novocare (now Solvay Novocare) 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 (general immunology), Philippe Pouletty did postdoctoral research at Stanford University. He is the inventor of 32 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 €700 million (January 2021). He was Chairman of France Biotech (the French association of biotechnology companies) for 9 years, and was formerly Vice-Chairman of Europabio (the European biotech federation). He is also the founder or co-founder of 17 biotechnology and medical device companies in Europe and the United States (including CARBIOS) which have already generated a capitalization of more than €2.5 billion and which have developed numerous drugs or innovative medical devices. He is currently Chairman or Board member of several biotechnology and medical device companies in Europe, several of which are listed on the stock exchange.

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) until end June 2019, and a Director of CTIPC (Centre Technique de la Plasturgie et des Composites) and Plastipolis 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 Executive VP, and member of the Executive Committee 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.





**List of offices and positions held by directors in all companies over the last 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 <i>Management Advisory</i> Board of Towerbrook Capital Partners L.P. Representative of Towerbrook on the Board of Directors of Gamma Fiber Holdings Director of Arkema - Euronext Paris	
<b>Jean-Claude LUMARET</b>	Associate member of the Puy-de-Dôme Chamber of Commerce and Industry Chairman of the CARBIOLICE Board of Directors	Chairman of CARBIOLICE (until August 31, 2019) Chairman of Toulouse Biotechnology Institute (TWB) until March 2021
<b>Jean FALGOUX</b>	Director of Bluestar Adisseo (a company listed on the Shanghai <i>Stock Exchange</i> )	Chairman of Ajinomoto Eurolysine Vice-Chairman of Ajinomoto Europe <i>Corporate Officer</i> of Ajinomoto Inc.
<b>Alain CHEVALLIER</b>	Director of Compagnie Immobilière et Commerciale SA Senior Partner Life Science of 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)
<b>TRUFFLE CAPITAL, represented by Philippe POULETTY</b>	<p><b>As permanent representative of TRUFFLE CAPITAL:</b> Co-founder and Director of CARMAT SA - Euronext Growth Paris Co-founder and Director of PHARNEXT SA - Euronext Growth Paris Director of BIKINESIS SAS Chairman of the Board of Directors of DIACCURATE SAS Co-founder and Director of AFFLUENT MEDICAL SA Co-founder and Director of HOLISTICK MEDICAL SASU Co-founder and Director of DEINOVE SA - Euronext Growth Paris Co-founder and Director of SKINOSIVE SAS Co-founder and Director of ARTEDRONE SAS Chairman of the Board of Directors of PK MED SAS Co-founder and Director of BARIATEK SAS Chairman of the Board of Directors of CARANX MEDICAL SAS</p> <p><b>In a personal capacity:</b> Chief Executive Officer and Director of TRUFFLE Manager of NAKOSTECH SARL Founder and Chairman of the Board of Directors of ABIVAX SA - Euronext Paris Director of France Biotech (Association Loi 1901)</p>	<p><b>As permanent representative of TRUFFLE CAPITAL:</b> Member of the Executive Committee of DEINOBIOTICS SAS Director of VEXIM SA Director of PLASMAPRIME SAS Director of NEOVACS SA - Euronext Growth Paris Member of the Executive Committee of KEPHALIOS Member of the Executive Committee of LUOPOWERS Chairman of NANOSIVE SASU</p> <p><b>In a personal capacity:</b> Member of the Supervisory Board of INNATE PHARMA SA - Euronext Growth Paris (December 2016) Chairman and Director of SPLICOS SAS Member of the Supervisory Board of CYTOMICS SA Director of Association Centre Chirurgical Marie Lannelongue (French non-profit organization under French Law of 1901) Honorary Chairman of France Biotech (French non-profit organization under French Law of 1901)</p>



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>Pascal JUÉRY</b>	Director and Chief Executive Officer of Agfa-Gevaert - Euronext Brussels Director of Desmet Ballestra Director of Agfa healthcare NV	Chairman of Solvay Essential Chemicals Member of the Executive Committee of the Solvay Group - Euronext Brussels (until September 30, 2019) Director and Chairman and Chief Executive Officer of Solvay France SA - Euronext Paris (until September 30, 2019) Chairman of Solvay Operations France SAS (until September 30, 2019) Chairman of Union des Industries Chimiques (until June 2019)
<b>Jacques BREUIL</b>	Chairman of Innovations Technologies Croissance (ITC)	General Secretary of Groupe Barbier & Cie (until April 30, 2017) Member of the Executive Committee of Céréales Vallée (until end-2019) Director of Centre Technique Industriel de la Plasturgie et des Composites (CTIPC) (until end-2019) Director of Plastipolis (until the end of June 2019, now Polymeris)
<b>Godefroy MOTTE</b>	Chairman of Adrialis SASU	Executive Committee of Eastman Chemical Chairman of Eastman Chemical Global Holding SARL Chairman of the Board of Directors of Lactips SA

#### 4.1.1.2 Non-voting directors

##### Information about non-voting directors

As of the date of this Universal Registration Document, the following two non-voting directors take part in the meetings of the Board of Directors:

Forename-Surname or company name	Gender	Main position held outside the Company	Age	Nationality	First appointment
<b>Michelin Ventures, represented by Nicolas BAZIRE</b>	Male	Chief Executive Officer Michelin Ventures	50	French	01/08/2021 <sup>(1)</sup>
<b>Business Opportunities for L'Oréal Development (BOLD), represented by Laurent SCHMITT</b>	Male	Chief Executive Officer BOLD	56	French	01/08/2021 <sup>(2)</sup>

(1) Michelin Ventures was appointed as non-voting director of the Company at the Shareholders' Meeting of January 8, 2021 for a period of one year expiring at the end of the Ordinary Annual Shareholders' Meeting to be held during 2022 which will be called to approve the financial statements for the fiscal year ended on December 31, 2021.

(2) Business Opportunities for L'Oréal Development was appointed as non-voting director of the Company at the Shareholders' Meeting of January 8, 2021 for a period of one year expiring at the end of the Ordinary Annual Shareholders' Meeting to be held during 2022 which will be called to approve the financial statements for the fiscal year ended on December 31, 2021.

It should be noted that at the Shareholders' Meeting of June 18, 2020, Matthieu van der Elst was appointed non-voting director for a term of one year expiring at the end of the Annual Ordinary

Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2020. He resigned from his duties as a non-voting director with effect from October 9, 2020.





## Biographies of non-voting directors

### Nicolas BAZIRE (representative of Michelin Ventures), non-voting director

Born in 1961 and a graduate of EMLyon, Nicolas Bazire has pursued his career in the field of operational finance (controllanship) by bringing his expertise in managing value creation to the global management teams of various major business units in groups such as Pechiney (VP Finance, Aluminum division) and Michelin (VP Finance, Tourism division, then Controller of the Michelin Group).

He was CEO of Michelin's operations in Russia/CIS and then managed Michelin's organizer teams notably within the framework of global reorganization projects on behalf of the Executive Committee. He spent twelve years of his career abroad in Sydney, Montreal and Moscow.

Since November 2020, he has been CEO of Michelin Ventures.

### Laurent SCHMITT (representative of BOLD), non-voting director

Laurent Schmitt has dedicated more than 30 years of his career to the L'Oréal Group, where he has taken on many leadership roles internationally. He has held the positions of Chief Financial Officer and Supply Chain Manager in the Czech Republic and then in Brazil, Chief Executive Officer of the luxury goods business in Brazil, Chief Financial Officer in France for the Professional Products division, Chief Financial Officer for Africa, Middle East and Pacific, then Group Senior Vice-President Corporate Finance. He currently holds the positions of Global Head of Corporate Finance of the L'Oréal Group and Chief Executive Officer of BOLD, Business Opportunity for L'Oréal Development. Laurent Schmitt is a graduate of the *Institut d'Études Politiques de Paris* (Sciences-Po).

## List of offices and positions held by non-voting directors in all companies over the last 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>Michelin Ventures, represented by Nicolas BAZIRE</b>	Director of Primo 1D France Director of Pyrowave Canada Chief Executive Officer Michelin Ventures	Chairman of Michelin Russia (until November 2016)
<b>Business Opportunities for L'Oréal Development (BOLD), represented by Laurent SCHMITT</b>	Global Head of Corporate Finance of the L'Oréal Group Chief Executive Officer of Business Opportunities for L'Oréal Development	

## 4.1.2 EXECUTIVE MANAGEMENT

### 4.1.2.1 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 Émile-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>		Shareholders' Meeting convened to approve the financial statements for the year ended 12/31/2020 (Director) <sup>(1)</sup>		
	Private agreement signed on 02/20/2013 (Director)			
	Board of Directors' meeting of 02/20/2013 (Chief Executive Officer)	June 15, 2021 <sup>(2)</sup> (Chief Executive Officer)	Director and Chief Executive Officer	-
<b>Martin STEPHAN</b>	Board of Directors meeting of 06/17/2020	June 17, 2024	Deputy Chief Executive Officer	-

(1) The renewal of the term of office of Jean-Claude Lumaret may be proposed at the next Ordinary and Extraordinary Shareholders' Meeting which should take place during the first half-year 2021.

(2) 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 years.



The executive management team also includes Alain Marty, Chief Scientific Officer and Kader Hidra, Chief Financial Officer, whose biographies are presented below:

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.

Kader Hidra is a graduate of the *Institut National Polytechnique de Grenoble* and holds an MBA from Duke-Fuqua University (United States). Before joining CARBIOS, he was Chief Executive Officer of Citégestion, a digital start-up of the EDF Group that has experienced exponential growth in the sustainable connected cities market. Previously, he held the position of Director of Investors & Markets at the EDF Group, where he notably participated in the launch of innovative financial vehicles, in addition to his primary functions of financial communication and investor relations. Prior to that, Kader HIDRA held several positions in finance, including investment banking in London (Morgan Stanley, Berenberg Bank).

#### 4.1.2.2 Personal information concerning the members of the Executive Management

##### Jean Claude LUMARET, Chief Executive Officer and Director

Please refer to section 4.1.1 of this Universal Registration Document.

##### Martin STEPHAN, Deputy Chief Executive Officer

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, to oversee strategy, development and investor relations, then as Deputy CEO. In June 2020, he was appointed Deputy Chief Executive Officer of the Company. Martin Stephan is a graduate of HEC.

#### 4.1.2.3 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 4.1.1 of this Universal Registration Document concerning Jean-Claude Lumaret.

Martin Stephan does not hold other offices in other companies or offices held during the last five fiscal years and no longer held at the date of this Universal Registration Document.

### 4.1.3 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).

### 4.1.4 CONFLICTS OF INTEREST IN THE ADMINISTRATIVE BODIES AND EXECUTIVE MANAGEMENT

As of the date of this Universal Registration Document, TRUFFLE CAPITAL holds 0.57% share capital and 0.57% of exercisable voting rights of the Company, Michelin Venture 4.45% of share capital and 4.44% of exercisable voting rights of the Company, and BOLD 5.91% of share capital and 5.90% of the Company's 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;
- there is no arrangements or agreements entered into with the main shareholders, customers, suppliers or others, under which a member of the Board of Directors or Executive Management has been appointed other than the appointment of BOLD as a non-voting director since BOLD's commitment to subscribe to the capital increase carried out in July 2020 provided for the appointment of a BOLD representative as a non-voting director at the next Shareholders' Meeting<sup>(1)</sup>. As a reminder, BOLD was appointed as non-voting director at the Shareholders' Meeting of January 8, 2021;
- 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.



(1) Please refer to the press release of July 22, 2020: <https://www.carbios.com/carbios-annonce-le-lancement-dune-augmentation-de-capital-par-voie-de-placement-aupres-dinvestisseurs-qualifies-dun-montant-cible-de-20-me/>



## 4.1.5 FUNCTIONING OF ADMINISTRATIVE AND EXECUTIVE BODIES

### 4.1.5.1 Terms of office of the members of the Board of Directors and Executive Management

#### 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 of four 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 years, expiring on June 15, 2021).

The Company is also represented with regard to third parties by Martin Stephan, Deputy Chief Executive Officer, who was appointed in this capacity by decision of the Board of Directors on June 17, 2020.

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

Please refer to section 7.2.2.3 of this Universal Registration Document.

#### Board of Directors

#### 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
<b>Directors</b>			
<b>Alain CHEVALLIER</b>	07/04/2011	02/20/2013	2021 AGM for the fiscal year 2020 <sup>(4)</sup>
<b>Jean-Claude LUMARET</b>	07/04/2011	02/20/2013	2021 AGM for the fiscal year 2020 <sup>(4)</sup>
<b>Jacqueline LECOURTIER<sup>(1)</sup></b>	05/10/2012	02/20/2013	2021 AGM for the fiscal year 2020 <sup>(4)</sup>
<b>Ian HUDSON</b>	-	12/15/2016	2021 AGM for the fiscal year 2020 <sup>(4)</sup>
<b>Pascal JUÉRY<sup>(1)</sup></b>	-	06/05/2014	2022 AGM for the fiscal year 2021
<b>Jean FALGOUX</b>	-	06/24/2015	2023 AGM for the fiscal year 2022
<b>Jacques BREUIL<sup>(1)</sup></b>	-	06/15/2017	2021 AGM for the fiscal year 2020 <sup>(4)</sup>
<b>TRUFFLE CAPITAL, represented by Philippe POULETTY</b>	-	10/22/2013 <sup>(2)</sup>	2021 AGM for the fiscal year 2020 <sup>(4)</sup>
<b>Godefroy MOTTE<sup>(1)</sup></b>	-	02/20/2019 <sup>(3)</sup>	2022 AGM for the fiscal year 2021
<b>Non-voting directors</b>			
<b>Michelin Ventures, represented by Nicolas BAZIRE</b>	-	01/08/2021	2022 AGM for the fiscal year 2021
<b>Business Opportunities for L'Oréal Development, represented by Laurent SCHMITT</b>	-	01/08/2021	2022 AGM for the fiscal year 2021

(1) Independent members of the Board of Directors.

(2) 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.

(3) 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.

(4) The renewal of the terms of office of directors may be proposed at the next Ordinary and Extraordinary Shareholders' Meeting to be held in the first half of 2021.



All directors may be reappointed at the end of each four-year term of office and all non-voting directors at the end of each one-year term.

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

Please refer to section 7.2.2.1 of this Universal Registration Document.

**Non-voting directors (Article 15.6 of the bylaws)**

Please refer to section 7.2.2.2 of this Universal Registration Document.

**Attendance rate of Directors and non-voting directors at meetings of the Board of Directors**

The minutes of each meeting are prepared under the responsibility of the Chairman of the Board of Directors, and recorded in the minutes register after signature by the Chairman and one of its members.

During the fiscal year ended December 31, 2020, the Company's Board of Directors met twelve times on the days and months listed below.

Board meeting dates	Number of directors and non-voting directors present or represented	Attendance rate
March 12, 2020	Directors: 8	Directors: 88.89%
May 6, 2020	Directors: 9	Directors: 100%
May 27, 2020	Directors: 9	Directors: 100%
June 17, 2020	Directors: 9	Directors: 100%
July 9, 2020	Directors: 8 Non-voting director <sup>(1)</sup> : 1	Directors: 88.89% Non-voting director: 100%
July 21, 2020	Directors: 9 Non-voting director: 1	Directors: 100% Non-voting director: 100%
July 22, 2020 (4 p.m.)	Directors: 9 Non-voting director: 1	Directors: 100% Non-voting director: 100%
July 22, 2020 (9 p.m.)	Directors: 8 Non-voting director: 1	Directors: 88.89% Non-voting director: 100%
September 15, 2020	Directors: 9 Non-voting director: 1	Directors: 100% Non-voting director: 100%
October 6, 2020	Directors: 8 Non-voting director: 0	Directors: 88.89% Non-voting director: 0%
November 25, 2020	Directors: 9	Directors: 100%
December 14, 2020	Directors: 9	Directors: 100%

(1) As a reminder, Matthieu Van der Elst was appointed non-voting director at the Shareholders' Meeting of June 18, 2020 for a term of one year. He resigned from his office as non-voting director on October 9, 2020 with immediate effect.

**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 described in the Statutory Auditors' special report (see section 4.3.2 of this Universal Registration Document) and the employment contract between Martin Stephan and the Company (not considered a related-party agreement since his employment contract had been entered into before his appointment as Deputy Chief Executive Officer), as of the date of this Universal Registration Document, there are no service contract binding the members of the Board of Directors and the 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.

#### 4.1.5.2 Information concerning committees

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

##### 4.1.5.2.1 Statutory committees

###### 4.1.5.2.1.1 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 is composed of the following members: Prof. Alain Marty, member and Chairman of this 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.

###### 4.1.5.2.1.2 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.

##### 4.1.5.2.2 Non-statutory committees

###### 4.1.5.2.2.1 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: Ian Hudson, 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.

###### 4.1.5.2.2.2 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 and Appointments 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.

**4.1.5.2.3 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.

The Industrialization Committee created in December 2019 was integrated into the Strategic Committee.

**4.1.5.2.3 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 Middelnext. 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 Middelnext recommendations with which the Company complies and those with which it intends to comply in the future:

Middelnext Code Recommendations	Applied	Not applied
<b>I “Supervisory” power</b>		
A1: Code of Ethics for Board members	X	
A2: 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: Duration of terms 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	
<b>II Executive power</b>		
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. Martin Stephan combines an employment contract as Deputy Chief Executive Officer of CARBIOS and a corporate office as Chief Operating 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.



### 4.1.5.3 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 Middlednext 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.). As at the date of this document, there are no business relations between the Company and its directors.;
- 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.

## 4.2 COMPENSATION AND BENEFITS

Tables 1, 2, 3 and 11 of Appendix 2 to the AMF Position-Recommendation No. 2021-02 are presented below. Tables 4, 5, 6, 7, 9 and 10 are not applicable. Table 8 is presented in section 6.4.2 of this Universal Registration Document.

The following table shows all of the compensation of any nature, benefits in kind and other compensation paid to the members of the Board of Directors and the Executive Management of CARBIOS during the fiscal years ended December 31, 2019 and 2020:

**TABLE 1: SUMMARY OF THE COMPENSATION AND OPTIONS/SHARES ALLOCATED TO EXECUTIVE CORPORATE OFFICERS**

<i>(In euros) <sup>(1)</sup></i>	<b>12/31/2020 (12 months)</b>	<b>12/31/2019 (12 months)</b>
<b>Ian HUDSON, Chairman of the Board of Directors from January 1, 2019</b>		
Compensation awarded for the fiscal year	29,589 <sup>(2)</sup>	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	-	-
Value of other long-term compensation plans <sup>(3)(4)</sup>	-	-
<b>Jean-Claude LUMARET, Chief Executive Officer and Director</b>		
Compensation awarded for the fiscal year	410,948 <sup>(5)</sup>	328,792 <sup>(5)</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	-	-
Value of other long-term compensation plans <sup>(4)</sup>	-	-
<b>Martin STEPHAN, Deputy Chief Executive Officer</b>		
Compensation awarded for the fiscal year	350,431 <sup>(5)</sup>	-
Value of multi-year variable compensation awarded during the fiscal year	-	-
Value of options awarded during the fiscal year	-	-
Value of free shares awarded during the year	-	-
Value of other long-term compensation plans <sup>(4)</sup>	-	-
<b>TOTAL</b>	<b>790,968</b>	<b>374,846</b>

(1) Gross amount before tax.

(2) This is the amount of compensation due for his office as director. For the purposes of comparison, all compensation due to members of the Board of Directors is presented on a gross basis before tax. Please refer to table no. 3.

(3) 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. On December 31, 2019 and December 31, 2020, Ian HUDSON still had 28,000 exercisable BSPCEs. This benefit in kind was not subject to valuation. Consequently, it is not included in the above table.

(4) During the 2020 fiscal year, the Board of Directors during its meetings of March 12 and July 9, 2020 respectively:

- allocated to Jean-Claude Lumaret, Chief Executive Officer, 92,500 BSPCE giving the right to 92,500 shares, at an exercise price of €7.75934 per share and 57,500 BSPCE giving the right to 57,500 shares, at an exercise price of €20.6050 per share;
- allocated to Martin Stephan, Deputy Chief Executive Officer, 46,250 BSPCE giving the right to 46,250 shares, at an exercise price of €7.75934 per share and 28,750 BSPCE giving the right to 28,750 shares, at an exercise price of €20.6050 per share;

Mr. Hudson did not benefit from any allocations of BSPCE during the 2020 fiscal year. Please refer to section 6.4.2 of this Universal Registration Document concerning the BSAs and BSPCEs granted to executive corporate officers.

(5) For details of compensation, see table no. 2.



TABLE 2: SUMMARY OF THE COMPENSATION OF EACH EXECUTIVE CORPORATE OFFICER

	12/31/2020 (12 months)		12/31/2019 (12 months)	
	Amounts payable	Amounts paid	Amounts payable	Amounts paid
<i>(In euros)<sup>(1)</sup></i>				
<b>Ian HUDSON, Chairman of the Board of Directors</b>				
Fixed compensation	-	-	-	-
Annual variable compensation	-	-	-	-
Multi-year variable compensation <sup>(2)</sup>	-	-	-	-
Exceptional compensation	-	-	-	-
Compensation allocated in respect of his office as director	29,589	29,589	46,054	46,054
Benefits in kind	-	-	-	-
<b>Jean-Claude LUMARET, Chief Executive Officer, Director and Chief Technical Officer</b>				
Fixed compensation <sup>(3)(4)</sup>	245,920	245,920	232,000	232,000
Annual variable compensation <sup>(5)</sup>	88,531	-	77,140	77,140
Multi-year variable compensation <sup>(2)</sup>	-	-	-	-
Exceptional compensation <sup>(6)</sup>	61,480	61,480	5,000	10,000
Compensation allocated in respect of his office as director	-	-	-	-
Benefits in kind <sup>(7)</sup>	15,017	-	14,652	14,652
<b>Martin STEPHAN, Deputy Chief Executive Officer since June 17, 2020</b>				
Fixed compensation <sup>(8)</sup>	219,420	219,420	-	-
Annual variable compensation <sup>(5)</sup>	69,117	-	-	-
Multi-year variable compensation <sup>(2)</sup>	-	-	-	-
Exceptional compensation <sup>(6)</sup>	54,855	54,855	-	-
Compensation allocated in respect of his office as director	-	-	-	-
Benefits in kind <sup>(7)</sup>	7,039	-	-	-
<b>TOTAL</b>	<b>790,968</b>	<b>611,264</b>	<b>374,846</b>	<b>379,846</b>

(1) Gross amount before tax.

(2) During the 2020 fiscal year, the Board of Directors during its meetings of March 12 and July 9, 2020 respectively:

- allocated to Jean-Claude Lumaret, Chief Executive Officer, 92,500 BSPCE giving the right to 92,500 shares, at an exercise price of €7.75934 per share and 57,500 BSPCE giving the right to 57,500 shares, at an exercise price of €20.6050 per share;
- allocated to Martin Stephan, Deputy Chief Executive Officer, 46,250 BSPCE giving the right to 46,250 shares, at an exercise price of €7.75934 per share and 28,750 BSPCE giving the right to 28,750 shares, at an exercise price of €20.6050 per share;

Mr. Hudson did not benefit from any allocations of BSPCE during the 2020 fiscal year. Please refer to section 6.4.2 of this Universal Registration Document concerning the BSAs and BSPCEs granted to executive corporate officers.

(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.

(4) 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; for 2020, this amounted to a gross annual amount of €122,960 in respect of his employment contract and €122,960 in respect of his corporate office.

(5) In compliance with the Company's commitments, Jean-Claude Lumaret and Martin Stephan could receive an annual bonus equivalent to 40% and 35% respectively of their annual compensation (both in respect of their corporate offices and salaried duties for Jean-Claude Lumaret), 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 following the presentation of recommendations by the Compensation and Appointments Committee. At the beginning of the calendar year, the latter proposes to the Board of Directors to set precise and quantifiable annual strategic objectives for the Company's management team, by applying a weighting coefficient for each objective according to its importance. At the end of the year, or at the beginning of the following year, the Compensation and Appointments Committee proposes to the Board of Directors to record the achievement of all or part of each of the objectives. It is therefore the cumulative achievement of each of the objectives that defines the percentage of the annual bonus to be paid to Jean-Claude Lumaret and Martin Stephan. Jean-Claude Lumaret's variable compensation for 2019 was paid to him in December 2019. For the fiscal year 2020, the bonus was paid in January 2021, but was provisioned in the Company's financial statements as at December 31, 2020, in accordance with applicable accounting principles.

(6) Exceptional compensation is an item granted by the Board of Directors on the basis of a proposal by the Compensation and Appointments Committee and relating to achievements not planned within the framework of the annual objectives initially set. In 2019, Jean-Claude Lumaret received €10,000, including €5,000 for the achievement of exceptional objectives set for the fiscal year 2018 and €5,000 for exceptional objectives set during and for the fiscal year 2019. For 2020, new exceptional objectives to be achieved by the management team were set during the year. The exceptional compensation granted under these terms following the achievement of these objectives and as shown in the table to Jean-Claude Lumaret and Martin Stephan was paid in August 2020.



(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. Martin Stephan receives a benefit in kind in the form of a company car and company housing. For the fiscal year 2020, the benefits in kind were booked for the year 2020, but "paid" in January 2021.

(8) In accordance with his employment contract and his job description, Martin Stephan, under the authority of the Chief Executive Officer, performs the duties of Deputy Chief Executive Officer. In particular, he is responsible for ensuring the proper execution of the operational policies identified to achieve the corporate objectives set, ensuring the cross-functional monitoring of projects from the idea to the business model for their valuation, proposing adjustments to the action plans, managing and directing the operations of CARBIOS in line with the strategy and development of the Company, supervising and coordinating the drafting and negotiation of contracts such as joint ventures, partnership agreements or others, license agreements and any other legal document related to project valuation tactics in line with the value creation strategy of the Company's Business Plan. Martin Stephan does not receive any compensation for his corporate office.

TABLE 3: DIRECTORS' FEES AND OTHER COMPENSATION RECEIVED BY NON-EXECUTIVE CORPORATE OFFICERS

	12/31/2020 (12 months)	12/31/2019 (12 months)
<b>Gross compensation received (In euros)</b>		
<b>Jacqueline LECOURTIER, Director</b>		
Compensation (fixed, variable)	8,714	13,571
Other compensation	-	-
<b>Ian HUDSON, Director<sup>(1)</sup></b>		
Compensation (fixed, variable)	29,589	46,054
Other compensation <sup>(2)</sup>	-	-
<b>Pascal JUÉRY, Director</b>		
Compensation (fixed, variable)	12,786	15,036
Other compensation	-	-
<b>Alain CHEVALLIER, Director</b>		
Compensation (fixed, variable)	13,857	17,107
Other compensation	-	-
<b>Jacques BREUIL, Director since June 15, 2017</b>		
Compensation (fixed, variable)	13,357	15,643
Other compensation	-	-
<b>TRUFFLE CAPITAL, represented by Philippe POULETTY</b>		
Compensation (fixed, variable)	-	-
Other compensation	-	-
<b>Godefroy MOTTE, Director</b>		
Compensation (fixed, variable)	15,514	15,071
Other compensation	-	-
<b>Jean FALGOUX, Director</b>		
Compensation (fixed, variable)	44,857	42,000
Other compensation	-	-
<b>TOTAL</b>	<b>138,375</b>	<b>164,482</b>

(1) Compensation allocated in respect of his office as director.

(2) 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. Please refer to section 6.4.2 of this Universal Registration Document.

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 discount to the value

stated in this expert appraisal, as this value is deemed to be the fair value. For details of these BSA, please refer to section 6.4.2.1 of this Universal Registration Document.



TABLE 11: DETAILS CONCERNING THE CONDITIONS APPLICABLE TO THE COMPENSATION AND OTHER BENEFITS GRANTED TO 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>Executive corporate officers</b>								
<b>Ian HUDSON</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 <sup>(3)</sup>	X <sup>(4)</sup>			X	X <sup>(5)</sup>			X
<b>Martin STEPHAN</b> Deputy Chief Executive Officers Start of term: June 17, 2020 End of term: June 17, 2024	X <sup>(6)</sup>			X			X	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) 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 2020 fiscal year, Mr. Lumaret received the sum of €122,960 and will receive, in respect of fiscal year 2021, the sum of €125,419 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), Mr. Jean-Claude Lumaret is entitled to compensation on severance or change of position.

(6) Since February 1, 2017, Martin Stephan, Deputy Chief Executive Officer, has held a permanent employment contract which defines his conditions of employment as Deputy Chief Executive Officer. Under this contract, in respect of the 2020 fiscal year, Mr. Stephan received the sum of €219,420 and will receive, in respect of fiscal year 2021, the sum of €223,808 as well as an annual bonus based on achievement of contractually defined business targets.

As of the date of this Universal Registration Document, Jean-Claude Lumaret is bound by an employment contract which is mentioned in the Statutory Auditors' special report (please refer to section 4.3.2 of this Universal Registration Document). 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.



## 4.3 OPERATIONS WITH AFFILIATES

### 4.3.1 TRANSACTIONS WITH RELATED PARTIES

The reader is invited to see Note 17 “Related parties” in section 5.1.4.17 of this Universal Registration Document.

Transactions with related parties shown in the table below generated operating income of €619 thousand in 2020 (46% of the Company’s revenue at December 31, 2020).

Affiliate	Transaction completion date	Nature of transaction	Amount
<b>Jean-Claude LUMARET (Chief Executive Officer)</b>	April 1, 2011	Employment contract	The employment contract provides for a gross annual compensation of €122,960 in 2020, as well as an annual bonus of 40% of Jean-Claude Lumaret’s total compensation (i.e. the compensation received under his employment contract and for his term of office).
<b>CARBOLICE (company 62.71% owned by the Company as of the date of this document)<sup>(1)</sup></b>	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. The first variable royalties were recognized at December 31, 2020.
	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. No income was recognized in 2020.
	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 <sup>(2)</sup> . This resulted in income of €526 thousand being recognized in 2020.
	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 €93 thousand being recognized in 2020.

(1) Additional information on CARBIOLICE’s financial statements as at December 31, 2020 is presented in section 5.3 of this Universal Registration Document.

(2) This contract ended on February 15, 2021.



## 4.3.2 STATUTORY AUDITORS' REPORTS ON REGULATED AGREEMENTS

Regulated agreements are mentioned in the Statutory Auditors' special reports presented below for the years 2019 and 2020.

### 4.3.2.1 Statutory Auditors' special reports on regulated agreements (fiscal year ended December 31, 2019)

To the Shareholders' Meeting,

In our capacity as Statutory Auditors of your Company, we hereby present our report on regulated agreements.

Based on the information that has been provided to us, it is our responsibility to inform you of the main features and conditions and the reasons justifying the interest for the Company of the agreements of which we have been informed or that we have discovered during our mission, without having to express an opinion on their usefulness or appropriateness, nor to search for the existence of other agreements. It is your responsibility, in accordance with the terms of Article R. 225-31 of the French Commercial Code, to assess the interest attached to entering into these agreements with a view to their approval.

In addition, it is our responsibility, where applicable, to provide you with the information provided for in Article R. 225-31 of the French Commercial Code relating to the execution, during the past fiscal year, of agreements already approved by the Shareholders' Meeting.

We have conducted our review in accordance with the procedures that we considered necessary with regard to the professional standards of the Compagnie Nationale des Commissaires aux Comptes relating to this mission. These procedures consisted in verifying that the information provided to us was consistent with the source documents from which it was taken.

#### AGREEMENTS SUBMITTED FOR APPROVAL AT THE SHAREHOLDERS' MEETING

##### Agreements authorized and concluded during the past fiscal year

Pursuant to Article L. 225-40 of the French Commercial Code, we have been informed of the following agreements entered into during the past fiscal year which were subject to the prior authorization of your Board of Directors.

##### PATENT ASSIGNMENT AGREEMENT BETWEEN CARBIOS AND PK MED

*Type and purpose:*

Carbios entered into a patent assignment agreement with PK MED on October 18, 2019.

The terms of this contract were authorized by the Board of Directors on September 19, 2019.

*Modalities and financial implications:*

During the 2019 fiscal year, Carbios recorded income of €20,000.

#### AGREEMENTS ALREADY APPROVED BY THE SHAREHOLDERS' MEETING

##### Agreements approved in previous fiscal years which continued to have effect during the past fiscal year

Pursuant to Article R. 225-30 of the French Commercial Code, we have been informed that the following agreements, already approved by the Shareholders' Meeting in previous fiscal years, continued during the past fiscal year.

##### AGREEMENTS FOR THE PRODUCTION OF ENZYMES BETWEEN CARBIOS AND CARBIOLICE

*Type and purpose:*

Carbios signed two contracts for the production of batches of enzymes on behalf of Carbiolice, on May 22, 2018 and June 27, 2018 respectively.

The terms of these contracts were authorized by the Board of Directors on September 20, 2018.

*Modalities and financial implications:*

No income was recorded during the fiscal year.

##### REBILLING OF SERVICES BETWEEN CARBIOS AND CARBIOLICE

*Type and purpose:*

Carbios entered into a contract for the rebilling of expenses related to regulatory matters and work related to enzymes with Carbiolice on September 17, 2018.

The terms of this letter were authorized by the Board of Directors on September 20, 2018.

*Modalities and financial implications:*

During the 2019 fiscal year, Carbios recorded income of €18,289.

##### PATENT LICENSE AGREEMENT BETWEEN CARBIOS AND CARBIOLICE

*Type and purpose:*

Carbios has entered into a secondary option to the patent and know-how license agreement (option for the concession of an exclusive worldwide exploitation right in the field of New Developments as notified by Carbios). The patent and know-how license agreement was signed on August 30, 2016.

The terms of this agreement were authorized by the Board of Directors on June 21, 2016.





## CORPORATE GOVERNANCE

### Operations with affiliates

#### *Modalities and financial implications:*

Patent and know-how license agreement for a period up to the expiry of the last of the granted patents. Fixed compensation of €8 million at the signature (2016) and variable compensation on net sales of products concerned by patents.

No income was recorded during the fiscal year.

#### **AMENDMENT TO THE PATENT LICENSE AGREEMENT BETWEEN CARBIOS AND CARBIOLICE**

##### *Type and purpose:*

Carbios signed an amendment to the license agreement in order to extend the scope of the license to new families of patents, applications and products.

The terms of this contract were authorized by the Board of Directors on September 20, 2018.

##### *Modalities and financial implications:*

This agreement provides for the payment of an additional lump sum of one million euros in the form of a capital increase subject to the achievement by Carbiolice of a defined turnover.

No income was recorded during the fiscal year.

#### **RESEARCH SERVICES AGREEMENT**

##### *Type and purpose:*

Carbios has signed a research services contract for the development of main and secondary products using biodegradation technology.

The research services agreement was signed on February 15, 2017.

The terms of this agreement were authorized by the Board of Directors on March 21, 2017.

##### *Modalities and financial implications:*

The contract was signed for a period of two years starting on February 15, 2017. This contract is renewable by mutual agreement subject to a three-month notice period. The compensation for this contract is €1,248,317. Renewed by amendment for two years, i.e. until February 15, 2021, with a total compensation of €2,499,966.

During the 2019 fiscal year, Carbios recorded income of €526,000.

#### **CONSULTING AGREEMENT BETWEEN CARBIOS AND CARBIOLICE**

##### *Type and purpose:*

Carbios has signed a consulting agreement with Carbiolice for the purpose of providing financial, strategic, R&D and human resources assistance.

The consulting contract was signed on August 31, 2016.

The terms of this agreement were authorized by the Board of Directors on September 27, 2016.

##### *Modalities and financial implications:*

The consulting agreement began on September 1, 2016 for a term of 16 months, renewable by tacit agreement on the anniversary date. The compensation for this contract is set at €3,500 excl. tax per month, approved by amendment on January 28, 2019. Contract terminated on December 31, 2019.

During the fiscal year, Carbios recorded income of €42,000.

#### **EMPLOYMENT CONTRACT BETWEEN CARBIOS AND M. JEAN-CLAUDE LUMARET, CHIEF EXECUTIVE OFFICER**

##### *Type and purpose:*

Since April 1, 2011, M. Jean-Claude Lumaret, appointed Chief Executive Officer by the bylaws, has held a permanent employment contract which defines his terms of employment as Research and Development Director with the status of senior executive. Under this contract, Mr. Lumaret receives annual fixed compensation and an annual bonus of an amount guaranteed until March 31, 2012, then subject to the actual achievement of contractually defined professional objectives within the timeframe. These items are reassessed each year. The contract also provides for a benefit in kind in the form of a company car.

The employment contract was signed on April 1, 2011.

The terms of this agreement were authorized at the Board of Directors meeting of February 20, 2013.

##### *Modalities and financial implications:*

The total amount of Jean-Claude Lumaret's bonus recorded in expenses for the fiscal year 2019 amounts to €77,140. It was paid in full to Jean-Claude Lumaret in December 2019.

The amount of Jean-Claude Lumaret's fixed compensation recorded in expenses for the fiscal year 2019 amounts to €116,000 with a benefit in kind of €14,652.

Neuilly-sur-Seine, April 29, 2020

The Statutory Auditor  
PricewaterhouseCoopers Audit  
Thierry Charron



#### 4.3.2.2 Statutory Auditors' special report on regulated agreements (fiscal year ended on December 31, 2020)

To the Shareholders' Meeting

In our capacity as Statutory Auditors of your Company, we hereby present our report on regulated agreements.

Based on the information that has been provided to us, it is our responsibility to inform you of the main features and conditions and the reasons justifying the interest for the Company of the agreements of which we have been informed or that we have discovered during our mission, without having to express an opinion on their usefulness or appropriateness, nor to search for the existence of other agreements. It is your responsibility, in accordance with the terms of Article R.225-31 of the French Commercial Code, to assess the interest attached to entering into these agreements with a view to their approval.

In addition, it is our responsibility, where applicable, to provide you with the information provided for in Article R.225-31 of the French Commercial Code relating to the execution, during the past fiscal year, of agreements already approved by the Shareholders' Meeting.

We have conducted our review in accordance with the procedures that we considered necessary with regard to the professional standards of the Compagnie Nationale des Commissaires aux Comptes relating to this mission. These procedures consisted in verifying that the information provided to us was consistent with the source documents from which it was taken.

#### AGREEMENTS SUBMITTED FOR APPROVAL AT THE SHAREHOLDERS' MEETING

We hereby inform you that we have not been given notice of any authorized agreement entered into during the past fiscal year to be submitted to the Shareholders' Meeting for approval pursuant to the provisions of Article L.225-38 of the French Commercial Code.

#### AGREEMENTS ALREADY APPROVED BY THE SHAREHOLDERS' MEETING

##### Agreements approved in previous fiscal years

Pursuant to Article R.225-30 of the French Commercial Code, we have been informed that the following agreements, already approved by the Shareholders' Meeting in previous fiscal years, continued during the past fiscal year.

##### AMENDMENT TO THE PATENT LICENSE AGREEMENT BETWEEN CARBIOS AND CARBIOLICE

*Type and purpose:*

Carbios signed an amendment to the license agreement in order to extend the scope of the license to new families of patents, applications and products. This agreement provides for the payment of an additional lump sum of one million euros in the form of a capital increase, subject to the achievement by Carbiolice of a defined revenue.

The terms of these contracts were authorized by the Board of Directors on September 20, 2018.

*Modalities and financial implications:*

No income was recorded during the fiscal year.

##### CONTRACT FOR REBILLING OF SERVICES BETWEEN CARBIOS AND CARBIOLICE

*Type and purpose:*

Carbios entered into a contract for the rebilling of expenses related to regulatory matters and work related to enzymes with Carbiolice on September 17, 2018.

The terms of this letter were authorized by the Board of Directors on September 20, 2018.

*Modalities and financial implications:*

During the 2020 fiscal year, Carbios recorded income of €92,647.

##### PATENT LICENSE AGREEMENT BETWEEN CARBIOS AND CARBIOLICE

*Type and purpose:*

Carbios has entered into a secondary option to the patent and know-how license agreement (option for the concession of an exclusive worldwide exploitation right in the field of New Developments as notified by Carbios). The patent and know-how license agreement was signed on August 30, 2016.

The terms of this agreement were authorized by the Board of Directors on June 21, 2016.

*Modalities and financial implications:*

Patent and know-how license agreement for a period up to the expiry of the last of the granted patents. Fixed compensation of €8 million at the signature (2016) and variable compensation on net sales of products concerned by patents.

During the 2020 fiscal year, Carbios recorded income of €280.





## CORPORATE GOVERNANCE

### Operations with affiliates

#### RESEARCH SERVICES AGREEMENT WITH CARBIOLICE

*Type and purpose:*

Carbios has signed a research services contract for the development of main and secondary products using biodegradation technology.

The research services agreement was signed on February 15, 2017.

The terms of this contract were authorized by the Board of Directors on March 21, 2017.

*Modalities and financial implications:*

The contract was signed for a period of two years from February 15, 2017. This contract is renewable by mutual agreement subject to a three-month notice period. The compensation for this contract is €1,248,317. Renewed by amendment for two years, i.e. until February 15, 2021, with a total compensation of €2,499,966.

During the 2020 fiscal year, Carbios recorded income of €526,000.

#### EMPLOYMENT CONTRACT BETWEEN CARBIOS AND M. JEAN-CLAUDE LUMARET, CHIEF EXECUTIVE OFFICER

*Type and purpose:*

Since April 1, 2011, M. Jean-Claude Lumaret, appointed Chief Executive Officer by the bylaws, has held a permanent employment contract which defines his terms of employment as Research and Development Director with the status of senior executive. Under this contract, Mr. Lumaret receives annual fixed compensation and an annual bonus of an amount guaranteed until March 31, 2012, then subject to the actual achievement of contractually defined professional objectives within the timeframe. These items are reassessed each year. The contract also provides for a benefit in kind in the form of a company car.

The employment contract was signed on April 1, 2011.

The terms of this agreement were authorized at the Board of Directors meeting of February 20, 2013.

*Modalities and financial implications:*

The total amount of Jean-Claude Lumaret's bonus recorded in expenses for the fiscal year 2020 amounts to €88,531. It was paid in full to Jean-Claude Lumaret in January 2021.

The total amount of Jean-Claude Lumaret's exceptional bonus recorded in expenses for the fiscal year 2020 amounts to €61,480. It was paid in full to Jean-Claude Lumaret in August 2020.

The amount of Jean-Claude Lumaret's fixed compensation recorded in expenses for the fiscal year 2020 amounts to €122,960 with a benefit in kind of €15,017.

Neuilly-sur-Seine, April 14, 2021

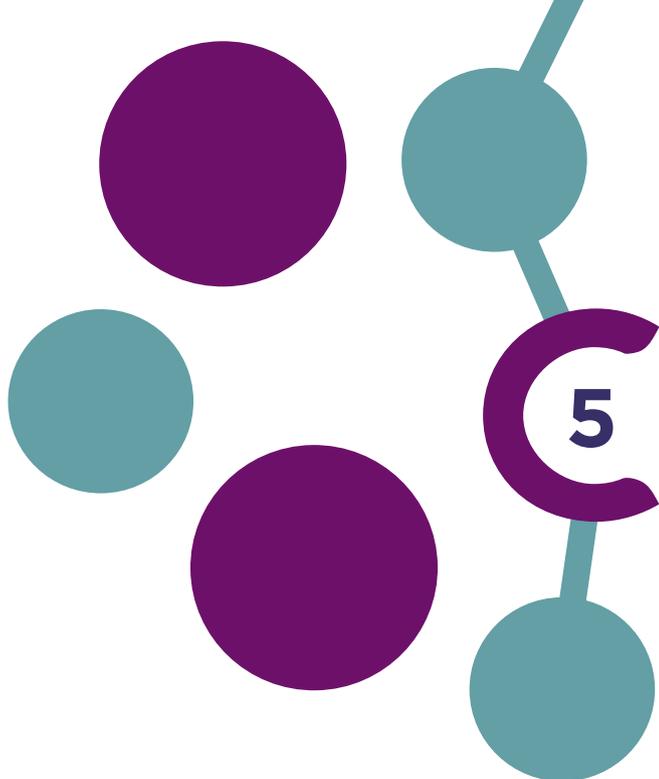
The Statutory Auditor  
PricewaterhouseCoopers Audit  
Flora Camp



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## FINANCIAL STATEMENTS

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, 2018 and the related Statutory Auditors' report as presented in sections 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 parent company financial statements for the fiscal year ended December 31, 2019 and the related Statutory Auditors' report as presented in sections 3.1 (pages 86 to 106) and 3.2 (pages 107 to 111) of the Universal Registration Document filed with the AMF on April 29, 2020 under the number D.20-0412.

<b>5.1</b>	<b>ANNUAL FINANCIAL STATEMENTS</b>	<b>80</b>	<b>5.2</b>	<b>STATUTORY AUDITORS' REPORT</b>	<b>106</b>
5.1.1	Balance sheet	80			
5.1.2	Income statement	82			
5.1.3	Statement of cash flows	83	<b>5.3</b>	<b>ADDITIONAL INFORMATION CONCERNING CARBIOLICE</b>	<b>108</b>
5.1.4	Notes to the annual financial statements	84			

## 5.1 ANNUAL FINANCIAL STATEMENTS

### 5.1.1 BALANCE SHEET

#### ASSETS

	Note	12/31/2020			12/31/2019
		Gross	Amort./ Deprec.	Net	Net
<i>(In thousands of euros)</i>					
<b>FIXED ASSETS</b>					
<b>Intangible assets</b>	5	<b>1,712</b>	<b>626</b>	<b>1,086</b>	<b>858</b>
Concessions, patents, licenses, software		1,685	626	1,059	836
Other intangible assets		27	-	27	22
<b>Property, plant and equipment</b>	5	<b>5,962</b>	<b>1,168</b>	<b>4,793</b>	<b>2,415</b>
Other property, plant and equipment		2,404	1,168	1,236	1,107
Property, plant and equipment under construction		3,370	-	3,370	1160
Advances on assets under construction		188	-	188	148
<b>Financial assets</b>		<b>20,907</b>	<b>-</b>	<b>20,907</b>	<b>12,027</b>
Equity interests	5	20,500	-	20,500	11,700
Other non-current financial assets		407	-	407	327
<b>TOTAL FIXED ASSETS</b>		<b>28,581</b>	<b>1,794</b>	<b>26,786</b>	<b>15,300</b>
<b>CURRENT ASSETS</b>					
Laboratory raw material inventories	7	39	-	39	21
Trade receivables and related accounts	7	199	-	199	28
State receivables	7	1,720	-	1,720	1,019
Subsidies receivable	7 & 13	-	-	-	17
Other receivables	7	51	-	51	2
Subscribed capital - called up, not paid up		179	-	179	0
Cash, cash equivalents and marketable securities	10 & 11	29,097	-	29,097	15,915
Prepaid expenses	7	139	-	139	75
<b>TOTAL CURRENT ASSETS</b>		<b>31,425</b>	<b>-</b>	<b>31,425</b>	<b>17,076</b>
Expense to be spread over the loan		17	-	-	11
<b>OVERALL TOTAL</b>		<b>60,022</b>	<b>1,794</b>	<b>58,228</b>	<b>32,386</b>



## LIABILITIES

<i>(In thousands of euros)</i>	Note	12/31/2020	12/31/2019
<b>EQUITY</b>	12		
Share capital		5,674	4,833
Issue, merger and contribution premiums		59,711	31,275
Retained earnings		(14,115)	(10,366)
Investment subsidies		11	13
Profit and loss for the period		(6,146)	(3,749)
<b>TOTAL EQUITY</b>		<b>45,135</b>	<b>22,005</b>
<b>OTHER EQUITY CAPITAL</b>			
<b>CONDITIONAL ADVANCES</b>	13	<b>4,173</b>	<b>4,250</b>
<b>DEBT</b>			
Loans	13	5,647	3,818
Trade and other payables	8	1,952	1,387
Tax and social liabilities	8	1,145	749
Other liabilities	8	1	2
Deferred income	8	176	176
<b>TOTAL LIABILITIES</b>		<b>8,921</b>	<b>6,131</b>
<b>OVERALL TOTAL</b>		<b>58,228</b>	<b>32,386</b>



## 5.1.2 INCOME STATEMENT

<i>(In thousands of euros)</i>	Note	France	Exports	12/31/2020	12/31/2019
Sale of goods				-	-
Production sold, goods				-	-
Production sold, services		1,096	150	1,346	1,025
<b>Net revenue</b>	14	<b>1,096</b>	<b>150</b>	<b>1,346</b>	<b>1,025</b>
Stored production				-	-
Capitalized production				-	-
Operating subsidies				242	379
Reversals of depreciation, amortization and provisions, expense transfers				55	46
Other income				0	0
<b>Total operating revenues</b>	14			<b>1,643</b>	<b>1,450</b>
Purchases of goods				-	-
Inventory change (goods)				(19)	(6)
Purchases of raw materials and other supplies				94	68
Inventory change (raw materials and supplies)				-	-
Other purchases and external expenses				3,530	2,449
Taxes and similar payments				66	25
salaries and wages				2,904	2,018
Social security contributions				1,288	912
Depreciation of fixed assets	5			455	349
Provisions for fixed assets	5			-	-
Provisions for current assets	5			-	-
Provisions for contingencies and charges	5			-	-
Other expenses				147	171
<b>Total operating expenses</b>	15			<b>8,464</b>	<b>5,986</b>
<b>OPERATING INCOME</b>				<b>(6,821)</b>	<b>(4,535)</b>
Profit allocated or loss transferred				-	-
Loss incurred or profit transferred				-	-
Financial income from investments				-	-
Income from other securities and fixed asset receivables				-	-
Other interest and similar income				25	8
Reversals of provisions and expense transfers				-	22
Positive exchange rate differences				2	1
Net income on sales of marketable securities				-	-
<b>Total financial income</b>				<b>27</b>	<b>32</b>
Depreciation, amortization and provisions	5			-	-
Interest and similar expenses				116	56
Negative exchange rate differences				4	4
Net expenses on sales of marketable securities				-	-
<b>Total financial expenses</b>				<b>120</b>	<b>61</b>
<b>NET FINANCIAL INCOME</b>	19			<b>(93)</b>	<b>(29)</b>
<b>CURRENT INCOME BEFORE TAXES</b>				<b>(6,914)</b>	<b>(4,564)</b>



<i>(In thousands of euros)</i>	Note	France	Exports	12/31/2020	12/31/2019
Extraordinary income on management transactions				2	0
Extraordinary income on capital transactions				120	358
Reversals of provisions and expense transfers				-	-
<b>Total Extraordinary income</b>				<b>122</b>	<b>358</b>
Extraordinary expenses on management transactions				6	2
Extraordinary expenses on capital transactions				835	340
Extraordinary depreciation, amortization and provisions	5			-	-
<b>Total exceptional expenses</b>				<b>841</b>	<b>342</b>
<b>EXTRAORDINARY GAIN OR LOSS</b>	20			<b>(720)</b>	<b>15</b>
Employee profit-sharing				-	-
Income tax (research tax credit)	21			(1,488)	(800)
<b>TOTAL INCOME</b>				<b>1,791</b>	<b>1,839</b>
<b>TOTAL EXPENSES</b>				<b>7,937</b>	<b>5,589</b>
<b>PROFIT OR LOSS</b>				<b>(6,146)</b>	<b>(3,749)</b>

### 5.1.3 STATEMENT OF CASH FLOWS

Audited parent company financial statements - French standards <i>(In thousands of euros)</i>	12/31/2020	12/31/2019
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit and loss for the period	(6,146)	(3,749)
Depreciation, amortization and impairment (including investment subsidies)	453	324
Gains or losses on asset disposals	797	(2)
Changes in working capital requirements	(273)	391
<b>Net cash absorbed by operations</b>	<b>(5,169)</b>	<b>(3,036)</b>
<b>NET CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Acquisitions of fixed assets	(3,892)	(2,299)
Acquisition of financial assets	(8,880)	(1,203)
Disposals of fixed assets	38	343
Changes in fixed asset liabilities	67	753
<b>Net cash absorbed by investments</b>	<b>(12,667)</b>	<b>(2,406)</b>
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net proceeds from the issuance of shares and BSAs	29,277	13,719
Inflows from loans	1,001	1,500
Reimbursement of loans	(25)	(91)
Expense to be spread over the loan	(10)	(5)
Inflows from repayable advances and Investment subsidies	776	1,086
<b>Net cash from financing activities</b>	<b>31,019</b>	<b>16,209</b>
<b>Change in cash and cash equivalents</b>	<b>13,182</b>	<b>10,766</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>15,915</b>	<b>5,149</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>29,097</b>	<b>15,915</b>





## FINANCIAL STATEMENTS

Annual financial statements

### 5.1.4 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

#### DETAILED SUMMARY OF NOTES TO THE FINANCIAL STATEMENTS

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## 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, 2020, being the Company’s ninth accounting period.

## NOTE 2 HIGHLIGHTS OF THE FISCAL YEAR

With new patent applications filed during the year, CARBIOS’ intellectual property portfolio at the end of 2020 included 38 patent families (including one under an exclusive worldwide license with the CNRS and University of Poitiers), representing 158 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 2020 were as follows:

- on January 30, 2020, CARBIOS announced the signing of an exclusive co-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;
- in January 2020, setting up of a strategic alliance with the National Institute of Applied Sciences (INSA) in Toulouse through its Toulouse Biotechnology Institute (TBI) laboratory, to create a cooperative research center for enzymatic engineering on the recycling and biosynthesis of plastics. This laboratory, called PoPLaB, in reference to Plastic Polymers and Biotechnologies, was inaugurated on January 28, 2020;
- on July 23, 2020, the Company carried out a capital increase of €27 million before deducting nearly €2 million in direct costs from the issue premium;
- in September 2020, Carbios’ management team was strengthened with the arrival of Kader Hidra as Chief Financial Officer and member of the Executive Committee;
- in August 2020, the Company obtained a state-guaranteed loan of €1 million, at a rate of 0.25%;
- validation on June 30, 2020 of key stage no. 2 as part of the financing agreement with ADEME for the CE-PET project;

- in October 2020, acquisition from Limagrain Ingrédients of its entire 18.02% stake in the capital of CARBIOLICE, *i.e.* 4,000,000 shares;
- on October 22, 2020, CARBIOS exercised 28,000 BSA warrants contributing €2.8 million to the fourth and last tranche of the CARBIOLICE financing (capital increase of €7.3 million in total).

### Consequences of the Covid-19 event

In accordance with Article L. 833-2 of the French General Accounting Plan, the annual financial statements of the entity at December 31, 2020 were closed without any adjustment related to the Coronavirus epidemic.

The entity’s financial statements were prepared on a going concern basis. The Company’s resilience, organization and prudence meant that the COVID-19 event did not have a significant impact on the Company’s portfolio, financial position (an EMP was obtained to strengthen cash flow) and results. As it is still on-going at the date of preparation of the annual financial statements, the Company is not in a position to assess the precise consequences for future years if the situation were to continue.

### 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 final marketing stage or even the application of CARBIOS processes to other market may require new financing to be sought from institutional entities or industrial partners.



### NOTE 3 EVENTS AFTER THE REPORTING PERIOD

Since the beginning of the 2021 fiscal year, the Board of Directors, at its meeting on January 15, 2021, granted 85,000 BCE-2021 for the benefit of certain CARBIOS employees. Please refer to Chapter 6 of the Company's 2020 Universal Registration Document.

After December 31, 2020, and on January 15 and March 11, 2021, the following capital transactions were recorded:

- 9,600 new shares from the exercise of 9,600 BSA-2015-2, subscribed for €12.4581 (i.e. €0.70 in nominal value and €11.7581 in issue premium);
- 11,000 new shares from the exercise of 11,000 BSA-2015-2, subscribed for €12.4581 (i.e. €0.70 in nominal value and €11.7581 in issue premium);
- 14,375 new shares from the exercise of 14,375 BSA-2020-4, subscribed for €20.6050 (i.e. €0.70 in nominal value and €19.9050 in issue premium);
- 9,600 new shares from the exercise of 9,600 BSA-2016-1, subscribed for €8.2837 (i.e. €0.70 in nominal value and €7.5837 in issue premium);
- 9,600 new shares from the exercise of 9,600 BSA-2015-3, subscribed for €12.4581 (i.e. €0.70 in nominal value and €11.7581 in issue premium);
- 5,000 new shares from the exercise of 5,000 BSA-2015-2, subscribed for €12.4581 (i.e. €0.70 in nominal value and €11.7581 in issue premium).

As at March 12, 2021, the share capital of the Company was €5,715,130.40, divided into 8,164,472 ordinary shares with a nominal value of €0.70 each, fully subscribed and fully paid up.

No other significant events have occurred since the beginning of fiscal year 2021.

### NOTE 4 ACCOUNTING PRINCIPLES AND METHODS

#### General principles and conventions

The financial statements for the fiscal year ended were prepared and presented in accordance with the accounting rules in compliance with the principles set out in Articles 121-1 to 121-5 *et seq.* of the French General Accounting Plan.

The general accounting conventions have been applied in compliance with the principle of prudence, in accordance with the basic assumptions: going concern, consistency of accounting methods from one fiscal year to the next, independence of fiscal years, and in accordance with the general rules for preparing and presenting annual financial statements.

The basic method used to measure the items recorded in the accounts is the historical cost method.

The accounting conventions have been applied in accordance with the provisions of the French Commercial Code, the accounting decree of 11/29/83 as well as the ANC regulation 2014-03 and the ANC regulation 2018-07 relating to the rewriting of the French General Accounting Plan applicable to the closing of fiscal years.

#### Consistency of methods

No changes were made to the valuation methods or presentation methods.

The information communicated below is an integral part of the 2020 financial statements, which were approved on March 31, 2021 by the Board of Directors.

Financial information is accordingly compared to that of the Company's eighth accounting period, ended on December 31, 2019, for a period of 12 months.



## NOTE 5 PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE AND FINANCIAL ASSETS

The movements with an impact on fixed assets were the following:

Fiscal year 2020 Fixed assets (In euros)	At the beginning of the period 01/01/2020	Increase	Decrease	At the end of the period 12/31/2020
<b>INTANGIBLE ASSETS</b>				
Software, website	25,641			25,641
Patents	1,117,441	404,082	52,172	1,469,351
Patents licensed	151,103	38,813		189,916
Pending patents	21,733	27,492	21,733	27,492
<b>PROPERTY, PLANT AND EQUIPMENT</b>				
Fixtures and fittings	168,191	4,455		172,646
Laboratory fittings and equipment	1,557,655	318,257		1,875,912
Office and IT hardware	219,232	42,175		261,407
Furniture	82,626	11,364		93,990
Assets under construction	1,160,198	2,989,655	780,396	3,369,457
Advance payments made	147,567	152,320	111,813	188,074
<b>FINANCIAL ASSETS</b>				
Equity interests	11,700,000	8,800,000		20,500,000
Guarantees and security deposits	199,923			199,923
Liquidity contract	73,043	97,746		170,789
Treasury shares	53,949		17,931	36,018
<b>TOTAL</b>	<b>16,678,302</b>	<b>12,886,359</b>	<b>984,045</b>	<b>28,580,616</b>

The methods and term of depreciation and amortization of assets are the following:

Fiscal year 2020 Depreciation, amortization and provisions (In euros)	Depr./amort. period	At the beginning of the period 01/01/2020	Increase	Decrease	At the end of the period 12/31/2020
<b>INTANGIBLE ASSETS</b>					
Software, website	1 year	24,123	1,518		25,641
Patents	10 years	399,812	178,093	35,392	542,513
Patents licensed	10 years	34,192	23,669		57,861
<b>PROPERTY, PLANT AND EQUIPMENT</b>					
Fixtures and fittings	7 to 10 years	30,825	17,001		47,826
Laboratory fittings and equipment	5 to 10 years	732,775	178,595		911,370
Office and IT hardware	3 to 5 years	137,726	36,826		174,552
Furniture	3 to 7 years	19,092	15,495		34,587
<b>FINANCIAL ASSETS</b>					
Treasury shares					
<b>TOTAL</b>		<b>1,378,546</b>	<b>451,198</b>	<b>35,392</b>	<b>1,794,352</b>

No provisions or reversals for impairment were recorded in the fiscal year 2020.



## 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.

Impairment is recognized when the current value of an asset is lower than the net carrying amount. In addition, the Company conducts an annual review of its patent portfolio and discards any patents that are not retained.

## 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 depreciated on a straight-line basis 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.

Impairment is recognized when the current value of an asset is lower than the net carrying amount.

## Assets under construction

The fixed assets under construction item consists mainly of the costs relating to the installation of the Company's industrial demonstration plant. Once this industrial demonstration plant has been commissioned, the items will be transferred into a "property, plant and equipment" account.

## 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, 2020, CARBIOS

owned 18,500,000 CARBIOLICE SAS shares out of the 29.5 million shares making up its share capital, representing a stake of 62.71% (see Note 23). Equity interests are assessed at their acquisition value, i.e. €20.5 million. 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 value in use is determined by reference to the impairment test, carried out by an external expert, and is based on the discounted cash flow method. To this end, the work is based on the CARBIOLICE Business Plan approved by its Board of Directors for which annual updates are also approved by the Board of Directors.

Assumptions used:

- The business plan is projected over a period of ten years, to which must be added an additional so-called "normative" year (identical to the test carried out in 2019);
- Multiple used for the calculation of the terminal value: median multiple of 7.1x EBITDA (compared to 8.2x as at 12/31/19), from multiples observed for mature listed companies in the "chemicals" sector, after taking into account a size discount of between 20% and 30% depending on the size of the companies;
- Discount rate ("WACC") used of 20% (identical to 2019), consisting of: (i) a WACC excluding the additional forecast risk premium and (ii) an additional forecast risk premium, given the uncertainty of certain assumptions in the plan. This rate of 20% is corroborated by academic studies on high-growth companies in the marketing launch phase;
- Tax rate: 2020 draft Finance Law.

The impairment tests performed at the end of fiscal year 2020 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 Non-Current 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, 2020, the Company held 1,600 CARBIOS shares, or a carrying amount of €36 thousand. The closing net asset value was €63 thousand. Since the net asset value was higher than the carrying amount, no provision was recognized at the closing date;

- the cash paid to the intermediary and not yet used is recognized under "Liquidity contract" and represents €171 thousand.



## NOTE 6 PROVISIONS FOR CONTINGENCIES AND CHARGES

Any current obligation resulting from a past event of the Company towards a third party that may be estimated with sufficient reliability, and covering identified risks, is recognized as a provision.

No provision was recognized at December 31, 2020.

## NOTE 7 RECEIVABLES AND PREPAID EXPENSES

### Statement of receivables

Receivables are valued at their nominal value. Where applicable, the receivables have been written down by means of a provision to take into account the recovery difficulties to which they were likely to give rise.

Statement of receivables as at 12/31/2020 (In euros)	Gross amount	At one year	At more than one year
Current assets & prepayments			
Customers	199,187	199,187	
Income tax <sup>(1)</sup>	1,487,911	1,487,911	
Value added tax	232,100	232,100	
Other receivables <sup>(2)</sup>	230,277	230,277	
Prepaid expenses <sup>(3)</sup>	139,180	139,180	
<b>TOTAL</b>	<b>2,288,655</b>	<b>2,288,655</b>	

(1) The income tax receivable corresponds to the Research Tax Credit (CIR) recognized for 2020 for €1,488 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, 2019, €800 thousand had been recorded for the 2019 Research Tax Credit. It was repaid on April 16, 2020.

(2) Other receivables include an amount of €179 thousand of called but unpaid capital. The actual payment was made on January 8, 2021.

(3) Prepaid expenses are ordinary operating expenses related to prior fiscal years.

### Inventories

Inventories are valued at their acquisition cost using the weighted average cost method. When the present value at closing (market value for goods and value in use for raw materials) is lower than the carrying amount, an impairment loss is recognized for the amount of the difference. The valuation of the inventories at the end of the period did not reveal any impairment.

As at December 31, 2020, inventory totaled €39 thousand compared to €21 thousand in 2019.

## NOTE 8 MATURITY OF LIABILITIES AND DEFERRED INCOME AT THE END OF THE PERIOD

Statement of debt as at 12/31/2020 (In euros)	Total amount	From 0 to 1 year	From 1 to 5 years	More than 5 years
Regional and national funds	4,646,260	395,360	3,601,925	648,975
Loans	1,000,836	1,000,836		
Suppliers	1,951,506	1,951,506		
Tax and social liabilities	1,145,303	1,145,303		
Other liabilities	995	995		
Deferred income	175,890	175,890		
<b>TOTAL</b>	<b>8,920,790</b>	<b>4,669,890</b>	<b>3,601,925</b>	<b>648,975</b>



Debts are recorded at their nominal redemption value and are not discounted.

- The “regional and national funds” debt, understood to be of a public nature, includes the ADI BPI (€220 thousand) and ADEME (€1,396 thousand) repayable advances obtained as part of the various research projects carried out by the Company up to now, as well as the two loans taken out with Bpifrance for €1.5 million each;
- The “loan” item includes debts contracted with private organizations. In this case, it consists exclusively of the €1 M loan subscribed with the Société Générale as part of the COVID crisis;
- Trade payables include outstanding invoices at closing for a total of €1,358 thousand, as well as accrued invoices related to both the operating cycle (€325 thousand) and the investment cycle (€269 thousand);
- Tax and social security debts consist of €1,041 thousand in social security debts, in particular the balances due to the funds at closing and provisions for awards and bonuses, paid holidays and related social security contributions, and finally a total of €104 thousand in tax debts, mainly pending VAT.

## NOTE 9 ACCRUALS (PREPAYMENTS AND DEFERRED INCOME)

Accruals are shown on the statement of financial position for the fiscal year ended December 31, 2020 in the following amounts:

Statement of accruals (in euros)	Assets	Liabilities
Suppliers, amounts receivable and accrued invoices	4,367	593,874
Trade receivables, not yet invoiced	2,085	
Personal costs and social welfare organizations, accrued expenses	31,734	776,916
State, accrued expenses and accrued income	94,759	32,343
Prepaid expenses	139,180	
Deferred income		175,890
Accrued interest income	9,125	
Expense to be spread over the loan	16,902	
<b>TOTAL</b>	<b>298,152</b>	<b>1,579,023</b>

## NOTE 10 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. Thus, the Company has €5 million in term accounts, renewable on a monthly basis by tacit agreement. For the remaining €5 million, the short-term deposits with a maximum term of 5 years, mature on 09/02/2024, benefit from a progressive rate by tiers, and the funds remain available without conditions within 30 days. The interest resulting from these financial instruments generated income of €25 thousand, of which €9 thousand in accrued interest on term deposit accounts.

## NOTE 11 AVAILABLE CASH

This item includes cash deposited in demand accounts, as well as the accrued interest to be paid and cash balances. As at December 31, 2020, the Company had €19,063 thousand in demand accounts.



## NOTE 12 EQUITY

### STATEMENT OF CHANGES IN EQUITY

Audited parent company financial statements French standards <i>(In euros)</i>	Share capital	Premium Issue	Subscription capital	Investment subsidiaries (net)	Profit or loss for the period	Retained earnings	Total due to shareholder
<b>12/31/2019</b>	<b>4,833,226</b>	<b>31,250,572</b>	<b>23,942</b>	<b>12,750</b>	<b>(3,749,342)</b>	<b>(10,365,921)</b>	<b>22,005,227</b>
Allocation of earnings N-1					3,749,342	(3,749,342)	
Increase/decrease in share capital and issue premium	840,482	28,436,877					840,482 28,436,877
Subscription of BSA/BCE							
Quasi-equity							
Profit (loss) 2020				(250)	(6,145,617)		(6,147,867)
<b>12/31/2020</b>	<b>5,673,708</b>	<b>59,687,449</b>	<b>23,942</b>	<b>10,500</b>	<b>(6,145,617)</b>	<b>(14,115,264)</b>	<b>45,134,719</b>

### 12.1 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:

- the creation of 18,991 new shares from the exercise of 18,991 BCE-2016-1, subscribed at a price of €11.506589, (€0.70 in nominal value and €10.806589 in issue premiums);
- the creation of 30,000 new shares from the exercise of 30,000 BCE-2013-1, subscribed for €11.224 (€0.70 in nominal value and €10.524 in issue premiums);
- 1,028,572 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 18, 2020, in its Ninth 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 by private placement and up to a maximum of 20% of the share capital per year;

- 100,000 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 18, 2020, in its Tenth Resolution, subject to the condition precedent of the completion of the sale of the CARBIOLICE shares and warrants held by Limagrain Ingrédients to CARBIOS; and
- the creation of 23,125 new shares from the exercise of 23,125 BCE-2020-1, subscribed at a price of €7.75934, (€0.70 in nominal value and €7.05934 in issue premium) <sup>(1)</sup>.

As a result, as of December 31, 2020, the share capital stood at €5,673,707.90 divided into 8,105,297 ordinary shares, each with a nominal value of €0.70, fully subscribed and fully paid up.

(1) The Board of Directors recognized the exercise of the 23,125 BCE-2020-1 on January 15, 2021, but the exercise was carried out on December 22, 24 and 28, 2020.



Movements of securities	Number	Nominal value	Share capital
<b>Securities at the beginning of the fiscal year</b>	<b>6,904,609</b>	<b>€0.70</b>	<b>€4,833,226.30</b>
Capital reduction	-	-	-
Securities issued	1,200,688	€0.70	€840,481.60
Securities redeemed or canceled	-	-	-
<b>Shares at year-end</b>	<b>8,105,297</b>	<b>€0.70</b>	<b>€5,673,707.90</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.

In accordance with the reference method (ANC 2018-01), capital issue costs are recognized in the statement of financial position, as a deduction from the issue premium.

As at December 31, 2020, the issue premiums paid after deducting capital increase costs amounted to €59,687,448.86.

Operation	Transaction date	Issue premiums	Direct costs charged	Exercise of BSA/BCE with consideration <sup>(1)</sup>	Total issue premium	BSA
<b>At 12/31/2019</b>		<b>€33,200,865.40</b>	<b>€(966,503.51)</b>	<b>€16,209.68</b>	<b>€31,250,571.57</b>	<b>€23,942.44</b>
Exercise of BCE-2016-1	5/18/2020	€75,646.12			€75,646.12	
Exercise of BCE-2016-1	5/22/2020	€1,156.31			€1,156.31	
Exercise of BCE-2016-1	5/25/2020	€56,702.17			€56,702.17	
Exercise of BCE-2013-1	5/26/2020	€111,617.54			€111,617.54	
Exercise of BCE-2013-1	5/27/2020	€184,717.25			€184,717.25	
Exercise of BCE-2013-1	5/28/2020	€19,385.21			€19,385.21	
Exercise of BCE-2016-1	6/1/2020	€32,419.77			€32,419.77	
Exercise of BCE-2016-1	12/15/2026	€39,303.56			€39,303.56	
Capital increase	7/22/2020	€26,280,014.60	€(1,954,042.48)		€24,325,972.12	
Expiry of BCE-2016-1	6/30/2020				€0.00	
Capital increase	10/9/2020	€3,430,000.00	€(3,290.00)		€3,426,710.00	
Exercise of BCE-2020-1	12/22/2020	€105,890.10			€105,890.10	
Exercise of BCE-2020-1	12/24/2020	€19,561.43			€19,561.43	
Exercise of BCE-2020-1	12/28/2020	€37,795.71			€37,795.71	
<b>At 12/31/2020</b>		<b>€63,595,075.17</b>	<b>€(3,923,835.99)</b>	<b>€16,209.68</b>	<b>€59,687,448.86</b>	<b>€23,942.44</b>

(1) The amounts in this item come from the exercise of:

- 20,494 BSAs acquired for €0.22 each, i.e. €4,508.68;
- 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 expenses relating to the fundraising carried out in 2019 amounted to €770,395 and those relating to the transactions carried out in 2020 to €1,957,332.

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 12.3 below), or €23,942.44 as at December 31, 2020.

### Earnings per share

As of December 31, 2020, net earnings per share, obtained by dividing the profit or loss for the fiscal year (-€6,145,617) by the number of shares (8,105,297), amounted to -€0.76.

## 12.2 Distribution of share capital

As at December 31, 2020, the 8,105,297 shares comprising the share capital were distributed as follows:

Shareholders	Number of shares	Percentage of holding	Number of voting rights	Percentage of voting rights
Funds managed by Truffle Capital	162,227	2.00%	162,227	2.00%
Directors	199	0.00%	200	0.00%
Copernicus Wealth Management SA <sup>(1)</sup>	635,392	7.84%	635,392	7.82%
Business Opportunities for L'Oréal Development (BOLD)	482,834	5.96%	482,834	5.95%
Michelin Ventures	363,410	4.48%	363,410	4.48%
Treasury shares	1,600	0.02%	N/A	N/A
Free float	6,459,635	79.70%	6,476,656	79.75%
<b>TOTAL</b>	<b>8,105,297</b>	<b>100%</b>	<b>8,120,719</b>	<b>100%</b>

*(1) Shares held by funds and/or individuals with Copernicus Wealth Management SA as their management company.*

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 of December 31, 2020, one of Jean-Claude Lumaret's shares, as well as 17,021 registered shares included in the free float met these criteria.



## 12.3 Dilutive financial instruments

### Share subscription warrants (BSAs)

The table below shows the status of the BSAs issued since the creation of the Company that were still outstanding as of December 31, 2020, as well as additional information regarding their status as of that date.

When subscribing to the BSA plan, the beneficiary may have to pay a subscription price to the Company. This amount will be recognized in the "Share subscription warrants" account (accounting stem 1045). As soon as the warrants are exercised, the Company will recognize the capital increase (account 101 "Capital") and an issue premium (account 1041 "Issue premium" for the difference between the exercise price and the par value of the share) and will clear the "Share subscription warrants" account to the "Issue premium" account.

In the event that warrants have lapsed, the amount initially recognized in the "Share subscription warrants" account will be transferred to the "Issue premium" account.

	BSA 2011-1	BSA 2012-1	BSA 2012-2	BSA 2013-1
Date of Shareholders' Meeting	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	Decision of the Shareholders' Meeting on 07/26/2013
Total number of shares that may be subscribed or purchased, of which the number that may be subscribed or purchased by:	1,253	170,000	20,241	14,400
Jacqueline LECOURTIER	1,253	-	6,747	1,600
Warrant exercise start date	06/08/2013	According to the achievement of the exercise criteria (see methods above)	09/28/2013	07/26/2014
Expiration date	06/08/2022	09/28/2022	09/28/2022	07/26/2023
Price of subscription or purchase of warrant <sup>(1)</sup>	0.10	Free	0.22	0.22
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 06/08/2013, for up to 626 warrants calculated according to the following rule beginning from June 8, 2012: $x = (\text{total number of BSAs 2011-1 allocated to the beneficiary} * \text{nb. of months since 06/08/2012})/48$	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: $x = (\text{total nb of BSAs 2012-2 allocated to beneficiary} * \text{nb. of months since on 09/28/2012})/48$	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	80% of IPO price
Total number of shares subscribed as at December 31, 2020	0	0	13,494	0
Cumulative number of subscription or purchase warrants canceled or null and void	0	0	0	12,800
Share subscription warrants that may be exercised as at December 31, 2020	1,253	170,000	6,747	1,600

(1) Subscription price determined on the basis of a report prepared and delivered by an independent expert.



	BSA 2015-2	BSA 2015-3	BSA 2016-1
Date of Shareholders' Meeting	Shareholders' Meeting of 06/24/2015	Shareholders' Meeting of 06/24/2015	Shareholders' Meeting of 06/17/2016
Date of Board of Directors' meeting	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
Total number of shares that may be subscribed or purchased, of which the number that may be subscribed or purchased by:	9,600	9,600	9,600
Pascal JUÉRY	9,600	-	-
Jean FALGOUX	-	9,600	-
Ian HUDSON	-	-	9,600
Warrant exercise start date	06/24/2016	06/24/2016	12/15/2017
Expiration date	06/24/2025	06/24/2025	12/15/2026
Number of BSAs subscribed	9,600	9,600	9,600
Price of subscription or purchase of warrant <sup>(1)</sup>	0.85	0.85	0.59
Warrant exercise method	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: $x = (\text{total nb. of BSAs 2015-2 allocated to beneficiary} * \text{nb. of months since 06/05/2014})/48$	Possibility of exercising a number x of warrants per complete monthly period beginning on 10/22/2013, and for the first time from 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: $x = (\text{total nb. of BSAs 2016-1 allocated to beneficiary} * \text{nb. of months since 12/15/2016})/48$
Exercise price	12.4581	12.4581	8.2837
Total number of shares subscribed as at December 31, 2020	0	0	0
Cumulative number of subscription or purchase warrants canceled or null and void	0	0	0
Share subscription warrants that may be exercised as at December 31, 2020	9,600 <sup>(2)</sup>	9,600 <sup>(2)</sup>	9,600 <sup>(2)</sup>

(1) Subscription price determined on the basis of a report prepared and delivered by an independent expert.

(2) The BSA-2015-2, BSA-2015-3 and BSA-2016-1 warrants have been fully exercised since December 31, 2020.



### 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, 2020, as well as additional information regarding their status at that date.

When subscribing to the BSPCE plan, the beneficiary will not have to pay a subscription price to the Company. As soon as the BSPCEs are exercised, the Company will recognize the capital increase (account 101 "Capital") and an issue premium (account 1041 "Issue premium", for the difference between the exercise price and the par value of the share).

If BSPCE has lapsed, no accounting entry will be required.

	BCE 2012-1	BCE 2013-1	BCE 2015-2	BCE 2016-1	BCE 2017-1
Date of Shareholders' Meeting	Collective decision of the shareholders on 09/28/2012	Decision of the Shareholders' Meeting on 07/26/2013	Shareholders' Meeting of 06/24/2015	Shareholders' Meeting of 06/24/2015	Shareholders' Meeting of 06/15/2017
Date of Board of Directors' meeting	-	-	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
Total number of shares that may be subscribed or purchased, of which the number that may be subscribed or purchased by:	77,386	36,000	31,000	37,982	35,000
Alain CHEVALLIER	1,548	6,000	-	-	-
Jean FALGOUX	-	-	-	37,982	-
Martin STEPHAN	-	-	-	-	35,000
Warrant exercise start date	02/01/2013	07/26/2014	06/24/2016	04/01/2017	06/27/2018
Expiration date	09/28/2022	07/26/2023	06/24/2025	04/01/2026	06/27/2027
Price of subscription or purchase of warrant	Free	Free	Free	Free	Free
Warrant exercise method	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: $x = (\text{total nb of BCEs 2012-1 allocated to the beneficiary} * \text{nb of months since 02/01/2012}) / 48$	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: $x = (\text{total nb of BCEs 2013-1 allocated to the beneficiary} * \text{nb. of months since 07/26/2013}) / 48$	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: $x = (35,000 * \text{nb. of months since 06/27/2017}) / 48$
Exercise price	2.25	80% of IPO price	12.4581	11.5066	7.86
Total number of shares subscribed as at December 31, 2020	75,838	30,000	0	18,991	0
Cumulative number of subscription or purchase warrants canceled or null and void	0	0	0	18,991	0
Share subscription warrants that may be exercised as at December 31, 2020	1,548	6,000	31,000 <sup>(1)</sup>	0	35,000

(1) It should be noted that 16,000 BCE-2015-2 were exercised after December 31, 2020.



	BCE 2019-1	BCE-2020-1 to BCE-2020-3	BCE-2020-4 to BCE-2020-6	BCE 2020-7
Date of Shareholders' Meeting	Shareholders' Meeting of 06/14/2018	Shareholders' Meeting of 06/19/2019	Shareholders' Meeting of 06/18/2020	Shareholders' Meeting of 06/18/2020
Date of Board of Directors' meeting	Decision of the Board of Directors of 12/06/2018	Decision of the Board of Directors of 03/12/2020	Decision of the Board of Directors of 07/09/2020	Decision of the Board of Directors of 09/15/2020
Total number of shares that may be subscribed or purchased, of which the number that may be subscribed or purchased by:	28,000	185,000	115,000	100,000
Jean-Claude LUMARET	-	92,500	57,500	-
Martin STEPHAN	-	46,250	28,750	-
Ian HUDSON	28,000	-	-	-
Warrant exercise start date	01/01/2020	03/12/2020	07/09/2020	09/15/2020 and 09/15/2021
Expiration date	01/01/2029	03/12/2030	07/09/2030	09/15/2030
Price of subscription or purchase of warrant	Free	Free	Free	Free
Warrant exercise method	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 $y = (\text{number of warrants not yet exercisable}) * \% \text{ determined by the performance of the CARBIOS share price}$	To be exercised, these warrants must satisfy four performance conditions. Each condition met gives the right to exercise one fourth of the BSPCEs allocated. If all of the Company's shares are acquired by an industry player, accelerated vesting is provided depending on the share vesting price.	To be exercised, these warrants must satisfy four performance conditions. Each condition met gives the right to exercise one fourth of the BSPCEs allocated. If all of the Company's shares are acquired by an industry player, accelerated vesting is provided depending on the share vesting price.	To be exercised, 65,000 warrants must satisfy four performance conditions. Each condition met gives the right to exercise one fourth of the 65,000 BSPCEs allocated. If all of the Company's shares are acquired by an industry player, accelerated vesting is provided depending on the share vesting price. For 35,000 warrants, possibility of exercising a number x of warrants per full monthly period beginning on 9/15/2020, and for the first time from 9/15/2021, calculated according to the following rule: $x = (35,000 * \text{nb. of months since } 9/15/2020)/48$
Exercise price	5.29999	7.75934	20.6050	30.2899
Total number of shares subscribed as at December 31, 2020	0	23,125 <sup>(1)</sup>	0	0
Cumulative number of subscription or purchase warrants canceled or null and void	0	0	0	0
Share subscription warrants that may be exercised as at December 31, 2020	28,000	161,875	115,000 <sup>(2)</sup>	100,000 <sup>(3)</sup>

(1) The Board of Directors recognized the exercise of the 23,125 BCE-2020-1 on January 15, 2021, but they were exercised on December 22, 24 and 28, 2020.

(2) It should be noted that 14,375 BCE-2020-4 were exercised after December 31, 2020.

(3) Including 35,000 BCE-2020-7 exercisable from September 15, 2021.



During the fiscal year 2020, BSPCE issues were carried out:

- At its meeting on March 12, 2020, the Board of Directors, acting pursuant to the delegation of authority conferred by the Combined Shareholders' Meeting of June 19, 2019 (Sixteenth Resolution), decided to issue and award 185,000 BCEs ("BCE-2020-1, BCE-2020-2 and BCE-2020-3") that grant the right to subscribe for 185,000 ordinary shares with a nominal value of €0.70 at a unit price equal to the weighted average share price of the last 20 trading days preceding the warrant award date, *i.e.*, a price equal to €7.75934;
- At its meeting on July 9, 2020, the Board of Directors, acting pursuant to the delegation of authority conferred by the Combined Shareholders' Meeting of June 18, 2020 (Thirteenth Resolution), decided to issue and award 115,000 BCEs ("BCE 2020-4", "BCE 2020-5" and "BCE 2020-6") that grant the right to subscribe for 115,000 ordinary shares with a nominal value of €0.70 at a unit price equal to the weighted average share price of the last 20 trading days preceding the warrant award date, *i.e.*, a price equal to €20.6050;
- at its meeting of September 15, 2020, the Board of Directors, acting pursuant to the delegation of authority conferred by the Combined Shareholders' Meeting of June 18, 2020 (Thirteenth resolution), decided to issue and award 100,000 BCEs ("BCE-2020-7"), giving the right to subscribe to 100,000 ordinary shares with a nominal value of €0.70, at a unit price equal to the weighted average share price of the last 20 trading sessions preceding the warrant award date, *i.e.* a price equal to €30.2899.

During the fiscal year 2020, several BSPCE exercises were carried out:

- on June 17, 2020, the Board of Directors recorded the definitive completion of a capital increase of a nominal amount of

€13,293.70 per issue of 18,991 new shares, resulting from the exercise of 18,991 BCE-2016-1 and amended the bylaws as a result of the capital increase. These 18,991 BCE-2016-1 were among the 37,982 BCE-2016-1 issued and awarded by the Board of Directors at its meeting of March 22, 2016;

- on June 17, 2020, the Board of Directors recorded the definitive completion of a capital increase of a nominal amount of €21,000 through the issue of 30,000 new shares, resulting from the exercise of 30,000 BCE-2013-1 and amended the bylaws as a result of the capital increase. These 30,000 BCE-2013-1 were among the 36,000 BCE-2013-1 issued and awarded by the Shareholders' Meeting on July 26, 2013;
- on January 15, 2021, the Board of Directors recorded the definitive completion of a capital increase of a nominal amount of €16,187.50 through the issue of 23,125 new shares, resulting from the exercise of 23,125 BCE-2020-1 dated December 22, 24 and 28, 2020 and amended the bylaws as a result of the capital increase. These 23,125 BCE-2020-1 were among the 185,000 BCE-2020 issued and awarded by the Board of Directors at its meeting of March 12, 2020.

In addition, at its meeting of September 15, 2020, the Board of Directors noted the lapse of 18,991 BCE-2016-1.

Since December 31, 2020, the Board of Directors, at its meeting of January 15, 2021, acting pursuant to a delegation of authority granted by the Combined Shareholders' Meeting of June 18, 2020 (Thirteenth resolution), decided to issue and award 85,000 BCEs ("BCE-2021-1" to "BCE-2021-15"), giving the right to subscribe to 85,000 ordinary shares with a nominal value of €0.70, at a unit price equal to the weighted average share price of the last twenty trading sessions preceding the warrant award date, *i.e.* a price equal to €44.5047.



## NOTE 13 LOANS, CONDITIONAL ADVANCES AND SUBSIDIES

### Loans

Denomination	Date	Rate	Duration	12/31/2019	New	Repayment	12/31/2020
FIAD	12/12/2014	0%	7 years	€30,360	-	-	€30,360
Bpifrance Innovation loan	11/23/2018	3.21%	7 years	€1,500,000	-	-	€1,500,000
Bpifrance Innovation loan	11/20/2019	4.45%	7 years	€1,500,000	-	-	€1,500,000
State-guaranteed loan (Société Générale)	8/31/2020	0.25%	1 year	-	€1,000,000	-	€1,000,000
Accrued interest				-	€836	-	€836
<b>TOTAL</b>				<b>€3,030,360</b>	<b>€1,000,836</b>	<b>-</b>	<b>€4,031,196</b>

The two Bpifrance loans were subject to guarantee deposit payments of €75 thousand each and are covered by life insurance policies - PTIA underwritten for Alain Marty (50%) and Martin Stephan (50%). The term of loans provides for a 2 year deferred repayment and annual straight-line repayment over the following 5 years.

On August 31, 2020, collection of a state-guaranteed loan for €1,000 thousand from a banking institution, for a period of 12 months. The Company will have the option of asking the bank to repay the loan over an additional period of up to five years from the maturity date.

The loan issue expenses are recognized in "Expenses to be spread over several fiscal years" and are spread on a straight-line basis

over the total contract term. The Company recognized €21,748.70 in this respect, with €16,902.41 remaining to be spread as at December 31, 2020.

### 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."

Denomination	Date	12/31/2019	New	Repayment	Other movements	12/31/2020
Repay. adv. ADI BPI	6/13/2017	€245,000	-	€25,000		€220,000
Repay. adv. ADEME	4/8/2019	€542,850	€775,500	-	€77,550	€1,395,900
Cond. adv. OSEO THANAPLAST	12/19/2012	€3,707,214	-	-		€3,707,214
Cond. adv. ADEME	4/8/2019	€542,850	-		€(77,550)	€465,300
<b>TOTAL</b>		<b>€5,037,914</b>	<b>€775,500</b>	<b>€25,000</b>	<b>-</b>	<b>€5,788,414</b>

### 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.

### Detail of repayable advances and subsidies by project:

#### 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 €10,000 thousand 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
<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>

At December 31, 2020, the Company had completed the work for the second key stage. Since its creation, the Company has received:

(In euros)	1 <sup>st</sup> payment	2 <sup>nd</sup> payment	3 <sup>rd</sup> payment	4 <sup>th</sup> payment	Total
Date of payment	06/07/2019	10/21/2019	06/30/2020		
Subsidy	€155,100	€206,800	€258,500		€620,400
Repayable advance	€465,300	€620,400	€775,500		€1,861,200
<b>TOTAL</b>	<b>€620,400</b>	<b>€827,200</b>	<b>€1,034,000</b>		<b>€2,481,600</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, 2020 amounted to €5,363 thousand. These give rise to a theoretical subsidy amounting to €804 thousand.

Since the beginning of the program, the Company has received €620 thousand in ADEME subsidies (see table above). However, in the absence of certainty as to the validation of key stage 3 by June 30, 2021, the difference, i.e. €184 thousand (€804 thousand - €620 thousand), was not recognized 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 Ma") 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 €1,861 thousand in ADEME conditional advances (see table above).

### Other public and private grants obtained

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, 2020;
- a recoverable advance of €265 thousand from Bpifrance for an innovation project, of which €215 thousand was paid out in 2017 and the balance of €50 thousand in December 2018. Repayments began in 2019. 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. As of December 31, 2020, the remaining amount to be repaid was €220 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.

## NOTE 14 REVENUE AND OTHER OPERATING INCOME

Total operating revenues amounted to €1,643 thousand at December 31, 2020 and mainly consisted of revenue and other operating income.

Revenue is recognized when goods or services are delivered by the Company. However, in the case of invoicing carried out in advance and for a given period (subscription that would be spread over two separate fiscal years, for example) the amount will be corrected at the closing date by deferred income (in proportion to the portion relating to the given fiscal year) in order to respect the principle of revenue recognition and that of independence of fiscal years.

### Revenue: €1,346 thousand

#### 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. In this context, CARBIOS recorded a royalty income of €280 excluding tax on the basis of the first sales made by CARBIOLICE and arising from the use of the licenses granted.

#### CARBOLICE 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 for an additional two years, and increase the total amount of the contract to €2,500 thousand. At the end of the 2020 fiscal year, operating revenues represented €526 thousand.

#### Other contracts

In addition, the Company obtained €820 thousand from other contracts, part of which came from contracts signed with CARBIOLICE (see Note 17).

### Other operating income: €297 thousand

#### Operating subsidy

For the CE-PET project, the Company recorded an operating subsidy of €242 thousand. As a precaution, no income receivable has been recognized relating to the expenses incurred in key stage 3, the date of which is scheduled for June 30, 2021, and whose validation is uncertain.

#### Other operating income

The Company recorded operating income of €55 thousand in respect of reversals of depreciation, amortization and provisions, transfer of expenses.



**NOTE 15 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:

<i>(in thousands of euros)</i>	<b>2020</b>	<b>2019</b>
Other costs and external expenses		
External studies, subcontracting and scientific consultations	1,083	621
Consumables	76	61
Supplies	82	72
Rentals, maintenance and upkeep expenses	579	290
Expenses and fees related to industrial property	53	42
Fees	1,378	1,072
Business travel	109	205
Miscellaneous expenses	245	148
<b>Total other expenses and external expenses</b>	<b>3,605</b>	<b>2,511</b>
Taxes and similar payments	66	25
Salaries and wages	2,904	2,018
Social security contributions	1,288	912
Depreciation of fixed assets	455	349
Other expenses	147	171
<b>TOTAL OPERATING EXPENSES</b>	<b>8,464</b>	<b>5,986</b>

In 2020, CARBIOS' operating expenses amounted to €8,464 thousand (compared to €5,986 thousand in 2019), of which 61% was devoted to research (up by ten points compared to 2019). 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 2020 is mainly due to the increase in external R&D expenses and personnel expenses (in particular R&D) in line with the increased efforts to develop the PET recycling process.

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.

**NOTE 16 AVERAGE HEADCOUNT**

	<b>Average headcount in 2020</b>	<b>Average headcount in 2019</b>
Managers	21	16
Supervisory staff and technicians	10	8
Employees	0	1
<b>TOTAL</b>	<b>31</b>	<b>24</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.



## NOTE 17 RELATED PARTIES

Related parties	Nature of the relationship with the related party	Amounts of transactions with related parties (amounts due)
Jean-Claude LUMARET, Chief Executive Officer	Employment contract	Fixed compensation: €122,960 Annual variable bonus: €88,531 Exceptional bonus: €61,480 Benefits in kind: €15,017, of which €11,568 for the French social security regime for company managers (indemnities or benefits due or liable to be due on severance or change of position).
Martin STEPHAN Deputy Chief Executive Officer	Employment contract	Fixed compensation: €219,420 Annual variable bonus: €69,117 Exceptional bonus: €54,855 Benefits in kind: €7,039

No advances or loans were granted to them, and no other commitments were made on their behalf.

The following transactions were performed during the 2020 fiscal year with the subsidiary CARBIOLICE:

- CARBIOLICE research services agreement (€526 thousand in operating income): See Note 14;
- licensing and sub-licensing of patents and know-how: See Note 14;
- rebilling of tests and regulatory matters (€93 thousand in operating income): Rebilling of fees related to regulatory matters, in accordance with the letters of agreement signed with CARBIOLICE.

These rebillings were not carried out under normal market conditions, since no margin was applied but were not significant.

The Company has not received or granted any financial commitment to its subsidiary or its managers.

## NOTE 18 STATUTORY AUDITORS' FEES

The total amount of Statutory Auditors' fees shown in the income statement for the fiscal year ((French General Accounting Plan art. 833-14/4) amounts to €55,100 and breaks down as follows:

- Fees relating to the certification of the financial statements for €38,600;
- Fees relating to other services of €16,500.

## NOTE 19 FINANCIAL INCOME

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. Finally, a state-guaranteed loan was released on August 31, 2020 at the rate of 0.25%. The conditional advances granted by Bpifrance and ADEME do not carry interest.

Financial revenues (in thousands of euros)	2020	2019
Financial income	27	32
Financial expenses	120	61
<b>NET FINANCIAL INCOME</b>	<b>(93)</b>	<b>(29)</b>

Financial income mainly comes from investments of available cash amounting to €25 thousand.

Financial expenses in 2020 consist mainly of interest on the Bpifrance loans for €115 thousand.



## NOTE 20 EXTRAORDINARY GAIN OR LOSS

For the fiscal year 2020, an extraordinary loss of €720 thousand was recognized, mainly from the scrapping of investments made on the Saint-Fons site, which cannot be transferred (up to €780 thousand) to the new demonstration plant construction site located in Clermont-Ferrand. This loss is slightly offset by €80 thousand in bonuses on treasury shares realized under the liquidity contract.

## NOTE 21 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 €1,488 thousand as of December 31, 2020.

The fiscal deficit carried forward at the end of the fiscal year amounted to €35,070,006.

## NOTE 22 COMMITMENTS GIVEN

### Retirement indemnity

The Company has not signed any specific agreement on pension commitments, which are therefore limited to the contractual retirement benefit.

No provisions for charges were recognized in respect of this fiscal year.

The retirement benefit is determined by applying a method that takes into account projected end-of-career salaries, employee turnover, life expectancy and the assumption of discounting expected payments.

The rights of employees to retirement indemnities were assessed at €228,868 as at December 31, 2020.

This figure was calculated according to the following assumptions:

- voluntary retirement;
- retirement age: 67 years;
- turnover: slow;
- discount rate: 0.34%;
- increase in wages: 2%.

### Risk hedging set up for the benefit of funders

The two Bpifrance loans are covered by life insurance policies - PTIA underwritten for Alain Marty (50%) and Martin Stephan (50%). The term of loans provides for a 2 year deferred repayment and annual straight-line repayment over the following 5 years.

### Leasing

The Company's commitments include the sale and leaseback financing of industrial equipment for a total of €417 thousand over a period of five years (see details in the table below). In this respect, the Company has obtained total financing of approximately €600 thousand from a banking partner; the total amount had not been committed as of December 31, 2020.



	Land	Buildings	Equipment Tools	Other	Total
Initial values:			416,610		416,610
Depreciation:					
Previous aggregations			2,959		2,959
Provisions for the fiscal year			80,901		80,901
<b>TOTAL</b>			<b>83,860</b>		<b>83,860</b>
Fees paid:					
Previous aggregations			5,765		5,765
Fiscal year			87,658		87,658
<b>TOTAL</b>			<b>93,423</b>		<b>93,423</b>
Fees to be paid:					
At maximum one year			89,338		89,338
From over 1 year to less than 5 years			263,928		263,928
Over 5 years					
<b>TOTAL</b>			<b>353,266</b>		<b>353,266</b>
Residual value:					
At maximum one year					
From over 1 year to less than 5 years			4,166		4 166
Over 5 years					
<b>TOTAL</b>			<b>4,166</b>		<b>4,166</b>

## NOTE 23 TABLE OF SUBSIDIARIES AND EQUITY INTERESTS

The French Commercial Code provides for an exemption from the preparation of consolidated financial statements when a company and the companies it controls are classified as a small group, that is to say:

- if two of the following three criteria are not exceeded for two successive fiscal years (French Commercial Code art. L 233-17 and R 233-16):
  - employees: 250,
  - revenue: €48 million,
  - Statement of financial position total: €24 million,

- and that none of the entities in this group is subject to Article L 123-16-2 of the French Commercial Code, namely:
  - credit institutions and finance companies,
  - insurance companies, provident institutions, mutual funds,
  - persons and entities whose financial securities are admitted to trading on a regulated market,
  - persons and entities making a public appeal for generosity within the meaning of Law No. 91-772 of August 7, 1991.

In this respect, the Company complies with these conditions and therefore has no obligation to prepare consolidated financial statements. Information on the financial statements of its subsidiary CARBIOLICE is nevertheless presented in section 5.3.

Company name	Share	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	29,500,000	(14,515,745)	62.71%	20,500,000	-	-	564,135	(4,465,914)	-	

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, 2020.





## 5.2 STATUTORY AUDITORS' REPORT

### STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS FOR 2020

(Fiscal year ended December 31, 2020)

To the Shareholders' Meeting

#### Opinion

Pursuant to the mission entrusted to us by your Shareholders' Meeting, we have audited the annual financial statements of Carbios for the fiscal year ended December 31, 2020, as appended to this report.

We certify that in accordance with French accounting principles, the annual financial statements are sincere and provide a true and fair view of the results of operations, financial position and assets of the company at the end of the fiscal year.

#### Basis of opinion

##### Audit guidelines

We conducted our audit in accordance with the professional standards applicable in France. We believe that the information we have collected is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are indicated in the section "Statutory Auditors' responsibilities with regard to the audit of the annual financial statements» in this report.

##### Independence

We carried out our audit in compliance with the rules of independence provided for by the French Commercial Code and by the Statutory Auditors' Code of Ethics for the period from January 1, 2020 to the date of issue of our report.

##### Justification for the assessments

The global crisis linked to the COVID-19 pandemic creates particular conditions for the preparation and audit of the financial statements for this fiscal year. This crisis and the exceptional measures taken in the context of the health state of emergency have multiple consequences for companies, particularly on their activities and their financing, as well as increased uncertainties about their future prospects. Some of these measures, such as travel restrictions and remote working, have also had an impact on the internal organization of companies and the way in which audits are carried out.

It is in this complex and evolving context that, in application of the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code concerning the justification for our assessments, we would like to draw your attention to the following assessments which, in our professional judgement, were the most material for the audit of the annual financial statements for the fiscal year.

The assessments made come within the context of the audit of the annual financial statements taken as a whole and the formation of our opinion expressed above. We do not express an opinion on the elements of these annual financial statements taken separately.

##### Accounting estimates

Equity securities, for which the net amount shown in the statement of financial position at December 31, 2020 is €20,500,000, are valued at their acquisition cost and are impaired, if necessary, on the basis of their value in use according to the methods described in note 5 to the financial statements.

Our work consisted in reviewing the impairment test performed by the Company with the help of its experts and assessing the consistency of the data and assumptions on which these estimates are based and in particular the cash flow forecasts of the Carbiolice subsidiary. We carried out tests to verify, on a sample basis, the application of the method described in the appendix and examined the procedure for approval of these estimates by management.

As part of our assessments, we verified the reasonable nature of these estimates.

##### Specific checks

In accordance with professional standards applicable in France, we have also performed the specific verifications required by law and regulations.

##### Information provided in the management report and in the other documents on the financial position and the annual financial statements addressed to shareholders

We have no matters to report as to the fair presentation and the consistency with the annual financial statements of the information given in the management report of the Board of Directors and in the other documents on the financial position and the annual financial statements sent to the shareholders.



We attest to the fairness and consistency with the annual financial statements of the information relating to payment terms mentioned in Article D.441-6 of the French Commercial Code.

### **Corporate governance information**

We hereby confirm that the section of the Board of Directors' management report on corporate governance contains the information required by Article L.225-37-4 of the French Commercial Code.

### **Other information**

In accordance with the law, we have ensured that the various information relating to the acquisition of shareholdings and control and the identity of the holders of share capital or voting rights were communicated to you in the management report.

### **Responsibilities of management and the people comprising the corporate governance with regard to the annual financial statements**

The management team is responsible for preparing annual financial statements that present a true and fair view in accordance with French accounting rules and principles, as well as setting up the internal control that it considers necessary for preparing annual financial statements that do not include material misstatements, resulting either from fraud or errors.

When preparing the annual financial statements, it is the responsibility of management to assess the Company's ability to continue as a going concern, to present in these financial statements, where applicable, the necessary information relating to the going concern and to apply the going concern accounting convention, unless it is planned to liquidate the company or cease operations.

The annual financial statements were approved by the Board of Directors.

### **Responsibilities of the Statutory Auditors with regard to the audit of the annual financial statements**

It is our responsibility to prepare a report on the annual financial statements. Our aim is to obtain the reasonable assurance that the annual financial statements taken as a whole do not include material misstatements. Reasonable assurance corresponds to a high level of assurance, but does not guarantee that an audit conducted in accordance with professional standards will systematically detect all material misstatements. Misstatements may come from fraud or result from errors and are considered as material when we can reasonably expect that they may, taken individually or cumulatively, influence the economic decisions that users of the financial statements may make based on the financial statements.

As stipulated in article L.823-10-1 of the French Commercial Code, our certification task for the financial statements does not consist of guaranteeing the viability or quality of your Company.

As part of an audit conducted in accordance with the professional standards applicable in France, the Statutory Auditor exercises his/her professional judgment throughout this audit. Moreover:

- he/she identifies and assesses the risks that the annual financial statements include material misstatements, either from fraud or resulting from errors, defines and implements audit procedures to address these risks, and collects the elements that he/she considers sufficient and appropriate on which to base his/her opinion. The risk of non-detection of a material misstatement from fraud is higher than for a material misstatement resulting from an error, as fraud may involve collusion, falsification, voluntary omission, false declaration or circumvention of internal control;
- he/she takes note of the relevant internal control for the audit in order to define the appropriate audit procedures and not to express an opinion on the effectiveness of the internal control;
- he/she assesses the appropriate nature of the selected accounting methods and the reasonable nature of the accounting estimates made by management, as well as the information about them provided in the annual financial statements;
- he/she assesses the appropriate nature of management's application of the going concern convention and, depending on the elements collected, whether or not a material uncertainty or circumstances exist that are likely to call into question the Company's ability to continue its operations. This assessment is based on the elements collected up to the date of his/her report, it being recalled that subsequent circumstances or events may call into question the going concern. If he/she concludes that a material uncertainty exists, he/she draws the readers' attention to the information provided in the annual financial statements on the subject of this uncertainty or, if this information is not provided or is not relevant, he/she formulates a certification with reserves or refuses the certification;
- he/she assesses the presentation of the annual financial statements as a whole and assesses whether the annual financial statements reflect the underlying operations and events so as to provide a true and fair view.

Neuilly-sur-Seine, April 14, 2021

The Statutory Auditor  
PricewaterhouseCoopers Audit  
Flora Camp



## 5.3 ADDITIONAL INFORMATION CONCERNING CARBIOLICE

The information presented below is taken from the CARBIOLICE financial statements as at December 31, 2020. As at the date of this Universal Registration Document, the Statutory Auditors were in the process of preparing a report on these financial statements. CARBIOLICE's financial statements were approved by the CARBIOLICE Board of Directors on March 26, 2021.

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 5.3 contains specific information relating to operating flows between CARBIOS and CARBIOLICE.

### ASSETS

	12/31/2020			12/31/2019
	Gross	Amort./Deprec.	Net	Net
<i>(In thousands of euros)</i>				
<b>FIXED ASSETS</b>				
<b>Intangible assets</b>	<b>10,428</b>	<b>2,487</b>	<b>7,942</b>	<b>8,621</b>
Establishment costs	40	35	5	13
Concessions, patents, licenses, software	8,177	2,452	5,726	6,452
Commercial fund	2,043	-	2,043	2,043
Other intangible assets	168	-	168	113
<b>Property, plant and equipment</b>	<b>4,374</b>	<b>2,972</b>	<b>1,402</b>	<b>1,029</b>
Other property, plant and equipment	3,930	2,972	958	987
Property, plant and equipment under construction	335	-	335	-
Advances on assets under construction	109	-	109	42
<b>Financial assets</b>	<b>17</b>	<b>-</b>	<b>17</b>	<b>14</b>
Equity interests	-	-	-	-
Other non-current financial assets	17	-	17	14
<b>TOTAL FIXED ASSETS</b>	<b>14,820</b>	<b>5,459</b>	<b>9,361</b>	<b>9,664</b>
<b>CURRENT ASSETS</b>				
Laboratory raw material inventories	1,015	165	850	365
Trade receivables and related accounts	67	-	67	130
State receivables	742	-	742	746
Other receivables	4	-	4	26
Subscribed capital - called up, not paid up	-	-	-	-
Cash, cash equivalents and marketable securities	8,134	-	8 134	3067
Prepaid expenses	89	-	89	45
<b>TOTAL CURRENT ASSETS</b>	<b>10,052</b>	<b>165</b>	<b>9,886</b>	<b>4,378</b>
Expense to be spread over the loan	-	-	-	-
<b>OVERALL TOTAL</b>	<b>24,871</b>	<b>5,624</b>	<b>19,248</b>	<b>14,042</b>

Notes to the CARBIOLICE statement of financial position:

- The gross amount of the item "Patents, licenses, trademarks," valued at €8,177,260, corresponds 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 amount of the "Commercial fund" item, valued at €2,042,654, comes entirely from the partial contribution of assets made by Limagrain Ingrédients in 2016, for a total of €3.5 million (please refer to section 1.6.2.2 of the Company's 2019 Universal Registration Document).



## LIABILITIES

<i>(In thousands of euros)</i>	12/31/2020	12/31/2019
<b>EQUITY</b>		
Share capital	29,500	22,200
Issue, merger and contribution premiums	-	-
Retained earnings	(10,584)	(6,774)
Investment subsidies	65	47
Profit and loss for the period	(4,466)	(3,810)
<b>TOTAL EQUITY</b>	<b>14,516</b>	<b>11,664</b>
<b>OTHER EQUITY CAPITAL</b>		
Conditional advances	-	-
<b>DEBT</b>		
Loans	3,771	1,645
Trade and other payables	607	294
Tax and social liabilities	354	330
Other liabilities	-	109
Deferred income	-	-
<b>TOTAL LIABILITIES</b>	<b>4,732</b>	<b>2,378</b>
<b>OVERALL TOTAL</b>	<b>19,248</b>	<b>14,042</b>





## FINANCIAL STATEMENTS

Additional information concerning CARBIOLICE

<i>(in thousands of euros)</i>	France	Exports	12/31/2020	12/31/2019
Sales of goods	369		369	419
Production sold, goods	55	132	187	343
Production sold, services	0	8	8	6
<b>Net revenue</b>	<b>424</b>	<b>140</b>	<b>564</b>	<b>769</b>
Stored production			156	0
Capitalized production			-	-
Operating subsidy :			-	-
Reversals of depreciation, amortization and provisions, expense transfers			82	109
Other income			0	0
<b>Total operating revenues</b>			<b>802</b>	<b>877</b>
Purchases of goods			334	371
Inventory change (goods)				
Purchases of raw materials and other supplies			952	233
Inventory change (raw materials and supplies)			(421)	106
Other purchases and external expenses			2,218	1,915
Taxes and similar payments			35	27
salaries and wages			1,111	1,057
Social security contributions			435	418
Depreciation of fixed assets			1,078	1,094
Provisions for fixed assets			-	-
Provisions on current assets			111	50
Provisions for contingencies and charges			-	-
Other expenses			0	0
<b>Total operating expenses</b>			<b>5,852</b>	<b>5,271</b>
<b>OPERATING INCOME</b>			<b>(5,050)</b>	<b>(4,393)</b>
Profit allocated or loss transferred			-	-
Loss incurred or profit transferred			-	-
Financial income from investments			-	-
Income from other securities and fixed asset receivables			-	-
Other interest and similar income			-	-
Reversals of provisions and expense transfers			-	-
Positive exchange rate differences			0	-
Net income on sales of marketable securities			-	-
<b>Total financial income</b>			<b>0</b>	<b>0</b>
Depreciation, amortization and provisions			-	-
Interest and similar expenses			12	0
Negative exchange rate differences			0	-
Net expenses on sales of marketable securities			-	-
<b>Total financial expenses</b>			<b>12</b>	<b>0</b>
<b>NET FINANCIAL INCOME</b>			<b>(12)</b>	<b>(0)</b>
<b>CURRENT INCOME BEFORE TAXES</b>			<b>(5,062)</b>	<b>(4,394)</b>



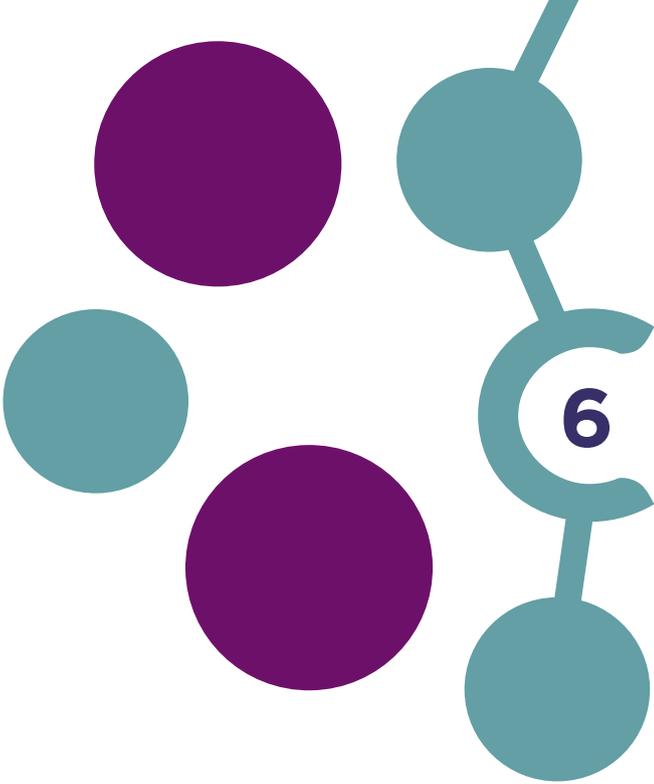
<i>(in thousands of euros)</i>	France	Exports	12/31/2020	12/31/2019
Extraordinary income on management transactions			16	15
Extraordinary income on equity transactions			178	285
Reversals of provisions and expense transfers			-	-
<b>Total extraordinary income</b>			<b>194</b>	<b>300</b>
Extraordinary expenses on management transactions			-	52
Extraordinary expenses on capital transactions			175	278
Extraordinary depreciation and provisions			-	-
<b>Total extraordinary expenses</b>			<b>175</b>	<b>330</b>
<b>EXTRAORDINARY GAIN OR LOSS</b>			<b>19</b>	<b>(30)</b>
Employee profit-sharing			-	-
Income tax (research tax credit)			(577)	(614)
<b>TOTAL INCOME</b>			<b>996</b>	<b>1,177</b>
<b>TOTAL EXPENSES</b>			<b>5,462</b>	<b>1,987</b>
<b>PROFIT OR LOSS</b>			<b>(4,466)</b>	<b>(3,810)</b>

## INTRA-GROUP CASH FLOWS THROUGH THE SIMPLIFIED INCOME STATEMENTS OF CARBIOS AND CARBIOLICE

<i>Cash flows (In thousand euros)</i>	CARBIOLICE - 2020 fiscal year		CARBIOLICE - 2019 fiscal year	
	Of which CARBIOS		Of which CARBIOS	
Operating revenues	802	0	877	0
Operating expenses	5,852	619	5,271	588
Operating income	(5,050)	(619)	(4,393)	(588)
Net income	(4,466)	(619)	(3,810)	(588)







## CAPITAL AND SHAREHOLDING

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## 6.1 SHAREHOLDING

### 6.1.1 DISTRIBUTION OF SHARE CAPITAL

#### 6.1.1.1 Distribution of share capital over the last three fiscal years

Shareholders	Capital as of 12/31/2020			Capital as of 12/31/2019			Capital as of 12/31/2018		
	Number of shares	% of share capital	% of voting rights	Number of shares	% of share capital	% of voting rights	Number of shares	% of share capital	% of voting rights
Holding Incubatrice Chimie Verte	0	0.00%	0.00%	407,330	5.90%	7.28%	235,843	5.06%	9.36%
Fonds Truffle Capital	162,227	2.00%	2.00%	1,263,759	18.30%	17.98%	899,392	19.31%	18.43%
Directors <sup>(1)</sup>	199	0.00%	0.00%	11,807	0.17%	0.19%	5,707	0.12%	0.12%
Copernicus Wealth Management SA <sup>(2)</sup>	635,392	7.84%	7.82%	620,154	8.98%	8.82%	0	0.00%	0.00%
Business Opportunities for L'Oréal Development (BOLD)	482,834	5.96%	5.95%	387,596	5.61%	5.51%	0	0.00%	0.00%
Michelin Ventures	363,410	4.48%	4.48%	310,077	4.50%	4.41%	0	0.00%	0.00%
Treasury shares	1,600	0.02%	N/A	5,830	0.08%	N/A	15,417	0.33%	N/A
Free float	6,459,635	79.70%	79.75%	3,898,056	56.46%	55.80%	3,500,864	75.17%	72.09%
<b>TOTAL</b>	<b>8,105,297</b>	<b>100.0%</b>	<b>100.0%</b>	<b>6,904,609</b>	<b>100.0%</b>	<b>100.0%</b>	<b>4,657,223</b>	<b>100.0%</b>	<b>100.0%</b>

(1) 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.

(2) Shares held by funds and/or individuals with Copernicus Wealth Management SA as their management company.

#### 6.1.1.2 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 1, 2021 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				
	Number of shares	% of share capital	Theoretical number of voting rights	Number of voting rights exercisable	% of voting rights exercisable	Number of shares	% of share capital	Theoretical number of voting rights	Number of voting rights exercisable	% of voting rights exercisable
Fonds Truffle Capital	46,511	0.57%	46,511	46,511	0.57%	46,511	0.52%	46,511	46,511	0.52%
Deinove	0	0%	0	0	0%	170,000	1.92%	170,000	170,000	1.91%
Directors <sup>(1)</sup>	15,798	0.19%	15,799	15,799	0.19%	173,446	1.95%	173,447	173,447	1.95%
Copernicus Wealth Management SA <sup>(2)</sup>	635,392	7.78%	635,392	635,392	7.77%	635,392	7.16%	635,392	635,392	7.15%
BOLD	482,834	5.91%	482,834	482,834	5.90%	482,834	5.44%	482,834	482,834	5.43%
Michelin Ventures	363,410	4.45%	363,410	363,410	4.44%	363,410	4.09%	363,410	363,410	4.09%
Treasury shares	2,377	0.03%	2,377	0	N/A	2,377	0.03%	2,377	0	N/A
Free float	6,618,150	81.06%	6,635,171	6,635,171	81.12%	7,003,150	78.89%	7,020,171	7,020,171	78.95%
<b>TOTAL</b>	<b>8,164,472</b>	<b>100%</b>	<b>8,181,494</b>	<b>8,179,117</b>	<b>100%</b>	<b>8,877,120</b>	<b>100%</b>	<b>8,894,142</b>	<b>8,891,765</b>	<b>100%</b>

(1) 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.

(2) Shares held by funds and/or individuals with Copernicus Wealth Management SA as their management company.



CARBIOS is one of its main shareholders:

- Copernicus Wealth 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 Wealth Management favors investments in innovative companies 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;
- Truffle Capital, a major independent player in the European private equity 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 €700 million in vehicles for natural persons (FCPIs, management mandates and holdings), as well as institutional funds (FPCIs), and has built a solid portfolio of rapidly growing innovative companies.

### 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

- 533,048 BCEs. If all of these BCEs were exercised, they would give rights to 533,048 new shares.
- 179,600 BSAs. If all of these BSAs were exercised, they would give rights to 179,600 new shares.

	Existing securities	In the event of exercising BCEs	In the event of exercising BSAs	In the event of exercising BSAs and BCEs
Number of shares	8,164,472	533,048	179,600	712,648
Total number of shares after exercising warrants		8,697,520	8,344,072	8,877,120
Dilution (on an undiluted basis)		6.53%	2.20%	8.73%

## 6.1.2 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 April 1, 2021, among the shareholders, Jean-Claude Lumaret holds double voting rights for one of his shares and the registered shareholders included in the free float hold double voting rights for 17,021 of their actions.

As at the date of this Universal Registration Document, 17,022 Company shares carried double voting rights. These shares represent 0.21% of share capital and 0.21% of exercisable voting rights.

## 6.1.3 CONTROL OF THE ISSUER

Given the capitalization table and the table showing the breakdown of voting rights set out in section 6.1.1 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 Strategic Committee), as described earlier in sections 4.1.5.2.1 and 4.1.5.2.2 of this Universal Registration Document.

The Company has not taken any other measures to ensure that control is not exercised in an abusive manner.





## 6.2 STOCK MARKET DATA

The Company's shares have been listed on the Euronext Growth Paris market since December 19, 2013.

### 6.2.1 GENERAL INFORMATION

Number of shares listed as at 12/31/2020	8,105,297
Highest price over one year (in 2020)	€47.55
Lowest price over one year (in 2020)	€6.06
Year's average daily volume (in 2020)	55,389 shares
ISIN	FR0011648716
Stock market indices	Euronext Growth All-share, Euronext Growth Bpifrance Innovation Index, Enter Next PEA PME 150

### 6.2.2 TRENDS IN SHARE PRICE SINCE JANUARY 1, 2020

	Price per share (in euros)	
	Highest	Lowest
<b>2020</b>	<b>47.55</b>	<b>6.06</b>
January	9.90	8.88
February	9.68	6.78
March	8.00	6.06
April	18.00	7.00
May	15.00	11.50
June	25.85	13.34
July	39.50	20.60
August	34.20	23.50
September	31.85	26.50
October	35.50	26.50
November	43.20	29.10
December	47.55	38.25
<b>2021</b>	<b>61.80</b>	<b>39.60</b>
January	56.80	39.80
February	61.80	45.10
March	61.80	39.60



## 6.3 DIVIDEND POLICY

The Company declares that it has no dividend policy in place.

## 6.4 OTHER INFORMATION CONCERNING THE SHARE CAPITAL

### 6.4.1 SHARE CAPITAL

#### 6.4.1.1 Amount of share capital

As at the date of this Universal Registration Document, the Company's share capital stood at €5,715,130.40 divided into 8,164,472 ordinary shares with a nominal value of €0.70 each, entirely subscribed and fully paid-up.

#### 6.4.1.2 Non-equity shares

As at the date of this Universal Registration Document, there are no non-equity shares.

#### 6.4.1.3 Treasury stock

The Company concluded a liquidity agreement with Oddo BHF and Natixis, on June 12, 2020, taking effect on July 1, 2020 in the evening, 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.

#### 6.4.1.4 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
DEINOVE		170,000		
Jacqueline LECOURTIER	1,253		6,747	1,600
<b>TOTAL</b>	<b>1,253</b>	<b>170,000</b>	<b>6,747</b>	<b>1,600</b>

Holders	BCE 2012-1	BCE 2013-1	BCE 2015-2	BCE 2017-1	BCE 2019-1	BCE 2020	BCE 2021
Alain MARTY			15,000			75,000	
Jean-Claude LUMARET						112,500	
Alain CHEVALLIER	1,548	6,000					
Martin STEPHAN				35,000		75,000	
Ian HUDSON					28,000		
Kader HIDRA						100,000	
Other employees							85,000
<b>TOTAL</b>	<b>1,548</b>	<b>6,000</b>	<b>15,000</b>	<b>35,000</b>	<b>28,000</b>	<b>362,500</b>	<b>85,000</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 712,648 shares to be issued, i.e. a dilution of 8.73% on an undiluted basis (amounting as

We inform you that on December 31, 2020, the following resources were allocated to the liquidity account:

- number of shares: 1,600 securities;
- cash balance of the liquidity account: €170,789.61;
- carrying amount of the shares: €36,017.74.

During the second half-year 2020, the following total was negotiated:

Purchase	4,264 shares	€101,746.30	72 transactions
Sale	4,712 shares	€121,006.70	77 transactions

Please note that, when the agreement was drafted with Oddo BHF and Natixis, the following funds were included in the dedicated liquidity account:

- 2,048 shares transferred from the former liquidity agreement;
- €151,529.34 in cash transferred from the former liquidity agreement.

at the date of this Universal Registration Document to 8,164,472 shares) and 8.03% on a diluted basis.

Details of the various allocation plans are set out in section 6.4.2 of this Universal Registration Document.





## CAPITAL AND SHAREHOLDING

Other information concerning the share capital

### 6.4.1.5 Unissued authorized share capital

The table below presents the various current 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 2020
Delegation of authority to the Board of Directors to decide to issue, on one 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	This delegation is no longer valid due to the vote of a delegation for the same purpose at the Shareholders' Meeting of June 18, 2020.	<b>BSPCEs issued without consideration</b> <b>The subscription price of the BSPCE:</b> 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. 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.	Nominal amount of the maximum capital increase: €129,500 This amount will be deducted from the total authorized ceiling, set at the 18 <sup>th</sup> resolution of the Shareholders' Meeting of June 19, 2019 <sup>(1)</sup>	<b>Board of Directors meeting of March 12, 2020:</b> Issue of 185,000 BCE-2020.
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 an indication of the beneficiary and within a limit of 20% of the share capital per year	SM of June 18, 2020 Ninth Resolution	This delegation is no longer valid due to the vote of a delegation for the same purpose at the Shareholders' Meeting of January 8, 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: €25,000,000 <sup>(3)</sup>	<b>Board of Directors meetings of July 21 and 22, 2020:</b> Implementation of the delegation of authority Decision of the Chief Executive Officer dated July 27, 2020: The Chief Executive Officer made use of the delegation granted to him by the Board of Directors at its meetings of July 21 and 22, 2020 and noted a capital increase in the amount of €720,000.40 through the issue of 1,028,572 new Company shares.



## CAPITAL AND SHAREHOLDING

Other information concerning the share capital

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 2020
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 18, 2020 Tenth resolution	This delegation is no longer valid due to the vote of a delegation for the same purpose at the Shareholders' Meeting of January 8, 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: €25,000,000 <sup>(3)</sup>	<b>Board of Directors meeting of October 6, 2020:</b> Implementation of the delegation of authority <b>Decision of the Chief Executive Officer dated October 9, 2020:</b> The Chief Executive Officer made use of the delegation granted to him by the Board of Directors at its meeting of October 6, 2020 and noted a capital increase in the amount of €70,000 through the issue of 100,000 new Company shares.
Delegation of authority to the Board of Directors to decide to issue, on one or more occasions, a maximum number of 300,000 share subscription warrants – the “BSAs” – granting rights to the subscription of 300,000 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 18, 2020 Twelfth resolution	18 months, effective from the SM, i.e. until December 17, 2021	<b>Subscription price of BSAs:</b> set by the Board of Directors in light of the report by the independent appraiser appointed by the Board of Directors <b>Subscription price of shares upon exercising BSAs:</b> 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: €210,000 This amount will be deducted from the total authorized ceiling, set at the 15 <sup>th</sup> resolution of the Shareholders' Meeting of June 18, 2020 <sup>(2)</sup>	None.





## CAPITAL AND SHAREHOLDING

Other information concerning the share capital

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 2020
Delegation of authority to the Board of Directors to decide to issue, on one or more occasions, a maximum number of 300,000 founder share subscription warrants (BSPCEs) granting rights to the subscription of 300,000 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 and members of the Board of Directors)	SM of June 18, 2020 Thirteenth resolution	18 months, effective from the SM, i.e. until December 17, 2021	<b>BSPCEs issued without consideration</b> <b>The subscription price of the BSPCE:</b> 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. 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.	Nominal amount of the maximum capital increase: €210,000 This amount will be deducted from the total authorized ceiling, set at the 15 <sup>th</sup> resolution of the Shareholders' Meeting of June 18, 2020 <sup>(2)</sup>	<b>Board of Directors meeting of July 9, 2020:</b> issue of 115,000 BCE 2020 <b>Board of Directors meeting of September 15, 2020:</b> issue of 100,000 BCE 2020
Authorization granted to the Board of Directors for the purchase by the Company of its own shares in accordance with Article L. 22-10-62 of the French Commercial Code	SM of January 8, 2021 Third resolution	18 months, effective from the SM, i.e. until July 7, 2022	-	10% of the share capital	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 January 8, 2021 Fourth Resolution	26 months, effective from the SM, i.e. until March 7, 2023	-	The nominal amount of capital increases is set at €2,100,000 <sup>(5)</sup> Nominal amount of securities representing debt: €100,000,000 <sup>(6)</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 2020
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 January 8, 2021 Fifth resolution	26 months, effective from the SM, i.e. until March 7, 2023	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 €2,100,000 <sup>(5)</sup> Nominal amount of securities representing debt: €100,000,000 <sup>(6)</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 January 8, 2021 Sixth resolution	26 months, effective from the SM, i.e. until March 7, 2023	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 €2,100,000 <sup>(5)</sup> Nominal amount of securities representing debt: €100,000,000 <sup>(6)</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>(7)</sup>	SM of January 8, 2021 Seventh Resolution	18 months, effective from the SM i.e. until July 7, 2022	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 €2,100,000 <sup>(5)</sup> Nominal amount of securities representing debt: €100,000,000 <sup>(6)</sup>	None





## CAPITAL AND SHAREHOLDING

Other information concerning the share capital

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 2020
Authorization to the Board of Directors, for the purposes of increasing the 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	SM of January 8, 2021 Eighth resolution	26 months (it being specified that this authorization shall be implemented within thirty (30) days of the close of the subscriptions for each capital increase determined under the previous four resolutions)	-	The nominal amount of capital increases is set at €2,100,000 <sup>(5)</sup> Nominal amount of securities representing debt: €100,000,000 <sup>(6)</sup>	None
Authorization to the Board of Directors to reduce the Company's share capital by means of cancelling shares	SM of January 8, 2021 Ninth Resolution	18 months, effective from the SM, i.e. until July 7, 2022	-	10% of the share capital per period of 24 months	None

(1) 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.

(2) This amount is deducted from the overall ceiling of capital increases provided for in the Fifteenth Resolution of the Shareholders' Meeting of June 18, 2020, set at €1,810,000.

(3) This amount is deducted from the overall ceiling of issuances of debt securities provided for in the Fifteenth Resolution of the Shareholders' Meeting of June 18, 2020, set at €25,000,000.

(4) The categories of beneficiaries covered by the Tenth Resolution of the Shareholder's Meeting on June 18, 2020 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.

(5) This amount is deducted from the overall ceiling of capital increases provided for in the Tenth Resolution of the Shareholders' Meeting of January 8, 2021, set at €2,100,000.

(6) This amount is deducted from the overall ceiling of issuances of debt securities provided for in the Tenth Resolution of the Shareholders' Meeting of January 8, 2021, set at €100,000,000.

(7) The categories of beneficiaries covered by the Seventh Resolution of the Shareholders' Meeting of January 8, 2021 are as follows:

- investment companies and investment funds governed by French or foreign law that invest on a regular basis in so-called "small or mid-cap" growth companies (including, without limitation, any investment funds or venture capital companies, notably all FPFI, FCPR, FIP or holding companies) in the biotechnology, cleantech, medtech, greentech, new technologies and consumer goods sectors, participating in the issue for a unit investment amount greater than €100,000 (issue premium included); and
- industrial companies operating in the biotechnology, cleantech, medtech, greentech, new technologies and consumer goods sectors, taking a stake in the Company's share capital at the time of the signing of an agreement with the Company, for a unitary investment amount greater than €100,000 (issue premium included).

After the fiscal year 2020 closing, the Board of Directors, at its meeting on January 15, 2021 used the thirteenth resolution of the Shareholders' Meeting of June 18, 2020 and decided to issue and award 85,000 BCE-2021. Please refer to section 6.4.2.2 of this Universal Registration Document.



6.4.1.6 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
By laws	Creation	€1.00	-	500,000	500,000	€500,000.00
01/17/2012	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
06/17/2020	Increase	€0.70	€10.81	18,991	6,923,600	€4,846,520.00
06/17/2020	Increase	€0.70	€10.52	30,000	6,953,600	€4,867,520.00
07/22/2020	Increase	€0.70	€25.55	1,028,572	7,982,172	€5,587,520.40
10/09/2020	Increase	€0.70	€34.30	100,000	8,082,172	€5,657,520.40





## CAPITAL AND SHAREHOLDING

Other information concerning the share capital

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
01/15/2021	Increase	€0.70	€7.06	23,125	8,105,297	€5,673,707.90
01/15/2021	Increase	€0.70	€11.75	9,600	8,114,897	€5,680,427.90
03/11/2021	Increase	€0.70	€11.75	11,000	8,125,897	€5,688,127.90
03/11/2021	Increase	€0.70	€19.91	14,375	8,140,272	€5,698,190.40
03/11/2021	Increase	€0.70	€7.58	9,600	8,149,872	€5,704,910.40
03/11/2021	Increase	€0.70	€11.76	9,600	8,159,472	€5,711,630.40
03/11/2021	Increase	€0.70	€11.76	5,000	8,164,472	€5,715,130.40

### 6.4.2 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>(1)</sup> do not hold any shares in the Company but hold 275,000 BSPCEs; and
- executive corporate officers held 15,798 Company shares and 267,648 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 712,648 shares to be issued, *i.e.* a dilution of 8.73% on an undiluted basis (amounting as at the date of this Universal Registration Document to 8,164,472 shares) and 8.03% on a diluted basis.

(1) With the exception of Jean-Claude Lumaret and Martin Stephan, whose shares and securities are included with the shares of the executive corporate officers.



### 6.4.2.1 Features of the BSA plans

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 OF APPENDIX 2 OF THE AMF POSITION-RECOMMENDATION N°2021-02: HISTORY OF SHARE SUBSCRIPTION OR PURCHASE ALLOCATIONS**

	BSA 2011-1	BSA 2012-1	BSA 2012-2	BSA 2013-1
Date of Shareholders' Meeting	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	Decision of the Shareholders' Meeting on 07/26/2013
Total number of shares that may be subscribed or purchased, of which the number that may be subscribed or purchased by:	1,253	170,000	20,241	14,400
Jacqueline LECOURTIER	1,253	-	6,747	1,600
Warrant exercise start date	06/08/2013	According to the achievement of the exercise criteria (see methods above)	09/28/2013	07/26/2014
Expiration date	06/08/2022	09/28/2022	09/28/2022	07/26/2023
Price of subscription or purchase of warrant <sup>(1)</sup>	0.10	Free	0.22	0.22
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 06/08/2013, for up to 626 warrants calculated according to the following rule beginning from June 8, 2012: $x = (\text{total number of BSAs 2011-1 allocated to the beneficiary} * \text{nb. of months since 6/08/2012})/48$	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: $x = (\text{total nb of BSAs 2012-2 allocated to beneficiary} * \text{nb. of months since 09/28/2012})/48$	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	80% of IPO price
Number of shares subscribed as of the date of this Universal Registration Document	0	0	13,494	0
Cumulative number of subscription or purchase warrants canceled or null and void	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	1,600

(1) Subscription price determined on the basis of a report prepared and delivered by an independent expert.





## CAPITAL AND SHAREHOLDING

Other information concerning the share capital

	BSA 2015-2	BSA 2015-3	BSA 2016-1
Date of Shareholders' Meeting	Shareholders' Meeting of 06/24/2015	Shareholders' Meeting of 06/24/2015	Shareholders' Meeting of 06/17/2016
Date of Board of Directors' meeting	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
Total number of shares that may be subscribed or purchased, of which the number that may be subscribed or purchased by:	9,600	9,600	9,600
Pascal JUÉRY	9,600	-	-
Jean FALGOUX	-	9,600	-
Ian HUDSON	-	-	9,600
Warrant exercise start date	06/24/2016	06/24/2016	12/15/2017
Expiration date	06/24/2025	06/24/2025	12/15/2026
Number of BSAs subscribed	9,600	9,600	9,600
Price of subscription or purchase of warrant <sup>(1)</sup>	0.85	0.85	0.59
Warrant exercise method	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: $x = (\text{total nb. of BSAs 2015-2 allocated to beneficiary} * \text{nb. of months since 06/05/2014})/48$	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: $x = (\text{total nb. of BSAs 2016-1 allocated to beneficiary} * \text{nb. of months since 12/15/2016})/48$
Exercise price	12.4581	12.4581	8.2837
Number of shares subscribed as of the date of this Universal Registration Document	9,600	9,600	9,600
Cumulative number of subscription or purchase warrants canceled or null and void	0	0	0
Share subscription warrants that may be exercised at the date of this Universal Registration Document	0	0	0

(1) Subscription price determined on the basis of a report prepared and delivered by an independent expert.

As at the date of this Universal Registration Document, there were 179,600 BSAs exercisable, granting rights to 179,600 shares.



6.4.2.2 Features of the BSPCE plans

TABLE 8 OF APPENDIX 2 OF THE AMF POSITION-RECOMMENDATION N°2021-02: HISTORY OF SHARE SUBSCRIPTION OR PURCHASE ALLOCATIONS

	BCE 2012-1	BCE 2013-1	BCE 2015-2	BCE 2016-1	BCE 2017-1	BCE 2019-1
Date of Shareholders' Meeting	Collective decision of the shareholders on 09/28/2012	Decision of the Shareholders' Meeting on 07/26/2013	Shareholders' Meeting of 06/24/2015	Shareholders' Meeting of 06/24/2015	Shareholders' Meeting of 06/15/2017	Shareholders' Meeting of 06/14/2018
Date of Board of Directors' meeting	-	-	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
Total number of shares that may be subscribed or purchased, of which the number that may be subscribed or purchased by:	77,386	36,000	31,000	37,982	35,000	28,000
Alain CHEVALLIER	1,548	6,000	-	-	-	-
Jean FALGOUX	-	-	-	37,982	-	-
Martin STEPHAN	-	-	-	-	35,000	-
Ian HUDSON	-	-	-	-	-	28,000
Warrant exercise start date	02/01/2013	07/26/2014	06/24/2016	04/01/2017	06/27/2018	01/01/2020
Expiration date	09/28/2022	07/26/2023	06/24/2025	04/01/2026	06/27/2027	01/01/2029
Price of subscription or purchase of warrant	Free	Free	Free	Free	Free	Free
Warrant exercise method	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: $x = (\text{total nb of BCEs 2012-1 allocated to the beneficiary} * \text{nb of months since 02/01/2012}) / 48$	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: $x = (\text{total nb of BCEs 2013-1 allocated to the beneficiary} * \text{nb. of months since 07/26/2013}) / 48$	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 $y = (\text{number of warrants not yet exercisable}) * \% \text{ determined by the performance of the CARBIOS share price}$





## CAPITAL AND SHAREHOLDING

Other information concerning the share capital

	BCE 2012-1	BCE 2013-1	BCE 2015-2	BCE 2016-1	BCE 2017-1	BCE 2019-1
Exercise price	2.25	80% of IPO price	12.4581	11.5066	7.86	5.29999
Number of shares subscribed as of the date of this Universal Registration Document	75,838	30,000	16,000	18,991	0	0
Cumulative number of subscription or purchase warrants canceled or null and void	0		0	18,991	0	0
Share subscription warrants that may be exercised at the date of this Universal Registration Document	1,548	6,000	15,000	0	35,000	28,000



	BCE-2020-1 to BCE-2020-3	BCE-2020-4 to BCE-2020-6	BCE 2020-7	BCE-2021-1 to BCE-2021-15
Date of Shareholders' Meeting	Shareholders' Meeting of 06/19/2019	Shareholders' Meeting of 06/18/2020	Shareholders' Meeting of 06/18/2020	Shareholders' Meeting of 6/18/2020
Date of Board of Directors' meeting	Decision of the Board of Directors of 03/12/2020	Decision of the Board of Directors of 07/09/2020	Decision of the Board of Directors of 09/15/2020	Decision of the Board of Directors of 1/15/2021
Total number of shares that may be subscribed or purchased, of which the number that may be subscribed or purchased by:	185,000	115,000	100,000	85,000
Jean-Claude LUMARET	92,500	57,500	-	-
Martin STEPHAN	46,250	28,750	-	-
Warrant exercise start date	03/12/2020	07/09/2020	09/15/2020 and 09/15/2021	1/15/2022
Expiration date	03/12/2030	07/09/2030	09/15/2030	1/15/2031
Price of subscription or purchase of warrant	Free	Free	Free	Free
Warrant exercise method	To be exercised, these warrants must satisfy four performance conditions. Each condition met gives the right to exercise one fourth of the BSPCEs allocated. If all of the Company's shares are acquired by an industry player, accelerated vesting is provided depending on the share vesting price.	To be exercised, these warrants must satisfy four performance conditions. Each condition met gives the right to exercise one fourth of the BSPCEs allocated. If all of the Company's shares are acquired by an industry player, accelerated vesting is provided depending on the share vesting price.	To be exercised, 65,000 warrants must satisfy four performance conditions. Each condition met gives the right to exercise one fourth of the 65,000 BSPCEs allocated. If all of the Company's shares are acquired by an industry player, accelerated vesting is provided depending on the share vesting price. For 35,000 warrants, possibility of exercising a number x of warrants per full monthly period beginning on 09/15/2020, and for the first time from 09/15/2021, calculated according to the following rule: $x = (35,000 * \text{nb. of months since } 09/15/2020)/48$	Possibility of exercising a number x of warrants per complete monthly period beginning on 01/15/2021, and for the first time from 01/15/2022, calculated according to the following rule: $x = (\text{total nb. of BCEs } 2021-2021 \text{ allocated to the beneficiary} * \text{nb. of months since } 01/15/2021)/48$
Exercise price	7.75934	20.6050	30.2899	44.5047
Number of shares subscribed as of the date of this Universal Registration Document	23,125	14,375	0	0
Cumulative number of subscription or purchase warrants canceled or null and void	0	0	0	0
Share subscription warrants that may be exercised at the date of this Universal Registration Document	161,875	100,625	100,000 <sup>(1)</sup>	85,000

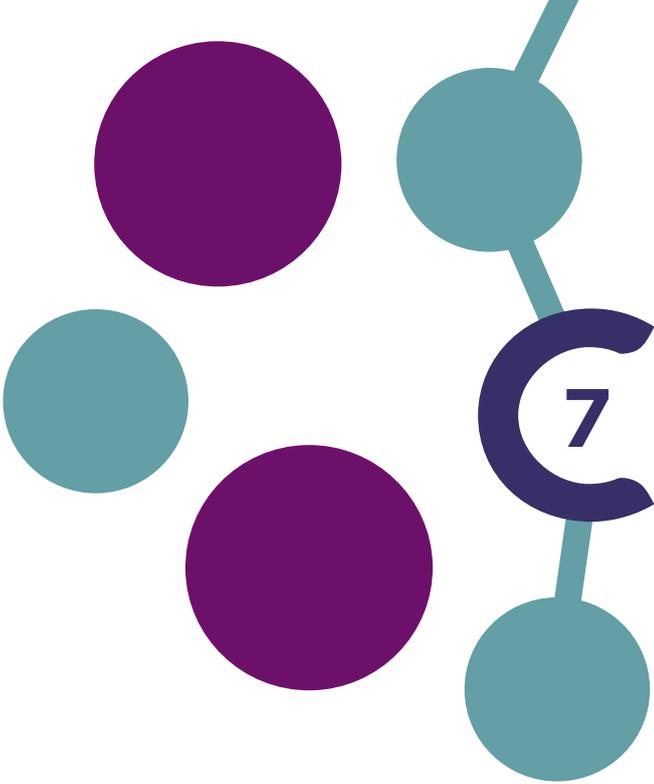
(1) Including 35,000 BCE-2020-7 exercisable from September 15, 2021.

(2) May be exercised starting January 15, 2022.

As at the date of this Universal Registration Document, there were 533,048 BCEs exercisable, granting rights to 533,048 shares.







## ADDITIONAL INFORMATION

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## 7.1 INFORMATION CONCERNING THE ISSUER

### 7.1.1 COMPANY NAME AND BUSINESS NAME

The Company's name is CARBIOS.

### 7.1.2 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.

### 7.1.3 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.

### 7.1.4 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 Émile-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.com](http://www.carbios.com).

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.

### 7.1.5 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).

**September 2011-February 2012:** Creation of the innovative collaborative project THANAPLAST™ for 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.

**December 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.

**February 2013:** Transformation into a public limited company (*société anonyme*) with a Board of Directors.

**August 2013:** Payment by Truffle Capital of the third tranche of funds raised in the form of convertible bonds (€800 thousand).

**September 2013:** Completion of Key Stage 1 of the THANAPLAST™ program and receipt from Bpifrance of an initial tranche of €1.7 million.

**December 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.

**January 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.

**December 2014:** Completion of Key Stage 2 of the THANAPLAST™ program and receipt from Bpifrance of a second tranche of €700 thousand.

**November 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 Limagrains Ingrédients and the investment fund SPI *Sociétés de Projets Industriels* whose management company is Bpifrance to create the CARBIOLICE joint venture.

**September 2016:** Operational launch of the CARBIOLICE joint venture.

**December 2016:** Completion of Key Stage 4 of the THANAPLAST™ program and receipt from Bpifrance of a fourth tranche of €443 thousand.



**July 2017:** Success of a reserved offer of new and existing shares for €4.2 million at a unit price of €7.75.

**October 2017:** L'OREAL and the Company sign an agreement to create a Consortium to industrialize CARBIOS technology for enzymatic plastic recycling.

**December 2017:** Completion of Key Stage5 (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.

**December 2018:** Appointment of Ian Hudson as Chairman of the Board of Directors of CARBIOS.

**January 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.

**January 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.

**December 2019:** CARBIOS receives €1.4 million from ADEME following the success of the first milestone of its CE-PET research project.

**January 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."

**July 2020:** CARBIOS successfully completes a capital increase of €27 million through a placement with qualified investors.

**September 2020:** CARBIOS announces the regrouping of its teams on a same site belonging to the Michelin group. This will enable CARBIOS to host all of its activities, which are currently spread over four different sites.

**October 2020:** CARBIOS acquires all of its 18.02% stake in CARBIOLICE from Limagrain Ingredients.

**November 2020:** CARBIOS produces first clear plastic bottles from enzymatically recycled textile waste.

## 7.2 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.

### 7.2.1 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 immovable, 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.

### 7.2.2 PROVISIONS OF COMPANY BYLAWS, CHARTERS OR REGULATIONS CONCERNING MEMBERS OF THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

#### 7.2.2.1 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.





## ADDITIONAL INFORMATION

### Articles of Incorporation and bylaws

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 eighty-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.

**7.2.2.2 Non-voting directors  
(Article 15.6 of the bylaws)**

Throughout the life of the Company, the Ordinary Shareholders' Meeting may appoint non-voting directors chosen from among the shareholders or outside them.

The number of non-voting directors may not exceed three (3).

The non-voting directors are appointed for a term of one (1) year. Their duties end at the end of the Ordinary Shareholders' Meeting called to approve the financial statements for the previous fiscal year and held during the year in which their duties expire.

Any exiting non-voting director is eligible for reappointment provided he/she meets the conditions of this Article.

Non-voting directors may be dismissed and replaced at any time by the Ordinary Shareholders' Meeting, without any compensation being due to them. The functions of non-voting directors also end by death or incapacity for the non-voting director, who is a natural person, dissolution or judicial reorganization for the non-voting director, that is a legal entity, or resignation.

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 non-voting director in his/her own name, without prejudice to the joint and several liability of the legal entity he/she represents.

The non-voting directors are responsible for ensuring the strict application of the bylaws and presenting their observations to Board of Directors meetings. The non-voting directors perform a general and permanent advisory and supervisory role for the Company. However, they may not, under any circumstances, interfere in the management of the Company, or generally take the place of its legal bodies.

In the performance of their duties, the non-voting directors may, in particular:

- report observations to the Board of Directors;
- ask to be informed, at the registered office of the Company, of all corporate books, registers and documents;
- request and collect all information useful for their work from the Company's general management and statutory auditors;
- be required, at the request of the Board of Directors, to present a report on a specific issue to the Shareholders' Meeting.

The non-voting directors must be convened to each meeting of the Board of Directors in the same way as the directors. Non-voting directors will be entitled to receive the same level of information as the directors.

The non-voting directors shall only have advisory powers, individually or collectively, and shall not have voting rights on the Board.





Failure to convene a meeting or to transmit documents prior to the meeting of the Board of Directors to the non-voting director(s) may in no case constitute a ground for nullifying the decisions taken by the Board of Directors.

### **7.2.2.3 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.

## **7.2.3 CATEGORIES OF EXISTING SHARES (ARTICLES 10 AND 11 OF THE BYLAWS)**

### **7.2.3.1 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.

### 7.2.3.2 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.

### 7.2.3.3 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.

### 7.2.3.4 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.

## 7.2.4 CONDITIONS FOR AMENDING THE RIGHTS OF SHAREHOLDERS

Company bylaws do not provide for any particular rules that derogate from ordinary corporate law.

## 7.2.5 SHAREHOLDERS' MEETINGS (ARTICLES 22 TO 29 OF THE BYLAWS)

### 7.2.5.1 Quorum and majority (Article 22 of the bylaws)

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 votes expressed do not include those attached to shares for which the shareholder has not taken part in the vote, has abstained or has returned a blank or invalid vote.

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. The votes expressed do not include those attached to shares for which the shareholder has not taken part in the vote, has abstained or has returned a blank or invalid vote.

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.

### 7.2.5.2 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.





## ADDITIONAL INFORMATION

### Articles of Incorporation and bylaws

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.

#### 7.2.5.3 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.

#### 7.2.5.4 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.

#### 7.2.5.5 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.

#### 7.2.5.6 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.

#### 7.2.5.7 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.



### 7.2.5.8 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.

### 7.2.6 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.

### 7.2.7 CROSSING OF THRESHOLDS (ARTICLE 11.3 OF THE BYLAWS)

Any natural or legal person, acting alone or in concert, within the meaning of Article L. 233-10 of the French Commercial Code, who holds or ceases to hold a number of shares representing a fraction equal to 5%, 10%, 15%, 20%, 25%, 30%, 33.33%, 50%, 66.66%, 90% or 95% of the share capital or voting rights, is required to inform the Company at the latest before the close of trading on the fourth trading day following the day on which the aforementioned shareholding threshold is crossed, specifying the number of shares and voting rights held. 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, along with any other information required by law. In addition, if the 10%, 15%, 20% and 25% thresholds are crossed, the person required to provide the information provided for above must attach a statement of intent to their declaration of crossing of thresholds, in addition to the aforementioned details.

In addition, any natural or legal person, acting alone or in concert, who holds or ceases to hold a number of shares representing a fraction equal to 50% or 95% of the share capital or voting rights, is required to inform the *Autorité des Marchés Financiers* at the latest before the close of trading on the fourth trading day following the day on which the aforementioned shareholding threshold is crossed, under the conditions set by the general regulations of the *Autorité des Marchés Financiers*.

If they have not been declared in accordance with the above conditions, shares exceeding the fraction that should have been declared are deprived of voting rights under the conditions provided for by the French Commercial Code.

### 7.2.8 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.

### 7.2.9 DIVIDEND RIGHTS (ARTICLE 32 OF THE BYLAWS)

If the financial statements for the fiscal year approved by the Shareholders' Meeting show a distributable profit as defined by law, the Shareholders' Meeting shall decide to whether to appropriate it to one or more reserve accounts, of which it controls the appropriation or use, to appropriate it to retained earnings, or to distribute it.

The Shareholders' Meeting may allow shareholders the option to receive all or part of dividends or interim dividends distributed in either cash or shares, in accordance with the law.

Any losses are carried forward after the approval of the financial statements by the Shareholders' Meeting, as retained losses to be offset against future retained earnings until they are fully compensated.

Each shareholder receives a share of the profits or contributes to the losses in proportion to his/her share in the capital.





## ADDITIONAL INFORMATION

Person responsible

### 7.3 PERSON RESPONSIBLE

#### Person responsible

Jean-Claude Lumaret  
Chief Executive Officer  
Parc d'activités du Biopôle Clermont-Limagne  
3, rue Émile-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 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 its scope.

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 7.7.1, 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 14, 2021

Jean-Claude Lumaret  
Chief Executive Officer

### 7.4 PERSONS RESPONSIBLE FOR AUDITING THE FINANCIAL STATEMENTS

#### 7.4.1 STATUTORY AUDITORS

##### Principal Statutory Auditors

PricewaterhouseCoopers Audit  
Represented by Flora Camp  
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 Auditors

Patrice Morot  
63 Rue de Villiers - 92200 Neuilly Sur Seine, FRANCE  
The Combined Shareholders' Meeting of June 19, 2019 ratified the replacement of Yves Nicolas, who retired, by Patrice Morot as Alternate Statutory Auditor for the remainder of Yves Nicolas' term of office, *i.e.* until 2024, at the end of the Ordinary Shareholders' Meeting to be held during 2024 that will be convened to approve the financial statements for the fiscal year ended on December 31, 2023.  
Patrice Morot is a member of the *Compagnie Régionale des Commissaires aux Comptes* of Versailles.

#### 7.4.2 STATUTORY AUDITORS WHO HAVE RESIGNED OR BEEN DISMISSED

None.



## 7.5 DECLARATION OF APPROVAL FROM THE COMPETENT AUTHORITY

This Universal Registration Document has been filed with the *Autorité des Marchés Financiers*, as the competent authority under (EU) Regulation No. 2017/1129, without prior approval in accordance with Article 9 of said Regulation.

This 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 approved by the French Financial Markets Authority (AMF) and if it is supplemented by any amendments, a securities note and the summary note approved in accordance with (EU) Regulation No. 2017/1129.

## 7.6 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 Émile-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.com](http://www.carbios.com)).

## 7.7 CROSS-REFERENCE TABLES

### 7.7.1 CROSS-REFERENCE TABLE WITH THE INFORMATION REQUIRED IN THE ANNUAL FINANCIAL REPORT, THE MANAGEMENT REPORT AND THE CORPORATE GOVERNANCE REPORT

	Chapter/section of the Universal Registration Document
<b>Annual Financial Report</b>	
<b>Parent company financial statements</b>	Chapter 5
<b>Management report</b>	
• Information on the Company's business activity	Chapter 1; 2.4; 7.1.5
• Risk factors	Chapter 3
• Legal information and shareholding	1.1.3; 4.1; 6.1; 6.4; 7.1
• Financial and fiscal information on the Company	2.1 to 2.3; 5.1; 6.3
• Social, societal and environmental information on the Company	1.1.4; 2.2.4.4
<b>Corporate governance report</b>	
• Directors' terms of office and duties	4.1.1.1; 4.1.1.1.3; 4.1.5.1.2.1
• Regulated agreements	4.3
• Current delegations	6.4.1.5
<b>Declaration of natural persons responsible for the annual financial report</b>	7.3
<b>Statutory Auditors' report on the parent company financial statements</b>	5.2





## **7.7.2 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</b>	<b>Persons responsible, third-party information, experts' reports and competent authority approval</b>	Chapter 7
1.1	Identity of the persons responsible	7.3
1.2	Declaration of the persons responsible	7.3
1.3	Experts' declarations	N/A
1.4	Third-party information	N/A
1.5	Statement from the competent authority	7.5
<b>2</b>	<b>Statutory auditors</b>	7.4
2.1	Principal Statutory Auditors	7.4.1
2.2	Statutory Auditors that resigned or were dismissed	7.4.2
<b>3</b>	<b>Risk factors</b>	Chapter 3
<b>4</b>	<b>Information about the issuer</b>	7.1
4.1	Company name and business name of the issuer	7.1.1
4.2	Place of registration, registration number and LEI of the issuer	7.1.2
4.3	Date of incorporation and length of life of the issuer	7.1.3
4.4	Registered office of the Company and legal form, applicable legislation, website and other	7.1.4
<b>5</b>	<b>Business overview</b>	Chapter 1
5.1	Main activities	1.4 to 1.6
5.1.1	Nature of transactions carried out by the issuer	1.4; 1.5
5.1.2	New products and/or services	1.6
5.2	Principal markets	1.2
5.3	Important events	7.1.5
5.4	Strategy and objectives	1.3
5.5	Extent of dependence	3.2.1.4
5.6	Competitive position of the issuer	1.4.4; 1.5.4; 3.2.1.3
5.7	Investments	2.2.4
5.7.1	Material investments	2.2.4.1
5.7.2	Material investments in progress	2.2.4.2
5.7.3	Joint ventures and significant shareholdings	2.2.4.3
5.7.4	Environmental impact of the use of property, plant and equipment	2.2.4.4
<b>6</b>	<b>Organizational structure</b>	1.1.4
6.1	Brief description of the group	1.1.3; 1.5; 5.3
6.2	List of significant subsidiaries	2.2.4.3
<b>7</b>	<b>Operating and financial review</b>	2.1
7.1	Financial position	2.1
7.1.1	Changes in the issuer's results	2.1.3; 5.1
7.1.2	Likely future development of the issuer's activities and its R&D activities	1.4.3; 1.5.3; 1.6
7.2	Operating income	2.1.2; 2.1.3.1
7.2.1	Key factors	2.1.1
7.2.2	Major changes	N/A



Annexes 1 and 2 of Delegated Regulation (EU) No. 2019/980		Chapter/section of the Universal Registration Document
<b>8</b>	<b>Cash and capital resources</b>	2.2
8.1	Information concerning the issuer's capital	2.2.1
8.2	Cash flows of the issuer	2.2.2
8.3	Financing needs and financing structure of the issuer	2.2.3
8.4	Restrictions on the use of the issuer's capital resources	N/A
8.5	Expected sources of funding	2.2.3
<b>9</b>	<b>Regulatory environment</b>	1.2.2; 1.2.3; 3.2.6
<b>10</b>	<b>Trend information</b>	2.3
10.1	Most significant trends Significant change in financial performance	2.3
10.2	Known trends that are reasonably likely to have a material effect on the issuer's prospects	2.4
<b>11</b>	<b>Profit forecasts or estimates</b>	2.4
<b>12</b>	<b>Administrative, management and supervisory bodies and senior management</b>	4.1
12.1	Information concerning the members of the issuer's administrative and management bodies	4.1.1; 4.1.2
12.2	Conflicts of interest	4.1.4
<b>13</b>	<b>Remuneration and benefits</b>	4.2
13.1	Compensation and benefits paid	4.2
13.2	Total amounts set aside to provide for pension, retirement or similar benefits	N/A
<b>14</b>	<b>Board practices</b>	4.1.5
14.1	Duration of terms of office	4.1.5.1.2.1
14.2	Service contracts	4.1.5.1.2.3
14.3	Information concerning committees	4.1.5.2
14.4	Statement related to corporate governance	4.1.5.2.3
14.5	Implications of future changes in the composition of bodies	N/A
<b>15</b>	<b>Employees</b>	1.1.4; 6.4.2
15.1	Human Resources	1.1.4
15.2	Shareholdings and stock options	6.4.2
15.3	Any arrangements for involving the employees in the capital of the issuer	N/A
<b>16</b>	<b>Major shareholders</b>	6.1
16.1	Distribution of share capital	6.1.1
16.2	Existence of different voting rights	6.1.2
16.3	Control of the issuer	6.1.3
16.4	Agreements resulting in a change of control	N/A
<b>17</b>	<b>Related-party transactions</b>	4.3
<b>18</b>	<b>Financial information concerning the issuer's assets and liabilities, financial position and profits and losses</b>	Chapter 5
18.1	Historical financial information	Chapter 5
18.1.1	Audited historical financial information	Chapter 5
18.1.2	Change of accounting key date	N/A
18.1.3	Accounting standards	preamble Chapter 2; 5.1.4.4
18.1.4	Change in accounting basis	N/A
18.1.5	Breakdown of audited financial information	5.1
18.1.6	Consolidated financial statements	N/A
18.1.7	Date of most recent financial information	5.1





Annexes 1 and 2 of Delegated Regulation (EU) No. 2019/980	Chapter/section of the Universal Registration Document
18.2 Interim and other financial information	N/A
18.3 Audit of historical annual financial information	5.2
18.4 Pro forma financial information	N/A
18.5 Dividend policy	6.3
18.6 Legal and arbitration proceedings	3.3.3
18.7 Significant change in the issuer's financial position	N/A
<b>19 Additional information</b>	<b>6.4</b>
19.1 Share capital	6.4.1
19.1.1 Amount of capital issued by class of shares	6.4.1.1
19.1.2 Non-equity shares	6.4.1.2
19.1.3 Treasury shares	6.4.1.3
19.1.4 Securities	6.4.1.4; 6.4.2
19.1.5 Rights of acquisition and/or any obligations	N/A
19.1.6 Options or agreements	N/A
19.1.7 History of share capital	6.4.1.6
19.2 Articles of Incorporation and bylaws	7.2
19.2.1 Entry in the register and corporate purpose	7.2.1
19.2.2 Rights and preferences of shares	7.2.3.3
19.2.3 Provisions impacting a change of control	7.2.6
<b>20 Material contracts</b>	<b>2.5</b>
<b>21 Documents available</b>	<b>7.6</b>

## 7.8 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.

### ● Enzymatic recycling

Enzymatic process of degrading a polymer into its constituent monomers followed by a conversion process, through the formation of chains, of a monomer, or a mixture of monomers, into a polymer.





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