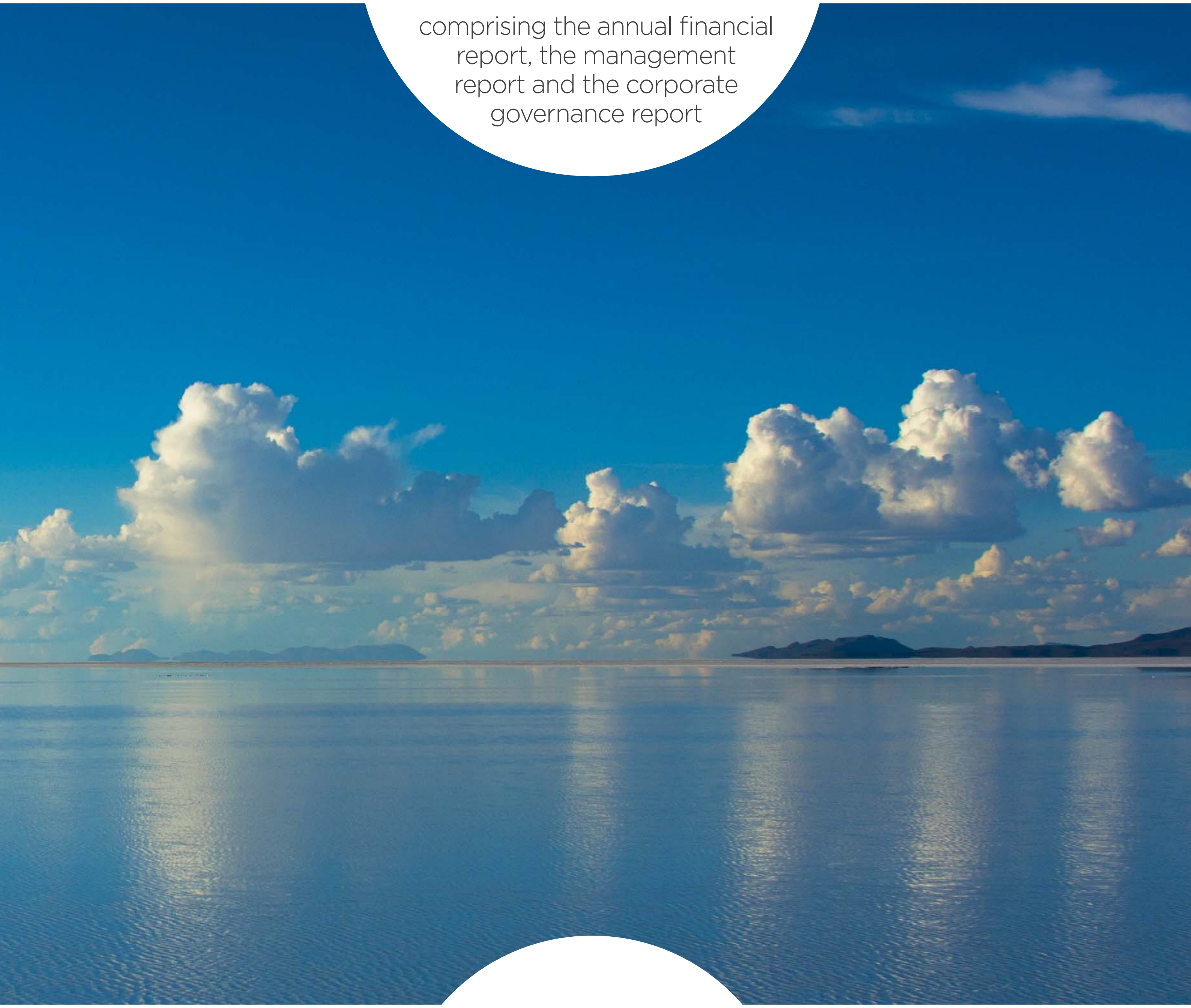
UNIVERSAL REGISTRATION DOCUMENT 2021

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



CARBIOS

Enzymes powering the Circular Economy

CONTENTS

WWW.CARBIOS.COM

THE ITEMS IN THE ANNUAL FINANCIAL REPORT ARE IDENTIFIED IN THE CONTENTS BY THE PICTOGRAMME AFR

CARBIOS

Enzymes powering the Circular Economy

Société anonyme (public limited company) with a Board of Directors and share capital of €7,825,630.40
Registered office: Biopôle Clermont-Limagne - 3 rue Emile Duclaux - 63360 Saint-Beauzire, FRANCE
531 530 228 RCS Clermont-Ferrand

UNIVERSAL REGISTRATION DOCUMENT

2021

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

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This Universal Registration Document was filed on [•], 2022 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, 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 parent company financial statements for the fiscal year ended December 31, 2020 and the related Statutory Auditors' report as presented in sections 5.1 (pages 80 to 105) and 5.3 (pages 106 to 107) of the Universal Registration Document filed with the AMF on April 14, 2021 under the number D.21-0306;
- the review of the Company's results and financial position for the fiscal year ended December 31, 2020 presented in section 2.1 (pages 34 to 42) of the Universal Registration Document filed with the AMF on April 14, 2021 under the number D.21-0306.

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**.

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**) and the AMF's website (**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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1 PRESENTATION OF CARBIOS AND ITS ACTIVITIES

1.1 GENERAL PRESENTATION

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, including [1] 9 million tons that ultimately end up in the natural environment, particularly in our seas and oceans [2].

A target market: PET (PolyEthylene Terephtalate), nearly 90 million tons produced each year [3].

A proprietary technology protected by 41 patent families.

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

Two Carbios innovations labeled as "Efficient Solution" by the Solar Impulse Foundation.

An industrial scale-up supported by the excellent results of the industrial demonstration plant inaugurated in September 2021 in Clermont-Ferrand.

(1) Source: Strait Times in 2015. – (2) Source: ADEME (Agency for ecological transition) in 2012. – (3) Source: IHS Markit in 2021.

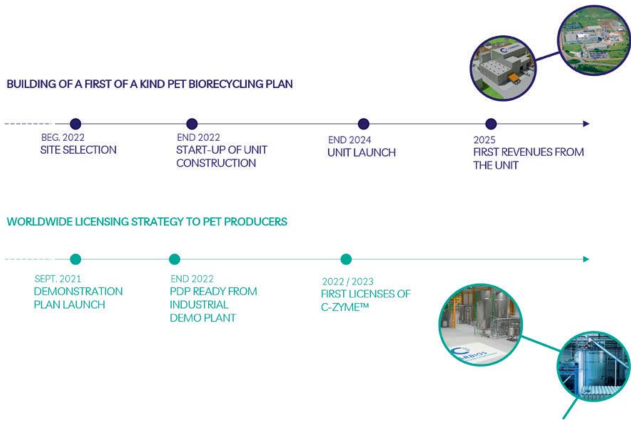
Carbios, a green chemistry company created in April 2011, develops innovative and competitive biological processes constituting a major innovation in the life cycle management of plastics and textiles, for the purpose of industrializing them. Through its unique approach combining biotechnologies and plastics for the first time, Carbios aims to address new consumer expectations and the challenges of the broader environmental transition faced by governments and industrial companies by taking up a major challenge of our time: plastic and textile waste pollution.

Building on the results obtained in its Research and Development work, Carbios has developed new industrial solutions, based on the foundations of the circular economy, to revolutionize the life cycle of plastic and textile materials.

Through its enzymatic recycling technology, Carbios provides an industrial solution to the recycling of PET (the dominant plastic in bottles, trays and textiles made of polyester), which is a market of more than 90 million tons per year worldwide.

This technology, called C-ZYME™, converts all types of PET waste into its basic components (monomers). These can then be used to manufacture new products in 100% recycled and 100% recyclable PET, without loss of quality. After 10 years of R&D, in September 2021, Carbios commissioned an industrial demonstration plant located in Clermont-Ferrand which includes a depolymerization reactor with a capacity of 20 m^3 able to process 2 tons of PET waste per cycle, *i.e.* the equivalent of 100,000 bottles. 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 manufacturers who will build their own industrial units. At the same time, the Company aims to commission of a PET recycling Reference unit, in 2025, with an estimated processing capacity of 50,000 metric tons of PET waste per year. This Reference unit, which will be located in Longlaville (Meurthe-et-Moselle), in partnership with Indorama Ventures, one of the world leaders in PET production, will secure the marketing of the first volumes of recycled PET from Carbios' technology.

The Company has also developed an **enzymatic biodegradation technology** for single-use PLA (plant-based plastic) plastics. A market estimated at 261,000 metric tons in 2020 with an average annual growth rate estimated at 28% until 2025[1]. 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 disruptive innovation was conceded under license to Carbiolice, a joint venture created in 2016, now a wholly-owned subsidiary of Carbios.



After having validated the piloting and industrial demonstration of the PLA biodegradation technology licensed by Carbios, Carbiolice is now responsible for the industrial and commercial deployment of the Evanesto® product, the first additive that enables plastics with a high PLA content (films and rigid plastic packaging) to achieve OK compost HOME certification by TÜV AUSTRIA Group[2].

(1) Source: IHS Markit in 2021.

(2) Please refer to the press release of December 1, 2020 and September 21, 202.1

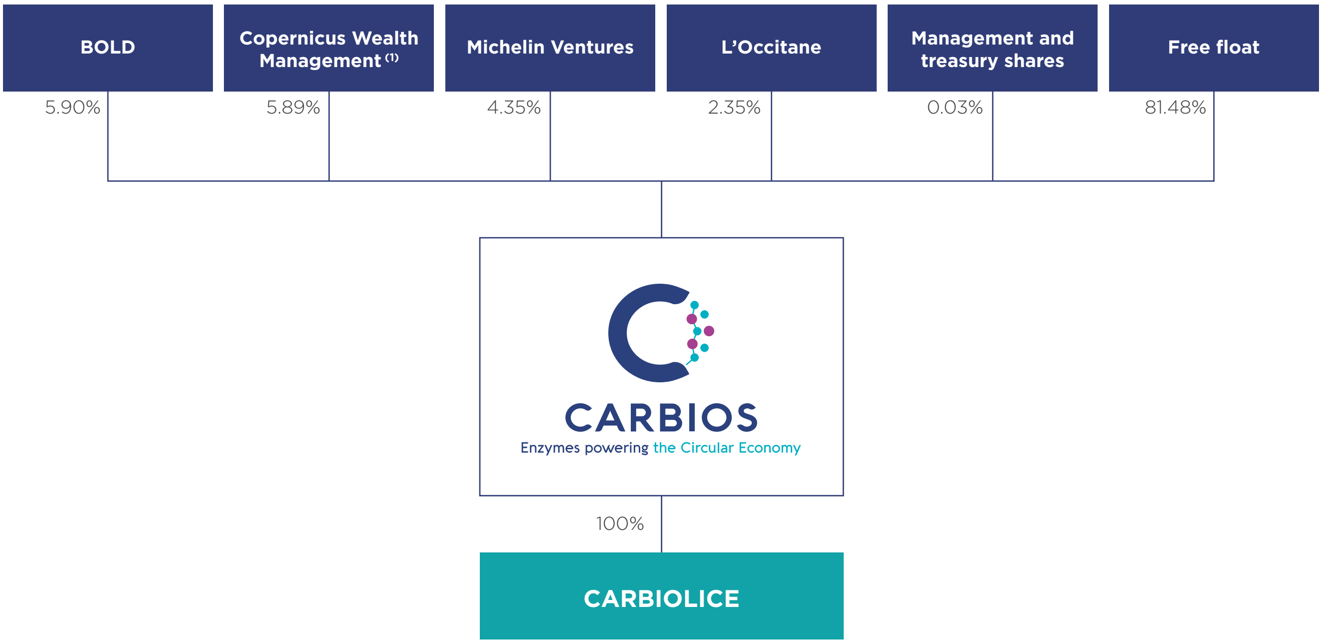
1.1.2 KEY DATES IN THE GROUP'S DEVELOPMENT

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;
- L'Occitane Group, which subscribed for an amount of €10 million to the capital increase carried out by the Company in May 2021; and
- 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) at the date of this Universal Registration Document:



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

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, Euronext Tech Croissance, CAC PME and Enternext PEA-PME 150

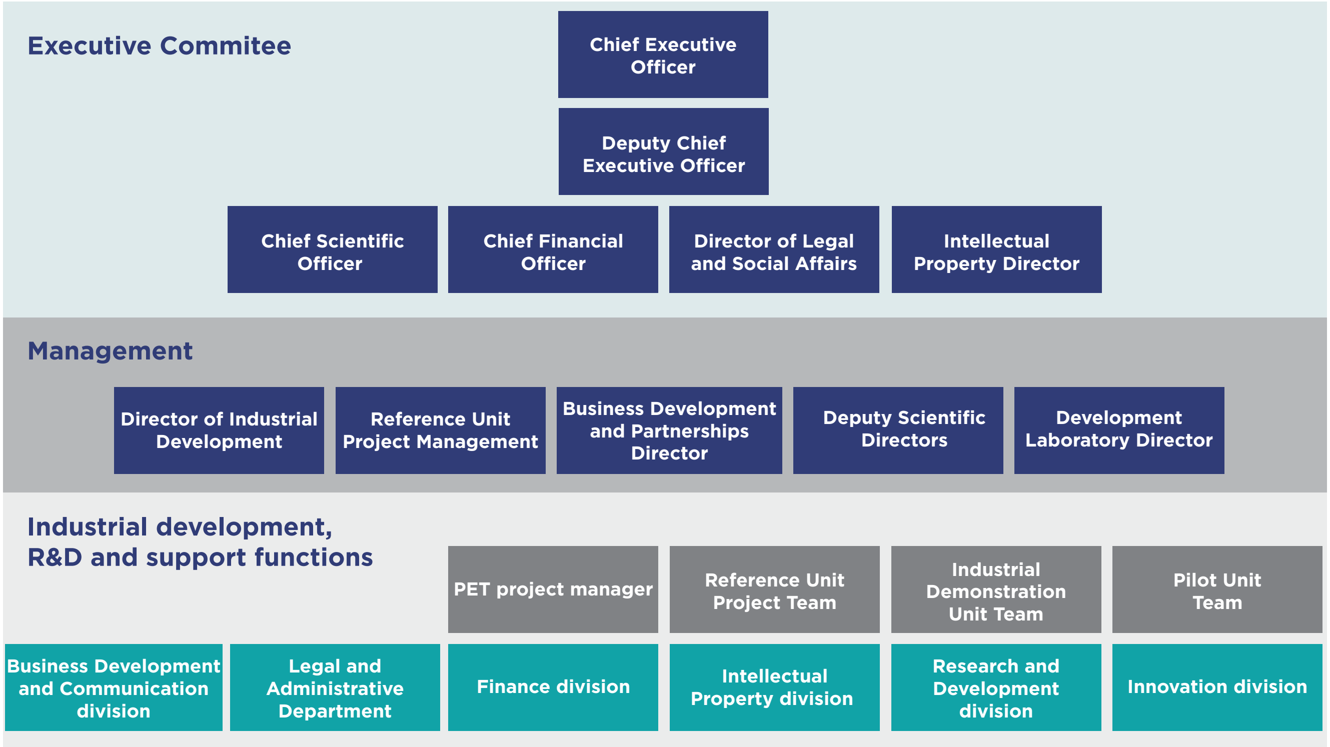
Number of shares as at April 5, 2022: 11,184,472

Fiscal year-end date: December 31

1.1.4 ORGANIZATION AND EMPLOYEES

The Company is organized around an industrial development division (Pilot, Industrial Demonstration Plant and Reference unit project), an R&D and innovation division and support functions (Business Development, Finance, Legal, Intellectual Property and Communication). All these activities are the responsibility of the members of the Executive Committee.

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



July 1, 2021, Lise LUCCHESI, Director of Intellectual Property and Vanina VARLAMOFF, Director of Legal and Social Affairs, joined the Company's Executive Committee, which now has six members as of the date of this Universal Registration Document.

On November 8, 2021, the Company announced the appointment of Emmanuel LADENT as Chief Executive Officer of the Company and Chairman of its subsidiary Carbiolice from December 1, 2021. He succeeds Jean-Claude LUMARET, co-founder of Carbios and Chief Executive Officer of the Company since its creation in 2011. After having ensured a transition period until his retirement on March 31, 2022, Jean-Claude LUMARET will retain his directorship of the Company until the end of the 2025 Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2024.

With the acceleration of its developments, the Company also bolstered its teams in fiscal year 2021, in order to gain additional expertise in key areas such as industrial engineering, industrial and commercial development. As of December 31, 2021, the Company employed 58 people.

In addition to these staff, nearly 15 researchers also remain involved with academic partners and within the PoPLab enzymatic engineering research center[(1)] 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 Carbios Group expects to hire additional employees, which will bring its headcount to approximately 100 FTE at the end of the 2022 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 2022 mainly concern new jobs created in the regions to support the project to build the Reference unit and strengthen the support functions in anticipation of future licensing.

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 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) Please refer to the press release of January 17, 2020.

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.

EMMANUEL LADENT
CHIEF EXECUTIVE OFFICER

30 YEARS OF INTERNATIONAL INDUSTRIAL EXPERIENCE IN THE MOBILITY SECTOR, SPECIALIZING IN THE DEVELOPMENT OF PROFITABILITY AND THE TRANSFORMATION OF ACTIVITIES THROUGH INNOVATION

- **MICHELIN:** *Chairman* – B2C global automotive *business line*
- *Chairman* – B2B Global Agricultural & Off Highway Transportation Business Line

Graduate of Neoma Business School, Executive Programs:
– MBA from Harvard Business School;
– Supply Chain Excellence at Stanford University;
– Customer Centricity at IESE Business School; and
– Finance and M&A at the London Business School.

MARTIN STEPHAN
DEPUTY CHIEF EXECUTIVE OFFICER

32 YEARS OF EXPERIENCE IN CHEMICAL INDUSTRY

- **CHEMOURS:** Global Director of the Fluorotelomers business, EMEA Director, Sourcing, Logistics & Real Estate
- **DUPONT DE NEMOURS Int. Europe:** *Global Product Manager, Business and Market Manager, Sales Director*
- **ATOFINA:** *Business Manager* Fluorotelomers
- **ELF ATOCHEM:** Chief Financial Officer

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:** Equity Sales *Utilities* and Cleantechs
- **BERENBERG:** *Utilities* & Clean Energy Specialist

Engineer (École Polytechnique Grenoble), MBA from Duke University (Fuqua Business School).

ALAIN MARTY
CHIEF SCIENTIFIC OFFICE

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.

LISE LUCCHESI
DIRECTOR OF INTELLECTUAL PROPERTY

INTELLECTUAL PROPERTY EXPERT

- **METABOLIC EXPLORER:** Market analyst & Head of the intelligence department

Biotechnology engineer, holds a CEIPI diploma (Center for International Intellectual Property Studies) and a specialized master's degree in Management of Biotechnology Companies.

VANINA VARLAMOFF
DIRECTOR OF LEGAL AND SOCIAL AFFAIRS

LEGAL AFFAIRS

- **LAWYER:** in the areas of protection of intellectual property rights and communication law

Lawyer, graduate of the Paris Bar School.

1.2 MARKET CONTEXT AND OPPORTUNITIES

Every year in the world:

86% of packaging waste is not recycled [1],

350 to 400 million metric tons[2] of plastics are produced, including 90 million metric tons of PET with an estimated value of more than $100 billion (+4% per year)[3],

150 million tons[4] of plastic waste are generated, including 9 million tons[5] that ultimately end up in the natural environment, especially in our seas and oceans,

500 billion units[6] of plastic bottles are produced and less than 50% are collected for recycling.

[1] Source: Citigroup in 2018. – [2] Source: PlasticsEurope in 2021. – [3] Source: HIS Markit in 2021. – [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 in controlling their end-of-life through conventional processes, turning plastic and textile waste into resources is essential and is currently one of the major focuses of the circular economy.

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

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

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[1] 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, including in the most remote and pristine regions of the world. Currently, end-of-life plastic waste is managed in one of three ways: recycling, incineration or landfills. Each of these approaches has different economic and environmental impacts. The OECD estimates that 9% of plastic waste generated each year worldwide is recycled and 19% is incinerated. The remainder, almost 72%, accumulates in landfills and in the environment where it contributes to polluting our soils, rivers and marine environments. In addition, almost two-thirds of plastic waste comes from products with a lifespan of less than five years: packaging (40%), consumer goods (12%), clothing and textiles (11%)[2].

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.

1.2.2 GROWING REGULATORY PRESSURE

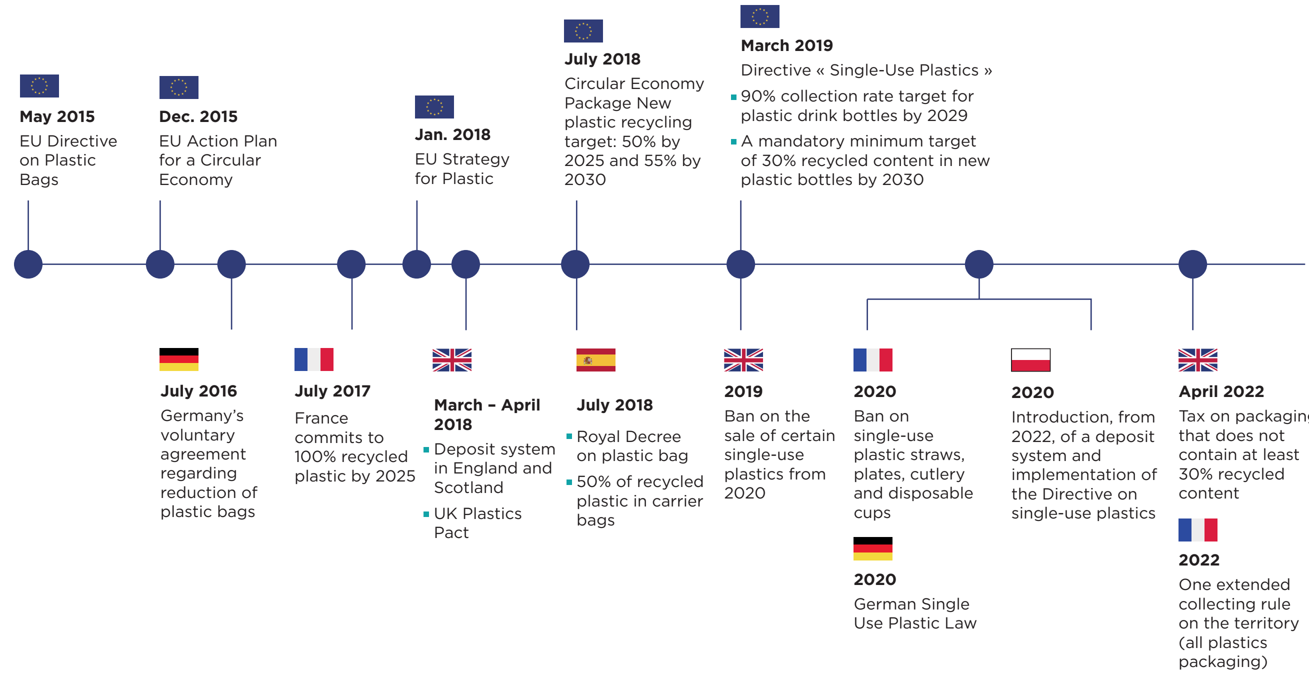
The implementation of new regulatory provisions is intensifying, both at European and national levels, promoting better management of the end of life of plastics and the development of the circular economy. These changes require all industrial players in the sector to adapt, thereby opening up a strong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

The main regulatory provisions relating to the business sectors of interest to Carbios are listed below.

(1) Source: World Wildlife Fund (Australia) in 2018.

(2) Source: OECD in 2022, Global Plastics Outlook: Economic Drivers, Environmental Impacts and Policy Options, OECD Publishing, Paris, https://doi.org/10.1787/de747aef-en.

› IN FRANCE AND EUROPE



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.

In 2018, the European Commission formed the foundations of the Circular Economy Package, for which the Framework Directives are being drafted. Measures concerning plastics have been transcribed in the Single Use Plastics Directive (See below). A framework directive is also expected for textile waste, the separate collection of which will be made mandatory in all member states from 2025.

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[1]. 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.

This Directive, taken as an example in various countries, has transposed by the State of California in the United States and Mexico, which will require the incorporation of recycled materials in beverage bottles.

Beyond the borders of Europe

Since January 1, 2018, China has banned the importation of certain plastic waste from third countries[2]. 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 13th 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[3].

Since January 1, 2021, the Basel Convention on the control of transboundary movements of hazardous wastes and their disposal, has incorporated unsorted plastic waste into its fold, which prohibits its export or import to or from a State not party to the Convention. The export of unsorted plastic waste must be authorized in writing by the importing State.

After Europe and China, the United States is committed to implementing 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[4] and Thailand[5] which have announced measures in this vein. In addition, US companies, non-profit organizations, government agencies and other stakeholders have made a commitment to work collectively within the U.S. Plastics Pact to promote the circular economy of plastics. Lastly, 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[6] over the next few years.

March 2, 2022[7], the Heads of State, the Ministers of the Environment and other representatives of 175 countries approved in Nairobi, during the United Nations Environment Assembly (UNEA-5), a historic resolution aimed at ending plastic pollution and developing the first legally binding international treaty by 2024.

1

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.

(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.
(3) Source: IHS Markit in 2021, 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.
(7) Source: https://news.un.org/fr/story/2022/03/1115462

U.S. Plastics Pact

On August 25, 2020, the United States signed the launch of the U.S. Plastics Pact, which made it possible to establish a list of packaging considered problematic or unnecessary and to take the necessary measures to eliminate them by 2025. This list[1], published on January 25, 2022, identifies 11 elements that are not currently reusable, recyclable or compostable across the United States and for which no circular economy solution is possible 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.

This movement, initiated by Europe, has also led other countries such as Canada, India and Kenya to set up their own Plastics Pact to accelerate their transition to a more sustainable plastics economy.

The Fashion Pact

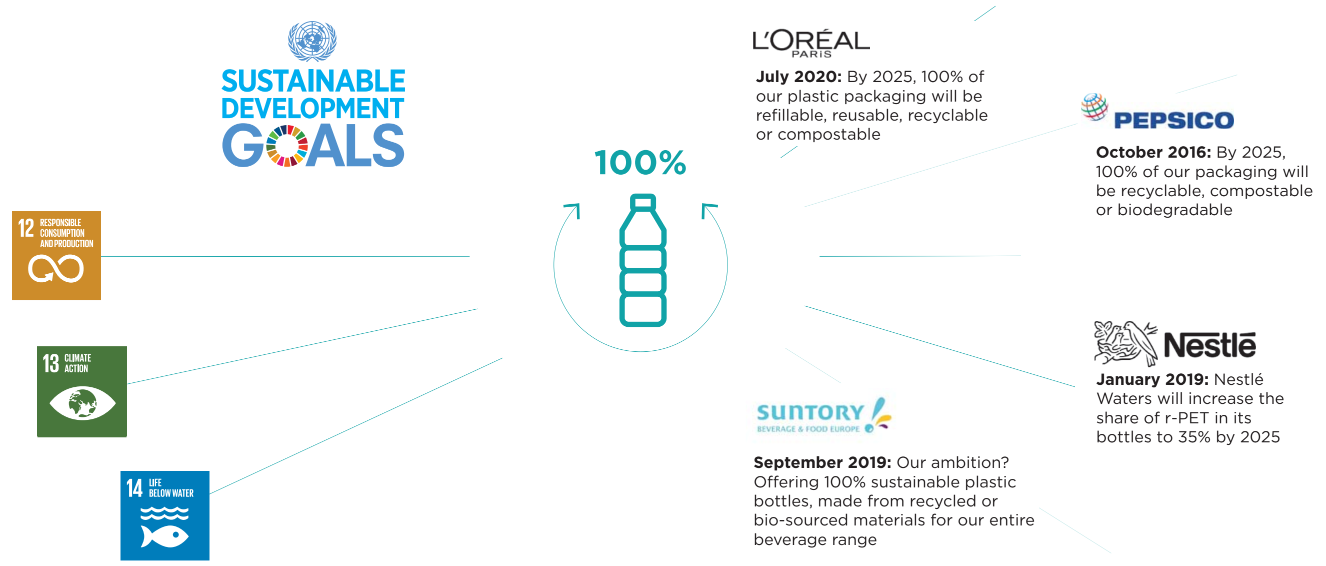
A similar initiative, dedicated to the textile industry, was launched in France on August 26, 2019 at the G7 organized by France in Biarritz. After being launched with 32 signatories, this Fashion Pact today brings together more than 70 companies from 14 countries and 8 sectors, representing nearly a third of the global fashion industry. This large-scale cooperation, which after one year of existence is beginning to create tipping points throughout the textile sector, should make it possible to limit the sector's impact on the climate, biodiversity and the oceans *via* targets set for 2030 and 2050.

One Ocean Summit

The summit for the protection of the oceans, held in Brest in February 2022 as part of the French Presidency of the Council of the European Union, led more than thirty States and economic players to commit against plastic pollution of the oceans. The announcement by the shipowner CMA CGM to no longer transport plastic waste on all of its vessels from June 1, 2022 marks a positive step forward to accelerate the structuring of a new European collection and recycling channel for plastic packaging waste – More than 1.5 million metric tons of plastic waste were exported outside the EU in 2019[2].

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) Source: https://usplasticspact.org/us-plastics-pact-brings-together-leading-brands-and-materials-manufacturers-to-seek-solutions-to-problematic-and-unnecessary-materials/

(2) Source: https://www.eea.europa.eu/publications/the-plastic-waste-trade-in/the-plastic-waste-trade-in.

1.2.4 THE CIRCULAR ECONOMY: A TRANSITION SUPPORTED BY CONSUMER DEMAND

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.

Today, consumers are at the heart of this movement. Wishing to adopt more responsible consumption patterns to combat plastic waste pollution, they reward companies that implement concrete actions in favor of a transition to a more sustainable and less intensive model, respecting the established principles for a circular economy.

Conscious of new consumer expectations and the influence of sustainability in purchasing decisions, manufacturers have made strong commitments to meet these expectations and make their production methods more respectful of environmental issues and societal expectations.

1.3 STRATEGY

1.3.1 AMBITION: BECOME A GLOBAL LEADER IN LIFE CYCLE MANAGEMENT OF PLASTICS AND TEXTILES

In light of the environmental consequences of growing global demand for plastics 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 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 A 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 is the first and only company in the world to develop a biological technology, based on the use of enzymes, to recycle plastics and textiles on an industrial scale. 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.

Consecrated in April 2020 by the publication of an article in the prestigious journal Nature, the technology developed by Carbios achieved major new milestones in 2021, including:

- production, in partnership with major global brands[1], of the first food-grade PET bottles[2], made entirely from enzymatically recycled plastic;
- the successful inauguration of an industrial demonstration plant in Clermont-Ferrand; and
- the announcement on February 23, 2022[3], of the construction of the first industrial and commercial PET recycling unit, with an estimated processing capacity of 50,000 metric tons of PET waste per year.

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.

In 2021, the success of the developments carried out by Carbios and its subsidiary Carbiolice in the field of PLA-based plastics biodegradation resulted in:

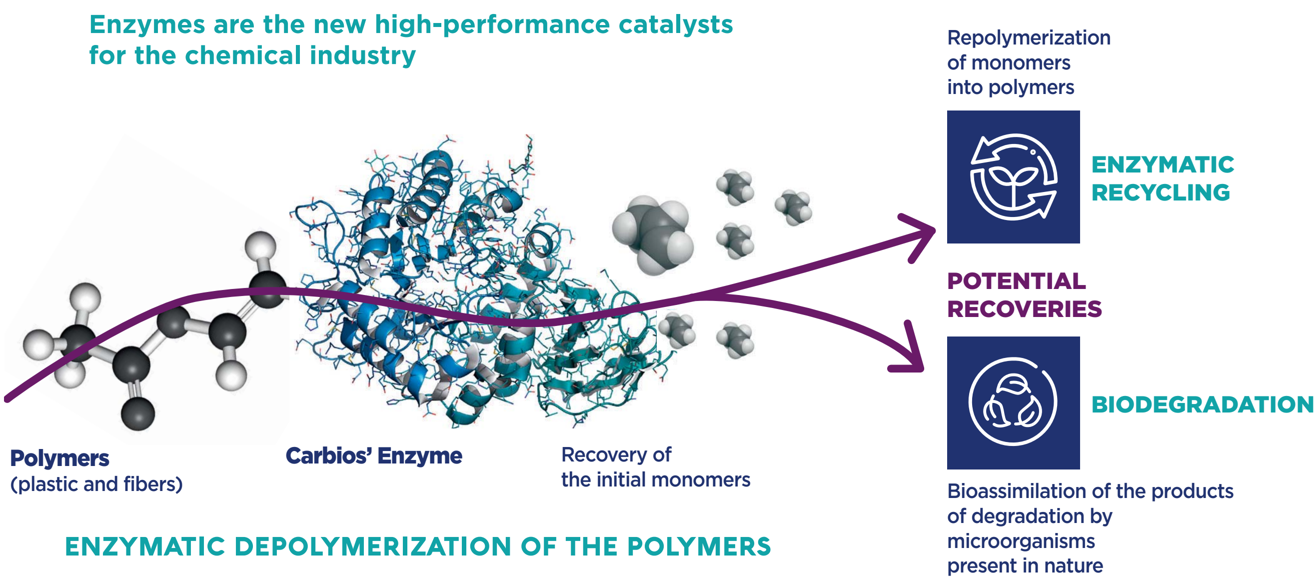
- the award, in January 2021[4], of the Efficient Solution label from the Solar Impulse Foundation to the Evanesto® technology; and
- obtaining, in September 2021[5], of OK compost HOME certification for PLA-based rigid packaging incorporating this proprietary technology.

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.



(1) Partner members of the Consortium bringing together Carbios, L'Oréal, Pepsico, Nestlé Waters and Suntory Beverage & Food Europe.
(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 press release of February 23, 2022.
(4) Please refer to the Carbiolice press release of January 20, 2021.
(5) Please refer to the Carbiolice press release of September 2, 2021.

1.3.3 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 initially built on over 10 years of research and development (patents, results, know-how) from academic laboratories. From its creation, the Company 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.

In January 2020, Carbios wished to consolidate its know-how by setting up an enzymatic engineering research center for the recycling and biosynthesis of plastics[1] in partnership with INSA Toulouse through its TBI laboratory. This laboratory, called PoPLaB, in reference to Plastic Polymers and Biotechnologies, was created in partnership with INSA Toulouse through its TBI laboratory[2]. 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 is responsible for the development of applications for its bioprocesses at its facilities and in particular at its industrial demonstration plant, inaugurated in September 2021.

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

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 industrial demonstration phase of its PET recycling technology and on its project to build an industrial-scale reference plant for the enzymatic recycling of PET plastics and fibers.

In accordance with its provisional schedule, on September 29, 2021, the Company announced the commissioning of its industrial demonstration plant installed on a Michelin Group site in Clermont-Ferrand (France)[3]. This development phase has concentrated the Company’s largest equipment investments over the last twelve months and the excellent results obtained to date confirm the Company’s industrialization strategy.

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[4] a project to build a PET recycling Reference unit with a production capacity of 50,000 tons per year.

February 23, 2022[5], the Company and Indorama Ventures announced a collaboration for the construction of this first PET biorecycling plant in France. This reference unit, which will be based in Longlaville in Meurthe-et-Moselle, should be operational in 2025 and create 150 direct and indirect jobs.

For more information on this project, please refer to section 1.4.5 of this Universal Registration Document.

In accordance with its strategy, Carbios relies on partnerships with world-class manufacturers to support the large-scale deployment of its technologies.

(1) Please refer to the press release of January 17, 2020.
(2) Toulouse Biotechnology Institute.
(3) Please refer to the press release of September 29, 2021.
(4) Please refer to the press release of April 6, 2021.
(5) Please refer to the press release of February 23, 2022.

PET consortium

In June 2021(1), Carbios and its partners in the PET consortium(2)– L'Oréal, Nestlé Waters, PepsiCo and Suntory Beverage & Food Europe – announced that they have produced the first samples of food-grade bottles made entirely from enzymatically recycled PET plastics: a world first(3). By using the PET produced thanks to the biological process developed by Carbios, each member of the Consortium successfully produced bottle samples for one of its flagship products, including Biotherm®, Perrier®, Pepsi Max® and Orangina®.

Food-grade bottles from Carbios proprietary enzymatic recycling technology (Photo credits: Jérôme Pallé).

In partnership with the members of the Consortium, Carbios has thus demonstrated the viability of its technology and the quality of the prototype bottles produced, which is similar to that of virgin PET. This alternative technology, applicable to all types of PET plastic, solves the problem of the deterioration of the properties of plastic inherent in conventional recycling and provides an industrial response to the treatment of PET waste and the reduction of its carbon footprint. Thus, taking into account the substitution of the production of virgin PET, the Carbios recycling process allows a potential saving of 30% of CO_2 emissions compared to a conventional end of life mix of incineration and landfill(4).

The production of these food-grade bottles represents a major step in the validation of the Carbios technology by the members of the Consortium and confirms its potential to create more environmentally friendly packaging.

This Consortium agreement, initiated in April 2019 for a period of four years, confirms the relevance of the strategy implemented by Carbios and its partners to support the industrialization of this major innovation and contribute to meeting the sustainable development commitments of the largest brands.

(1) Please refer to the press release of June 24, 2021.

(2) Please refer to the press release of April 29, 2019.

(3) Please refer to the press release of June 24, 2021.

(4) Preliminary analysis of the PET recycling life cycle, Carbios in June 2021.

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. This takes place 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.

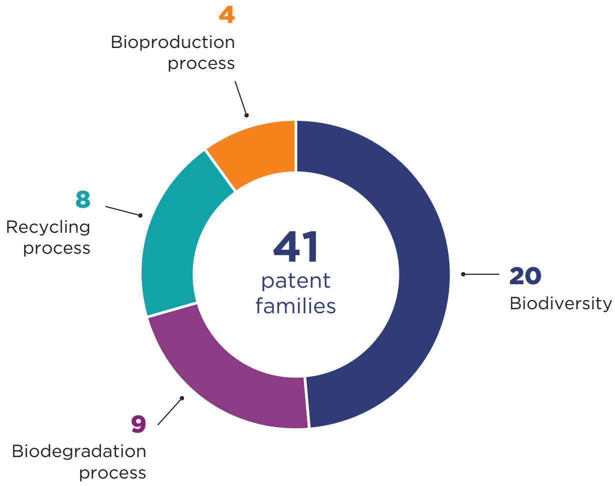
Carbios is the owner or co-owner, with each of its partners of the results obtained under the Thanaplast™ and CE-PET programs[1], as well as under the PoPLaB cooperative laboratory set up with INSA Toulouse in January 2020. For all these results, Carbios holds the exclusive worldwide exploitation rights 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. Carbios will also own the results that it will generate as part of the LIFE project and will benefit from exploitation rights in its field of the results generated by its partners.

The Company dedicates a significant share of its resources to protecting its innovations. As at December 31, 2021, gross investments made by Carbios in patents amounted to €2,259 thousand, of which €600 thousand in 2021.

Change in the patent portfolio in 2021

During the 2021 fiscal year, Carbios filed four new patent applications[2]. The new applications submitted concern the biodiversity associated with the degradation of PET and the innovative enzymatic recycling process.

At the end of 2021, the Carbios intellectual property portfolio included 41 families of patents (including one under an exclusive worldwide license with the CNRS and University of Poitiers), representing 225 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). In 2021, 13 new patents were granted on all of the Company's projects in various countries or regions of the world (including the United States, China, India, Europe and Japan), bringing to 46 the number of patents issued out of the 225 patents held in the Company's portfolio. Among the 41 patent families in the portfolio, 19 families have at least one patent granted among the patents filed in the various countries or regions of the world.



In addition, as of December 31, 2021, Carbiolice's portfolio consisted of 9 patent families belonging to Carbiolice and filed since the creation of the Company in 2016. All of these families are directly linked to Carbiolice's activity, namely the production of biodegradable plastics, and more particularly those incorporating an enzyme.

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;

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

(2) Please refer to the press release of January 14, 2021: (in French).

- 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;
- a French figurative trademark Carbios filed on April 6, 2021 in classes 1, 16, 17 and 40 under number 214751992;
- an international figurative trademark Carbios filed on October 5, 2021 in classes 1, 16, 17 and 40 and targeting the European Union, the United Kingdom, the United States, China, Mexico, Indonesia, Japan, Canada, South Korea, Thailand, with the World Intellectual Property Organization (WIPO) under number 4686549; and a Taiwanese figurative trademark on October 6, 2021 under number 110072188; and
- a French figurative trademark "Carbios enzymes powering the circular economy" filed on April 6, 2021 in classes 1, 16, 17 and 40 under number 214751995.

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.

Carbiolice is the owner of the following trademarks:

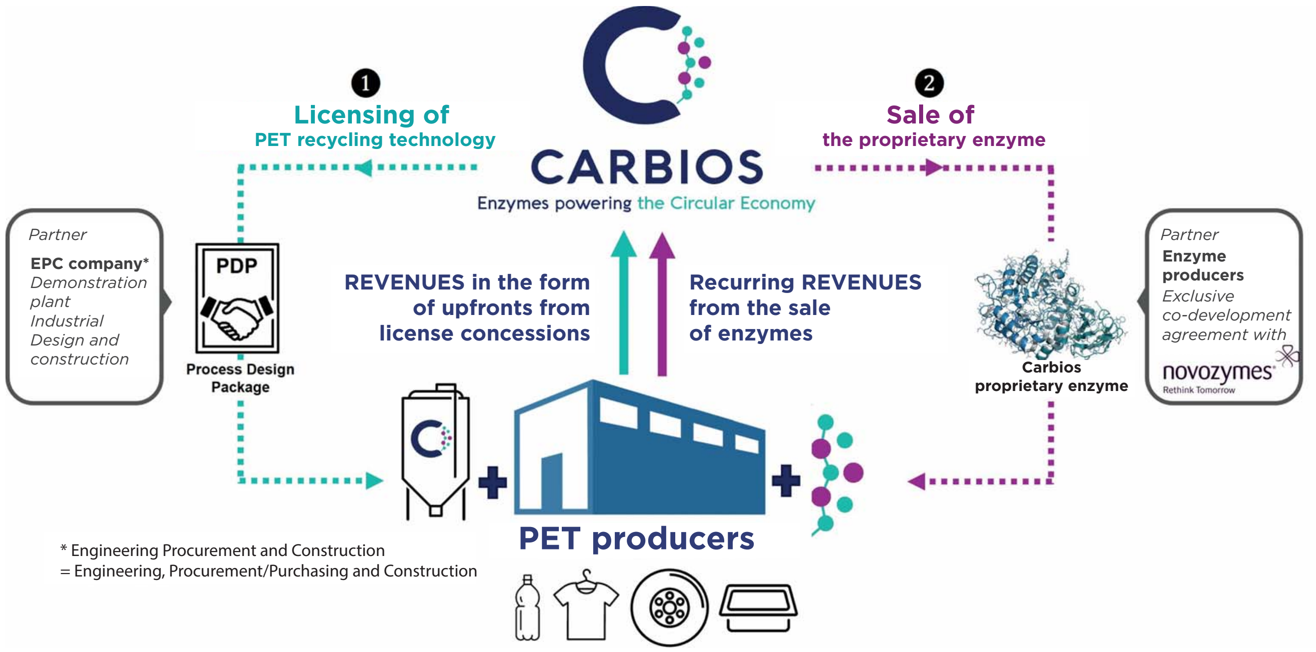
- a French word mark Biolice registered on April 3, 2004 by Limagrain Céréales Ingrédients, and renewed on 02/26/2014, in classes 1, 16 and 17, a Biolice word mark registered in Europe and the United Kingdom on June 3, 2009 and renewed on June 3, 2019, in classes 1, 16 and 17;
- a French word mark Carbiolice filed on November 22, 2018 with the INPI under number 18/4502311 in classes 1, 16 and 17;
- an international word mark Carbiolice filed on May 16, 2019 in classes 1, 16 and 17 and targeting the European Union, the United Kingdom, the United States, China, Mexico, Japan and India, with the WIPO (World Intellectual Property Organization) under number 1485245;
- a French figurative trademark Evanesto® filed on November 22, 2018 with the INPI under number 18/4502225 in classes 1, 16 and 17;
- an international figurative trademark Evanesto® filed on May 17, 2019 in classes 1, 16 and 17 and targeting the European Union, the United Kingdom, the United States, China, Mexico, Japan and India, with the WIPO under number 1498422; and
- a French word mark Enzymeo filed on November 22, 2018 with the INPI under number 18/4502351 in classes 1, 16 and 17.

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 using technologies developed by the Company.

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



With a technological offer unique in the world and the support of several global leaders in their respective fields, Carbios engages all industry players (collectors, producers, processors, users and consumers) in a sustainable transition to 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.

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

The Company is now undertaking the industrialization of its enzymatic PET recycling technology with the commissioning of an industrial demonstration plant in Clermont-Ferrand, France in September 2021.

The excellent results obtained at the demonstration confirm the prospects for large-scale application of this technology designed and developed by Carbios. With regard to the core of the process, the depolymerization kinetics and the yields obtained are identical to those obtained at the laboratory and pilot scale. By the end of 2022, the work carried out on the demonstration plant will make it possible to prepare the complete engineering documents for the process (Process Design Package) to build and operate a Reference unit but also to grant, from 2023, the first operating licenses for this proprietary technology, which will be associated with the sale of enzymes to manufacturers who will build and operate their own units.

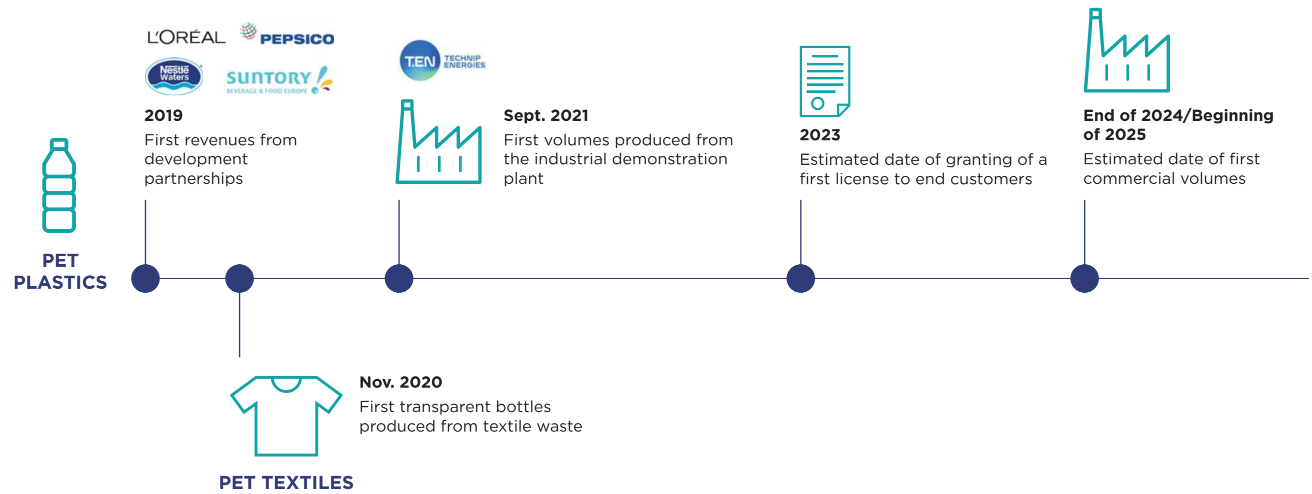
Reference unit project

At the same time, the Company aims to complete the construction of a PET recycling Reference unit in early 2025, with an estimated processing capacity of 50,000 metric tons of PET waste per year.

This unit, which will be located in Longlaville (France), in partnership with Indorama Ventures, will also secure the marketing of the first volumes of recycled PET by 2025 and consolidate the Company's business model, which remains the concession of licenses for the use of its technologies and know-how, and the sale of enzymes to its licensees.

The latter will build their own recycled PET production units.

Stages of deployment of enzymatic recycling technology for PET plastic waste and fibers:



Summary of the PET biorecycling process development phases.

INDUSTRIAL DEMONSTRATION PLANT

2022	• Continued operations in the industrial demonstration plant;
2nd half-year 2022	• Finalization of the complete engineering documents for the process (Process Design Package - PDP); and
1st half-year 2023	• First license concessions.

REFERENCE UNIT

2022	• Filing of construction permit. • First orders of equipment with lengthy leadtimes.
2023	• Start of construction, when permits obtained.
2025	• Commissioning of the Unit. First revenues from the operation of the Unit.

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

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

Global PET market: nearly 90 million tons produced each year [1].

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.

Global partners: L'Oréal, Nestlé Waters, PepsiCo, Suntory Beverage & Food Europe, Novozymes, Michelin, L'Occitane, Technip Energies[1] and Indorama Ventures.

(1) Source: IHS Markit in 2021.

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 virgin PET markets* (excluding recycled PET (r-PET)	Production		Growth rate	Target markets (waste)	
	World	Europe		World	Europe
PET packaging (bottles, trays and other containers, etc.)	27 MT	3.2 MT	2.2%	27 MT	3 MT
PET textiles (coaching, technical fibres, rugs, carpettes, etc.)	60 MT	0.2 MT	6.2%	60 MT	10 MT

* *Source: IHS Markit in 2021.*

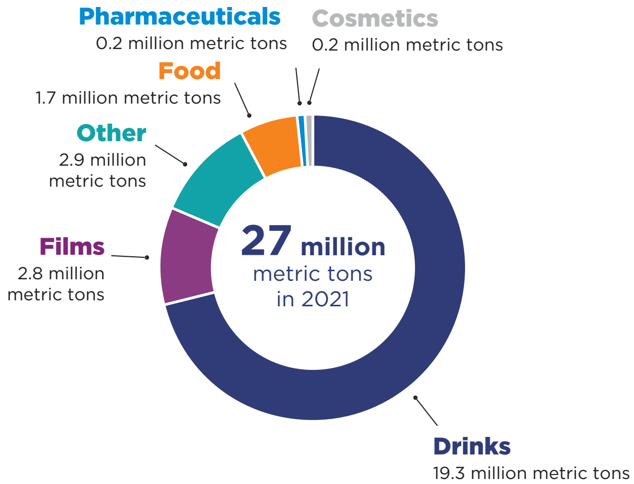
PET recycling

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 27 million metric tons in 2021 with an annual growth rate of 2.2%. This production could reach over 31 million metric tons in 2026[2].

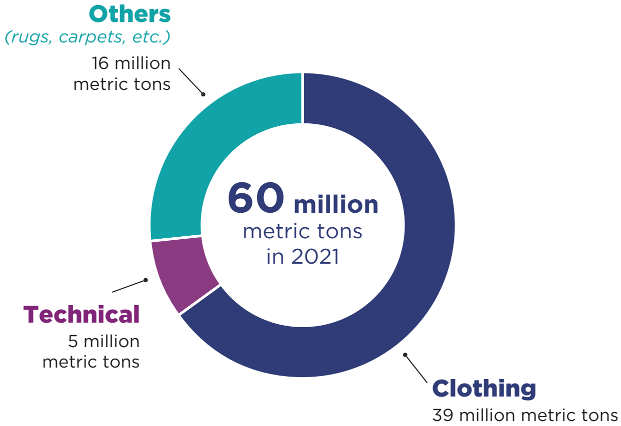
The market for PET fibers (textiles, rugs, carpets, pillows, duvets, etc.) represented an estimated global production of 60 million metric tons in 2021 with an annual growth rate of 6.2%, which would take the market to 75 million metric tons in 2026[3].

(1) Since the spin-off of TechnipFMC on February 16, 2021, Carbios now works with Technip Energies resulting from the same spin-off.
(2) Source: IHS Markit in 2021.
(3) Source: IHS Markit in 2021.

› BREAKDOWN BY APPLICATION OF VIRGIN PET RESIN CONSUMPTION



› BREAKDOWN BY APPLICATION OF VIRGIN PET TEXTILE CONSUMPTION

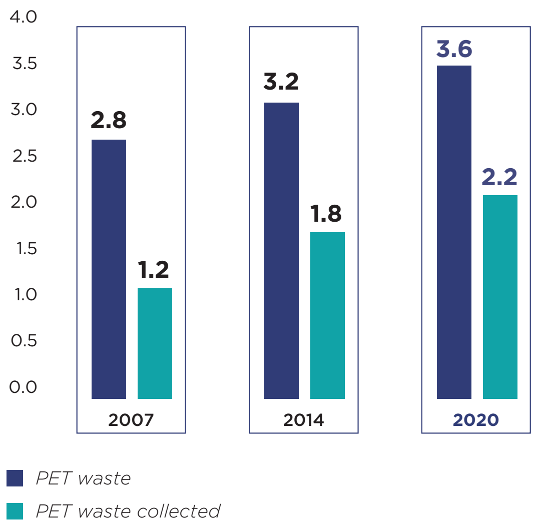


Almost all PET products marketed, whether resins or fibers, turn into waste. PET, which offers significant advantages (weight, durability and flexibility) compared to alternative materials, is therefore a priority target for recycling. However, the recycling rates for waste vary widely and are greatly 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 in 2021 have made it possible to estimate that the technology developed by Carbios for the enzymatic recycling of PET would allow a potential saving of 30% of CO_2 emissions compared to a conventional end-of-life for PET waste (landfill and incineration).

In Europe, the demand for resin-grade PET used to manufacture bottles and trays was estimated at 5.1 million metric tons in 2020, including 3.0 Mt of virgin PET, 1.3 of r-PET and 0.8 Mt of imports[1] and the share of collected waste that they generate corresponds to 2.2 million metric tons, *i.e.* just over 43%[2]. 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[3].

› HISTORICAL QUANTITIES OF PET WASTE (BOTTLES) PRODUCED AND COLLECTED IN THE EUROPEAN UNION (IN MILLIONS OF TONS[4])



Average annual growth rate of PET waste: 2% between[5] 2007 and 2022.

Average annual growth rate of PET waste[6] collected: 4% between 2007 and 2020.

(1) Source: Natural Mineral Waters Europe, Petcore Europe, Plastics Recyclers Europe and Unesda in 2022.
(2) Source: Natural Mineral Waters Europe, Petcore Europe, Plastics Recyclers Europe and Unesda in 2022.
(3) Source: Company.
(4) Source: PlasticsEurope in 2015/PetCore Europe in 2015.
(5) Sources: PlasticsEurope in 2015 and Natural Mineral Waters Europe, Petcore Europe, Plastics Recyclers Europe and Unesda in 2022.
(6) Sources: PlasticsEurope in 2015 and Natural Mineral Waters Europe, Petcore Europe, Plastics Recyclers Europe and Unesda in 2022.

In Europe, the collection of PET waste is increasing at a rate twice that of PET consumption (and therefore the production of PET waste). However, it is necessary to intensify efforts on collection to achieve the objectives set by the European Union and to be able to supply Brand-Owners in recycled PET (r-PET) so that they comply with their commitments and European regulations (Single Use Plastics Directive).

Price trends for virgin PET and recycled PET (r-PET) [1]

The price of virgin PET, which stood at around €850/t in January 2021, is strongly correlated with that of oil. After strong increases and highs of nearly 14 years at the beginning of 2022 on the price of Brent and US light crude (West Texas Intermediate, WTI), the impact on the price of virgin PET should be visible in the coming months. 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. At around €1,400/t at the beginning of 2019, the price of r-PET has been rising steadily since the beginning of 2021. It peaked at nearly €1,925/t in January 2022.

The r-PET market is supported by a powerful trio combining government policies, consumer expectations and the commitments of brands that use PET and in particular the beverage industry. 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, so much so that several groups have asked the European Commission to set up a regulatory framework guaranteeing them access to 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, the recycling technology' 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. The 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[2].

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 food quality PET, 100% recycled and 100% recyclable (Credit: Carbios).

In the recycling process designed and developed by Carbios, as illustrated above, plastic waste or PET polyester fibers are pretreated (extrusion, size reduction, etc.) and then enzymatically depolymerized in an aqueous medium. at low temperature (72°C). After the depolymerization phase, the two constituent monomers of the original polymer: PTA and MEG, as well as salts are recovered by downstream processes (filtration, decoloration, purification, AT crystallization, MEG distillation, etc.). These monomers can then be repolymerized to produce a food-grade PET, 100% recycled and not 100% recyclable.

(1) Source ICIS between 2018 and 2021

(2) Please refer to the press release dated November 19, 2020.

Scientific progress and distinctions in 2021 and after the close

R&D collaboration with Michelin

In April 2021[1], Carbios and Michelin, a leader in sustainable mobility, announced that they have taken a step towards a 100% sustainable tire. By obtaining highly technical fibers from used PET plastics that meet the performance requirements for use in tires, Carbios and Michelin have achieved a world first and demonstrate the full extent of the recycling process designed and developed by Carbios.

Textile R&D developments

In March 2022[2], Carbios announced that it had completed the third and last technical step of the CE-PET research project co-funded by ADEME (French Environment and Energy Management Agency)[3]. The work carried out in this context by Carbios and its academic partner TWB has enabled the production on a pilot scale of a white fiber made of 100% enzymatically recycled PET from colored textile waste. For this stage validation aimed in particular at developing Carbios' C-ZYME™ process for the recovery of textile waste, the Company received the amount of €827,200 (€206,800 in subsidies and €620,400 in reimbursable advances).

Distinctions

In June 2021[4], Carbios announced that it had been recognized as a Technology Pioneer by the World Economic Forum. Tech pioneers, selected from among hundreds of candidates by the World Economic Forum, are fast-growing companies around the world. They develop innovations and use new technologies that have a significant impact on businesses, society and the environment. The Tec pioneers 2021 were selected based on criteria such as innovation, impact, leadership and relevance of the Company with the World Economic Forum platforms.

In June 2021[5], Carbios also won the "Grand Prix" Scale Up Challenge at the World Materials Forum (WMF) for the development of its enzymatic recycling process for PET waste enabling the production of transparent food-grade bottles. This award aims to recognize growth companies that have a high potential impact on WMF's goal of decoupling economic growth and the use of our natural resources.

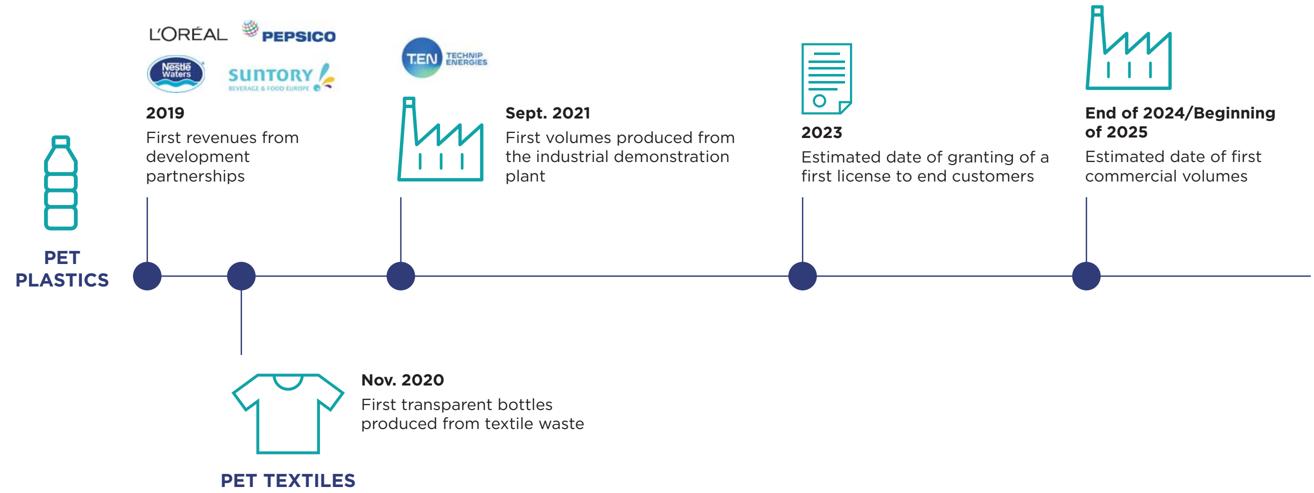
1.4.3 SUMMARY OF THE STAGE OF DEVELOPMENT

Carbios	Enzymatic recycling of PET plastic waste and fibers[1]	
Target polymer	PET (plastics)	PET (textiles)
Applications	Packaging (bottles, flasks, trays, films)	Clothing, linens and furnishings (duvets, pillows, etc.)
Development stage	Industrial demonstration plant	Pilot
Development partners	L'Oréal, Nestlé Waters, PepsiCo, Suntory Beverage & Food Europe, L'Occitance, Novozymes, Technip Energies and Indorama Ventures	Novozymes and Technip Energies

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

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) Please refer to the press release of April 23, 2021.
(2) Please refer to the press release of March 10, 2022.
(3) Project carried out as part of the Programme d'investissement d'Avenir (PIA no. 1882C0098 managed by the ADEME.
(4) Please refer to the press release of June 15, 2021.
(5) Please refer to the World Materials Forum communication of June 17, 2021.



Summary of the PET biorecycling process development phases.

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.

Indeed, only a small portion of PET waste can be recycled by conventional technologies today. 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 equivalent quality to the original polymer that can be used for all applications, even the most demanding. 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.

Positioning of Carbios' technology vis-à-vis conventional or competing technologies

The PET recycling technology designed and developed by Carbios differs from other technologies by its selectivity and its high tolerance for the waste that it can recycle. Unlike conventional thermo-mechanical recycling, it makes it possible to process a much wider typology of PET waste, while maintaining an optimal level of quality, making it possible to satisfy all original applications, including food contact.

Thermo-mechanical recycling

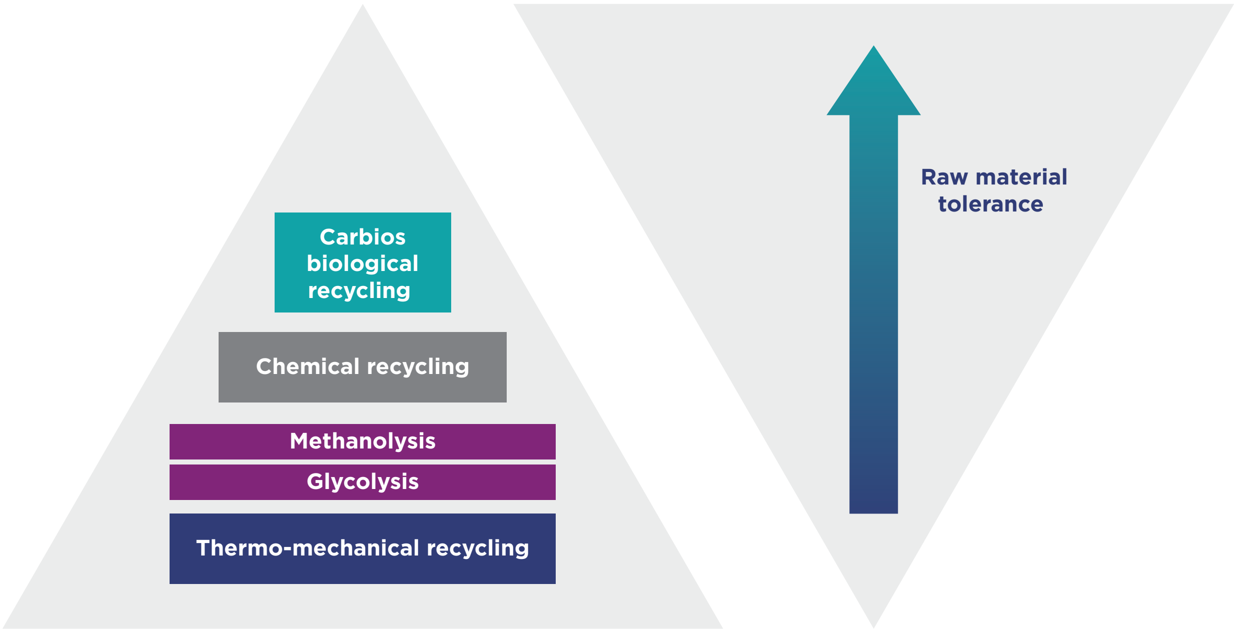
Thermo-mechanical recycling is a simple and relatively inexpensive secondary plastic production process. In this approach, plastic waste is simply collected, sorted, cleaned, chopped into shavings and remelted to produce r-PET granules. However, some impurities remain after the cleaning step, in particular additives used to obtain certain properties. These impurities and the deterioration of the mechanical properties of the mechanically recycled polymer, inherent in the grinding phase, result in lower performance of the recycled materials compared to their virgin equivalent. This process only allows a limited number of cycles, which results *in fine* in plastics that become waste that must be incinerated or landfilled. It is more a case of reuse than recycling, since we do not go back to the raw material. Thermo-mechanical processes are simply not completely circular, nor can they produce transparent r-PET from colored PET waste.

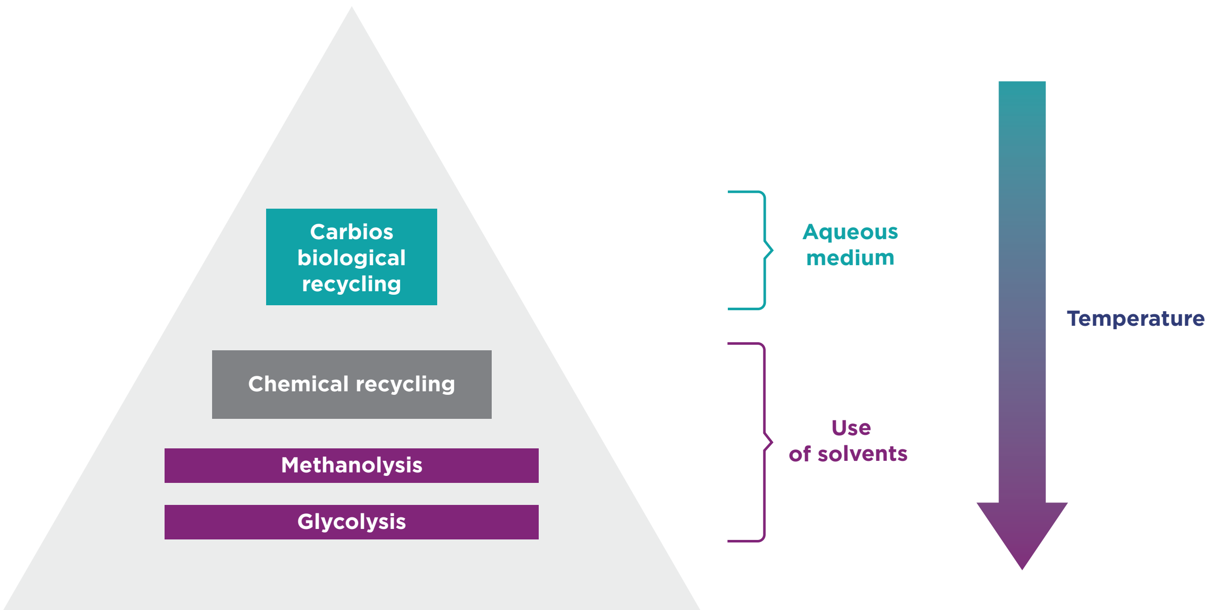
Chemical recycling (or chemical depolymerization)

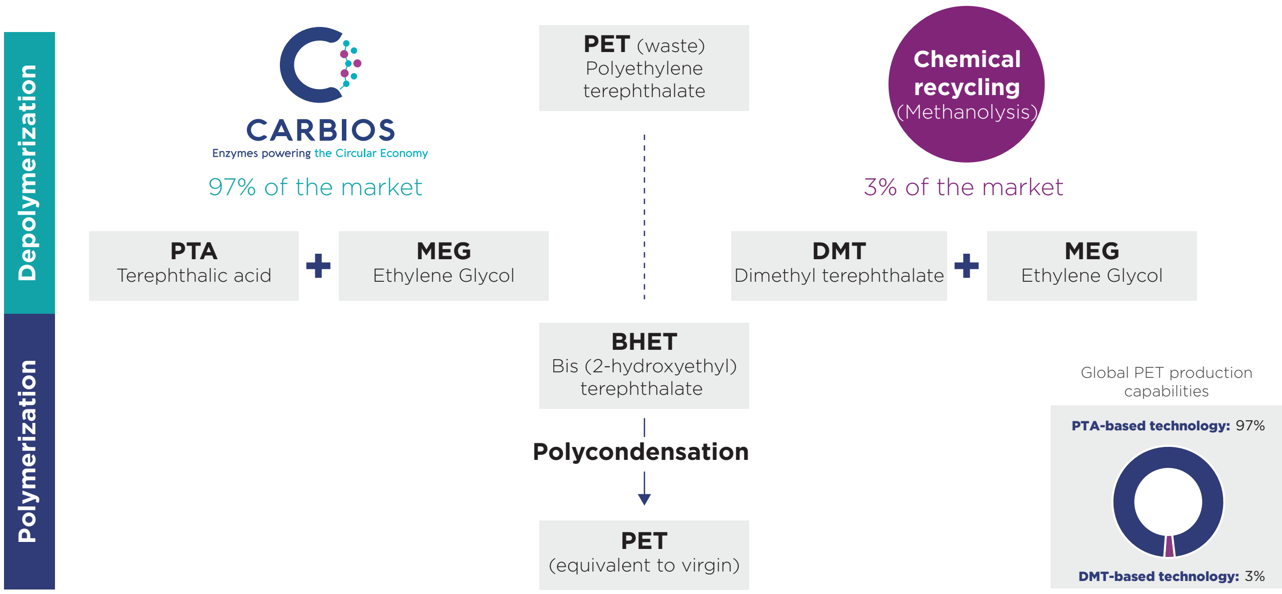
Chemical recycling, based on the use of organic solvents and/or organic catalyzers such as methanol or glycol (methanolysis or glycolysis processes), is today subject to numerous developments that should enable the industrial-scale exploitation of these technologies by 2025. Methanolysis makes it possible to obtain monomers called DMT dimethyl terephthalateand MEG (mono-ethylene glycol) from PET waste. Globally, less than 5% of PET production plants use DMT as a starting monomer, mainly for the production of specialty polyesters or in aging plants. Glycolysis makes it possible to produce BHET, an intermediate product of the esterification of PET from its initial monomers (PTA or DMT and MEG).

Carbios biological recycling

Carbios's biological technology makes it possible to obtain PTA and MEG from PET plastic or textile waste. These monomers, resulting from the enzymatic depolymerization of PET, are compatible with more than 95% of the industrial capacities installed by PET producers worldwide. Thus, the Carbios technology does not add plastic production capacity but instead replaces the use of fossil resources by the use of PET waste. This process, unique in the world, also operates under mild conditions with hydrolysis in an aqueous medium, at low temperature (72°C) and at atmospheric pressure. The proprietary enzyme used by Carbios is also highly selective and particularly tolerant of impurities. This approach makes it possible to preserve all the use properties of the polymer and therefore its use in all the original applications, according to a true circular economy principle (100% recycled, 100% recyclable).







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 September 2021, Carbios has been scaling up its recycling technology through the operation of its industrial demonstration plant dedicated to the depolymerization of PET plastic waste into monomers. In accordance with the Company's industrialization strategy, the work carried out at the Pilot scale is gradually being transposed to the scale of the demonstration plant, the operation of which will make it possible to prepare, by the end of 2022, the complete process engineering documents (Process Design Package) to build and operate the Carbios Reference unit and also to grant, from 2023, the first operating licenses for this proprietary technology, which will be associated with the sale of enzymes to manufacturers who will build and operate their own units.

Pilot Unit

1. Transposition of R&D results from the laboratory to the Pilot scale

2. Process development and optimization of the various steps

1 M³ reactor

Partner: Technip Energies

Production: ≈ 1 ton

Launched: July 2018

Industrial demonstration plant

1. Transposition of the Pilot process to the industrial demonstration scale

2. Tests on different waste streams and adaptation of the process to the specificities of the collection systems

3. Preparation of complete engineering documents for the process (Process Design Package) for the construction of future plants

20 M³ reactor

Partner: Technip Energies

Production: ≈ 100 tons

Start of operation: September 2021

Reference unit

1. Feasibility study for the construction of the Reference unit and obtaining building and operating permits (2022)

2. Construction of the Reference unit (end of 2022 - end of 2024)

Processing capacity: 50,000 metric tons of PET waste per year.

Partners: Indorama Ventures and Technip Energies

Planned commissioning: early 2025

1.4.5.1 Industrial pilot phase of the technology

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[(1)], 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. It is also thanks to its pilot unit, that Carbios and the partners of its PET Consortium produced the first prototypes of food-grade bottles entirely made from enzymatically recycled plastic[(2)] in June 2021.

The work carried out at the pilot scale, as part of the CE-PET project, jointly financed by the ADEME (French Agency for the Environment and Energy Management) aim to meet three objectives:

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

To this end, Carbios and its academic partner TWB have focused on the development of a new generation of 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 obtain the best possible yield and productivity of the PET plastic waste depolymerization stage.

As part of the CE-PET project, Carbios has also adapted its process to the recycling of PET polyester fibers, thus validating the third and last technical stage of the project.

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

In respect of the validation of the third and the last technical stage of the CE-PET project, Carbios received an amount of €827,200 during the 2021 fiscal year, *i.e.* a total of €3.3 million since this financing agreement was obtained in 2019.

Reactor for the depolimerization of plastic waste and PET textiles into monomers at the Carbios pilot unit.

1.4.5.2 Start-up of the industrial demonstration plant: production changes scale

In accordance with its provisional schedule, Carbios commissioned its industrial demonstration plant in September 2021. Installed on the Cataroux site in Clermont-Ferrand, France, this demonstration plant represents the final stage in the development of the process and prefigures the design of future industrial units. Its operation, by the end of 2022, will make it possible to draw up the complete engineering documents for the process (PDP: Process Design Package) for the enzymatic recycling of PET (from waste to monomers) for the construction and operation of a Reference unit, located in France, with an estimated production capacity of 50,000 metric tons per year, as well as future plants that will be operated under licenses.

The demonstration plant, designed in collaboration with Technip Energies' engineering teams, provides the operating know-how and key data necessary for the optimization and extrapolation of technologies for each stage of the process. It is also the tool of choice for the validation of PET waste sources and batches of monomers, products of depolymerization. Different types of PET waste (bottles, trays, textiles, etc.) from multiple sources will be gradually used, in order to guarantee the adaptability of the process to the type of PET waste to be treated and its quality, which may vary according to the regions, and therefore depending on the geographical specificities of collection and sorting, where the future industrial units will be located.

The installation of this demonstration plant on the Cataroux site in Clermont-Ferrand enables Carbios and Michelin to pool the utilities and services required to operate this facility.

This facility includes storage areas for raw materials and finished products (terephthalic acid and monoethylene glycol), the pre-treatment of PET waste, an hydrolysis reactor with a capacity of 20 m^3 and equipment for the purification of monomers (terephthalic acid and monoethylene glycol) enabling the production of high purity batches. The complex is now operated by a team of 15 people.

(1) r-PET: recycled PET.
(2) Please refer to the press release of June 24, 2021.

The industrial scale-up of Carbios' technology is now supported by the excellent results obtained in this demonstration plant. With regard to the core of the process, the depolymerization kinetics and the yields obtained are perfectly identical to those obtained at the laboratory (5L) and pilot scale (1 m^3). These promising results make it possible to project the large-scale implementation of the enzymatic recycling process developed by Carbios. By mid-2022, the first batches of purified monomers from the demonstration plant will be available for application tests on a semi-industrial scale.

Carbios industrial demonstration plant for the depolymerization of PET plastic waste and textiles into monomers (Carbios, Technip Energies).

Grouping of sites

On the strength of the possible synergies offered by the site hosting its industrial demonstration plant, Carbios plans to consolidate its teams[1] in Cataroux, by the end of the first half of 2022. The buildings leased by Carbios on this site will make it possible to bring together, alongside the demonstration plant, the vast majority of the Company's activities and in particular, the development laboratory, the pilot plant and the support activities. 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.

1.4.5.3 Reference unit construction project

In order to ensure the industrial deployment of its proprietary PET recycling technology, the Company announced on April 6, 2021, a project to build a Reference unit. This first industrial and commercial unit aims to consolidate the Company's 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 production units of recycled PET in order to be able to deliver the first commercial volumes at the end of 2024 and early 2025.

As part of its project to build a Reference unit, since 2021, the Company has engaged advanced discussions with several global PET producers, and has communicated the following progress:

- in April 2021, Carbios announced the signature, on March 18, 2021, of a first non-exclusive and non-binding agreement in the form of a Letter of Intent with Equipolymers;
- in April 2021[2], Carbios announced the signature, on April 15, 2021, of a non-exclusive and non-binding agreement in the form of a Letter of Intent with one of the largest PET producers worldwide;
- on January 19, 2022, Carbios announced the preselection of two world-class PET producers to host the future reference unit operating Carbios' enzymatic recycling technology.

On February 23, 2022[3], **Carbios announced a partnership with Indorama Ventures**, the world leader in the production of recycled PET, for the establishment of its Reference unit on the French site of Indorama (Glanzstoff) in Longlaville, France. This collaboration confirms the opportunity to set up the world's first PET enzymatic recycling unit in France, with an estimated processing capacity of 50,000 metric tons of PET waste per year, representing the equivalent of 2 billion bottles or more than 2.5 billion trays. The project is expected to create around 150 direct and indirect full-time jobs.

(1) Please refer to the press release of September 28, 2020.
(2) Please refer to the press release of April 26, 2021.
(3) Please refer to the press release of February 23, 2022.

3D modeling of the Carbios Reference unit project (Credit: Technip Energies)

Following the positive results of analyzes carried out in recent months, Indorama Ventures validated the technical soundness of the technology developed by Carbios. The two parties agreed to conduct a due diligence process and to conduct a design study for the industrialization of Carbios' technology at the Longlaville site (Meurthe-et-Moselle, Grand Est region, France).

On the basis of these technical and economic due diligences, Indorama could co-invest in the project.

The design study, launched in January 2022, follows the feasibility study for a facility with a capacity of 50,000 metric tons per year already carried out with Technip Energies over the 2020-2021 period. The investment required for the project is estimated at €150 million for Carbios' technology, including an additional purification stage, which was integrated into the process. At the same time, an estimated investment of €50 million will be allocated to the preparation of the site's infrastructure.

As part of this project, Carbios intends to secure solid financial support from the French government and local public authorities.

The Carbios – Technip Energies integrated project team mobilizes the key people who carried out the previous stages of the industrialization of the technology, namely the Industrial Demonstration Plant project and the feasibility study for an industrial unit with a capacity 50,000 metric tons per year. The Carbios team is strengthened in technology and projects with the recruitment of experienced engineers and the use of experts. A cross-functional organization is put in place to align the Reference unit project with the resources and processes of the demonstration plant and the pilot.

Next key steps in the Reference unit project:

2022	• Filing of construction permit. • First orders of equipment with lengthy leadtimes.
2023	• Start of construction, when permits obtained.
2025	• Commissioning of the Unit. First revenues from the operation of the Unit.

1.4.5.4 Industrialization model

The success of Carbios' industrialization model lies in its ability to build strategic industrial partnerships. To facilitate the implementation of such agreements, the Company favors the signature of "Joint Development Agreements", "Consortium Agreements" or "Letters of Intent" which combine R&D cooperation and competitiveness analyses.

Building on its developments, from 2023, Carbios aims to grant the first operating licenses for its proprietary enzymatic recycling technology for plastic waste and PET polyester fibers, which will be associated with the sale of enzymes to manufacturers who will build and operate their own units.

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

1.5 CARBIOLICE: A TECHNOLOGICAL LEADER IN THE BIODEGRADATION OF PLA-BASED BIOPLASTICS

PLA market: 440 kT in 2020[1].

Global bioplastics production capacity: 2.4 MT in 2021[2].

Evanesto®: the first additive that enables plastics with a high PLA content to achieve OK compost HOME certification from TÜV AUSTRIA Group.

Technology labeled Efficient Solution by the Solar Impulse Foundation[3] and GreenTech Innovation by the French Ministry of Environmental Transition[4].

Carbiolice, an ISO 9001 level 2-certified industrial company, subsidiary of the Carbios group.

1.5.1 ACCESSIBLE MARKETS

The development of biosourced plastics (*i.e.* made from natural resources such as corn or sugar cane) 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 the environment.

Even though they have been around for a long time, bioplastics accounted for less than 1% of global plastic production in 2019[5], but show strong growth prospects. In 2021, global production capacity for bioplastics[6] was estimated at 2.4 million metric tons and should reach 7.6 million metric tons by 2026.

Among these bioplastics, Carbios, via its subsidiary Carbiolice, was particularly interested in PLA (PolyLactic Acid, or polylactic acid), whose market is both promising and growing strongly.

PLA is a biosourced and biodegradable plastic polymer according to the EN13432 standard (industrial compost environment) which is also biocompatible.

It is currently used for the following applications[7] :

- rigid packaging, mainly for food (35% of the market);
- flexible packaging, mainly for food (27% of the market);
- non-woven textiles: tea bags, diapers, wipes, filters (19% of the market);
- consumer products in cosmetics, 3D printing and automotive (13% of the market); and
- agricultural or horticultural uses: mulching films, clips and pots (6% of the market).

Process	Description of markets	Estimated global production		Growth rate
		2021	2026	
Global PLA production capacities	Flexible or rigid packaging, textile fibers and medical applications for which the biodegradability of PLA is sought. PLA is also an excellent substitute for PET, PE, PS or PP.	440 KT[1]	790 KT[2]	28%[1]
Global production capacity of bioplastics (biodegradable polymers and biosourced / non-biodegradable polymers)		2.42 MT[3]	7.59 MT[3]	25.7%

(1) Source: IHS Markit in 2021.
(2) Source: Nova institute projection in 2021.
(3) Source: Plastics Europe in 2021.

(1) *Source: IHS Markit in 2021.*
(2) *Source: Nova Institute in 2021.*
(3) *Please refer to the Carbiolice press release of January 20, 2021.*
(4) *Please refer to the Carbiolice press releases of January 20, 2021 and May 3, 2021.*
(5) *Source: PlasticsEurope in 2018, European Bioplastics and Nova Institute in 2019.*
(6) *Source: PlasticsEurope in 2021.*
(7) *Source: Global Polylactic Acid Market Size Report, 2021-2028 (grandviewresearch.com) and Biopolymers facts and statistics, IfBB 2020, p43.*

Globally, PLA production capacity was estimated at around 440,000 metric tons per year(1) in 2021.

In recent years, many investments have been made and capacity expansions have been implemented on the sites of major producers such as NatureWorks Llc in the United States(2), Total Corbion in Thailand(3) or Cofco Biochemical in China. As demand is currently much higher than production capacity, new investments were announced in 2020, which makes it possible to estimate the installed production capacity at around 790 TK by 2026.

Among the recent major projects announced for the production of PLA, we note the construction by NatureWorks of a second unit in Thailand with capacity of 75 KT per year which will be fully integrated with the production of lactic acid for an estimated investment of $600 million(4); Total Corbion's investment in France on the Grands Puits site with capacity of 100 KT per year with a start-up scheduled for 2025(5); an extension of Cofco Biochemical's capacity in China to reach a capacity of 100 KT(6) per year and the construction of a unit in the United States *via* a joint venture created by ADM and the LGChem group(7).

Demand for PLA is currently supported by mature markets such as the United States and Europe and the strongest growth rates are observed in Asia and mainly in China, India, Japan and Korea.

In France, less than 8% of plastic packaging, excluding bottles and flasks, is recycled even though it represents more than 50% of packaging(8). Contrary to some initial fears, compostable packaging can be integrated into conventional plastic flows. Thus, according to an ADEME opinion published in November 2019(9) on the environmental impact of fruit and vegetable bags in November 2019: *"The tests carried out by the Technical Committee for the recycling of plastic packaging show that near-infrared optical sorting technologies can perfectly separate compostable films from low-density polyethylene films without significant difference in efficiency compared to other resins".* This opinion reinforces the relevance of the use of compostable plastics for targeted applications and particularly when it is difficult to integrate them into the recycling stream of conventional plastics for technical (complex plastics, too small or thin, difficult to identify), economic (upstream sorting, washing) or environmental reasons (additional sorting and washing operations, landfill, etc.).

By avoiding incineration or landfill, compostable plastics represent an appropriate solution for many uses. This is the case, for example, for food packaging used in places where containers can be difficult to wash on site (fast food restaurants, stadiums, festivals, etc.). Thus, compostable bio-waste, paper and plastics could be sent together for composting.

Since the end of 2020 and the marketing by Carbiolice of the first volumes of Evanesto® for the purpose of conducting tests with end customers, the first market segments were targeted, in particular for flexible films for industrial applications, such as wedge bubbles and for rigid applications such as horticultural pots for which TÜV Austria OK compost HOME certifications have been obtained on standard formulations.

Carbiolice is currently focusing on developing new application segments, particularly in flexible and rigid food packaging with greater thicknesses. For these products, which are subject to stricter regulations, barrier properties are expected to guarantee food safety and preserve the organoleptic qualities and shelf life of the food.

1.5.2 INNOVATION

The innovation of the biodegradation process developed by Carbios for PLA-based plastics consists in introducing enzymes into plastic materials to make them biodegradable. These enzymes enable PLA-rich plastics to be 100% biodegradable, under aerobic (industrial composting, domestic composting, in soil) and anaerobic (methanization) conditions.

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.

The enzymes, specifically optimized for the degradation of PLA, are first integrated into a polymer formulation, which protects them from high temperatures by an extrusion process. The enzyme additive thus obtained is then integrated, up to 5%, as a mixture with PLA or compounds with a high level of PLA, on traditional plastics processing tools, in order to shape finished products (flexible films, sheets, etc.).

(1) *Source: IHS Markit in 2021.*

(2) *Source: NatureWorks | NatureWorks announces additional lactide monomer purification technology to expand the availability of Ingeo biopolymer from Blair facility (natureworksllc.com).*

(3) *Source: Total Corbion in 2021: https://www.totalenergies-corbion.com/media/11llbcko/210906-total-corbion-pla-marks-100kt-luminy-pla-production-milestone.pdf.*

(4) *Source: NatureWorks | NatureWorks Passes Final Authorization Milestone for New Fully Integrated Ingeo PLA Manufacturing Plant in Thailand (natureworksllc.com).*

(5) *Source: A bioplastics production unit: PLA | v2grandpuits (totalenergies.fr).*

(6) *Source: Carbios data in 2022.*

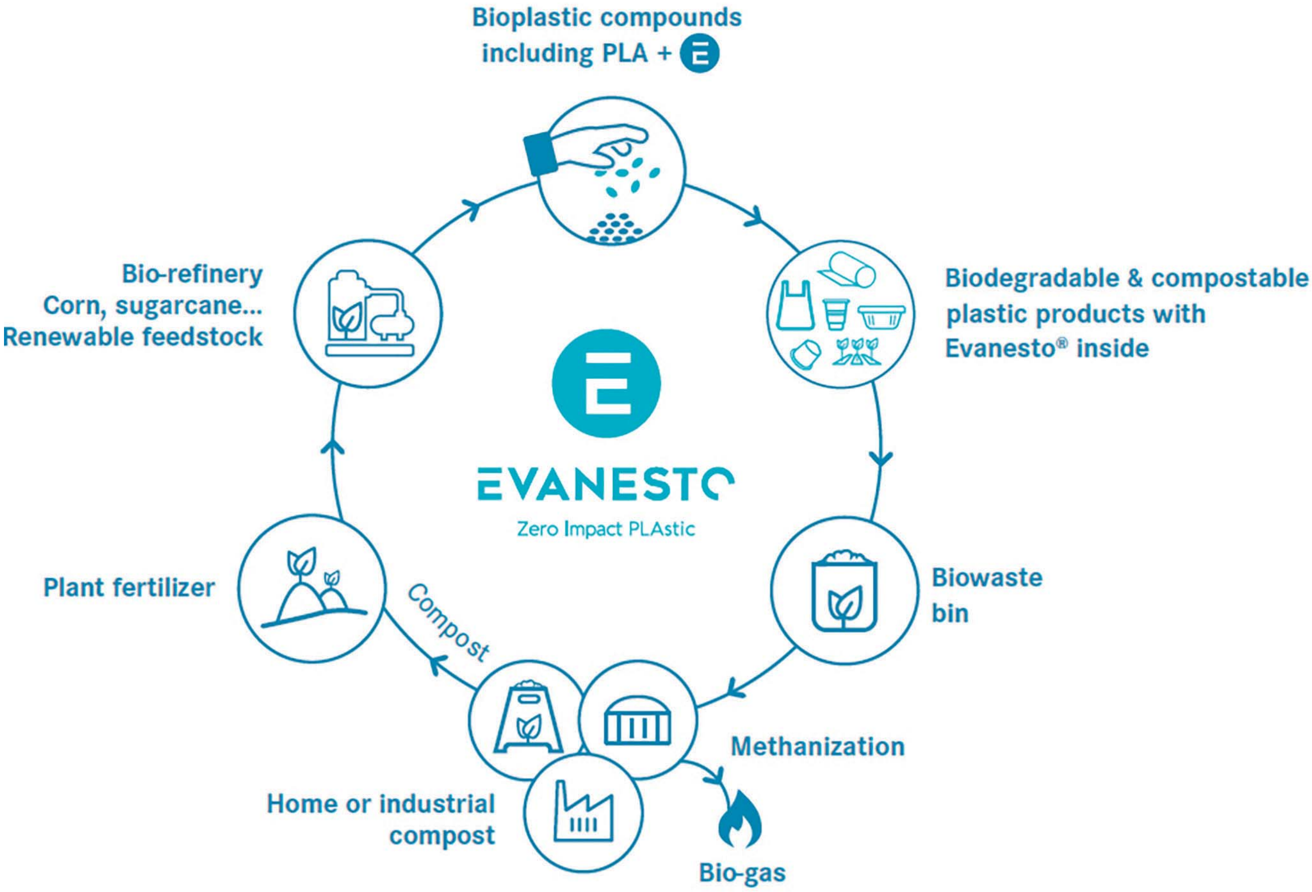
(7) *Source: Unlocking Nature. Enriching Life. | ADM.*

(8) *Source: CITEO activity report 2020.*

(9) *Source: ADEME Opinion of November 14, 2019: https://presse.ademe.fr/2019/11/reviews-de-lademe-limpact-environnemental-des-sacs-demback-de-fruits-et-legumes. Html [in French].*

In order to extend the application field of this technology and make the additive even more efficient in the most critical plastics processing processes (*i.e.* injection, fiber extrusion, etc.) and very thick applications, Carbiolice has, in addition to its industrial and commercial production line, an R&D workshop and pilot tools. This equipment makes it possible to test formulations and manufacturing processes for the additive and then to shape different types of finished products. A pilot extruder, single-layer and multi-layer inflation and calendering extruders as well as an injection molding machine are thus available to the Carbiolice teams. A laboratory equipped for the needs of materials characterization and enzymology also makes it possible to validate the developments carried out for the extension of this technology to new applications with high added value.

This technology is currently protected by 24 patent families, belonging to Carbios or Carbiolice or licensed to Carbios, and which cover the enzyme, the formulation and the process for preparing the additive, as well as the finished products in which it can be introduced, and this internationally.



Credit: Carbiolice.

1.5.3 SUMMARY OF THE STAGE OF DEVELOPMENT

PLA plastics biodegradation process(1) for which Carbios has granted an operating license to Carbiolice.

Commercial product	Evanesto® Master Mix
Target polymer	PLA
Applications	Flexible packaging, mulching films, bags, sachets, industrial films, trays, rigid food packaging, coffee capsules, etc.
Development stage	Industrial
First licensing revenues for Carbios	2016(1)
Estimated date of marketing Evanesto® solution by Carbiolice process to final customers	2020(2)
Development partners	Carbios, Novozymes, Barbier Group and Futuragrow

(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. It is the first additive that allows plastics with a high PLA content to achieve OK compost HOME certification from TÜV AUSTRIA Group(2).

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 for flexible films and under 255 days for rigid plastics. 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, for which no recycling or recovery solution is suitable.

For example, the use of one ton of Evanesto® will reduce the amount of plastic waste generated when replacing fossil-based polymers by 20 metric tons.

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(3).

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) 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 and of September 2, 2021.

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

1.5.5 CARBIOLICE: AN INDUSTRIAL AND COMMERCIAL COMPANY

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 Ingrédients. Following the purchase of all of the equity interests of Limagrain Ingrédients and the SPI fund in the capital of Carbiolice, which took place respectively in October 2020[1] and in June 2021[2], Carbios now holds 100% of the voting rights of Carbiolice.

With an operational industrial tool and multidisciplinary teams (Industrial Research and Development, production, quality, applications, etc.) and dedicated sales, Carbiolice continues to market the Evanesto® product, with tests with manufacturers and has begun the scale-up of a new generation of enzymes that will expand the potential of accessible markets.

The production and marketing of Evanesto® are secured by a joint development agreement signed in January 2019 by Carbios and Carbiolice with Novozymes[3], in which the latter[3] 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 initially intends to address specific areas of application, namely the flexible film markets (mulching, bags and sachets, industrial films, mailing films, food packaging), all rigid applications in the agriculture and horticulture sectors and semi-transparent rigid food packaging.

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.

In an amendment to the license agreement dated June 28, 2018, the scope of the license to Carbiolice was extended to new patent families, applications and products. All improvements made by Carbios, *i.e.* all innovations whose exploitation depends on the patent families already licensed to Carbiolice, are due to Carbiolice in the area of licensing. The license now covers a total of thirteen patent families, twelve of which belong wholly or partly to Carbios (ten 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 100% of the share capital and voting rights 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 and 2021 fiscal years as the first sales of products incorporating the Carbios technology were made by Carbiolice in the last quarter of 2020 and during 2021 for tests with end customers.

Following the purchase of the shares of the SPI fund in the capital of Carbiolice which took place on June 3, 2021, Carbiolice, as an affiliate of Carbios, now directly holds the exclusive worldwide operating license for the patent family owned by the CNRS and the University of Poitiers. In this respect, Carbiolice may pay royalties to the joint owners with the revenues generated by Carbiolice's exploitation of this family of patents. No fees from Carbiolice to the joint owners were recognized as of June 4, 2021.

(1) Please refer to the press release of October 8, 2020.
(2) Please refer to the press release of June 4, 2021.
(3) Please refer to the press release of January 29, 2019.

Carbiolice production line ©BrunoLevi

1.5.5.2 Funding of Carbiolice and acquisition of the stake in the Bpifrance Investissement SPI fund

Funding of Carbiolice

Since its creation in 2016, the historical shareholders of Carbiolice – Limagrain Ingrédients, the SPI fund and Carbios – have invested €18 million, which was released in four phases over 4 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; and
- 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.

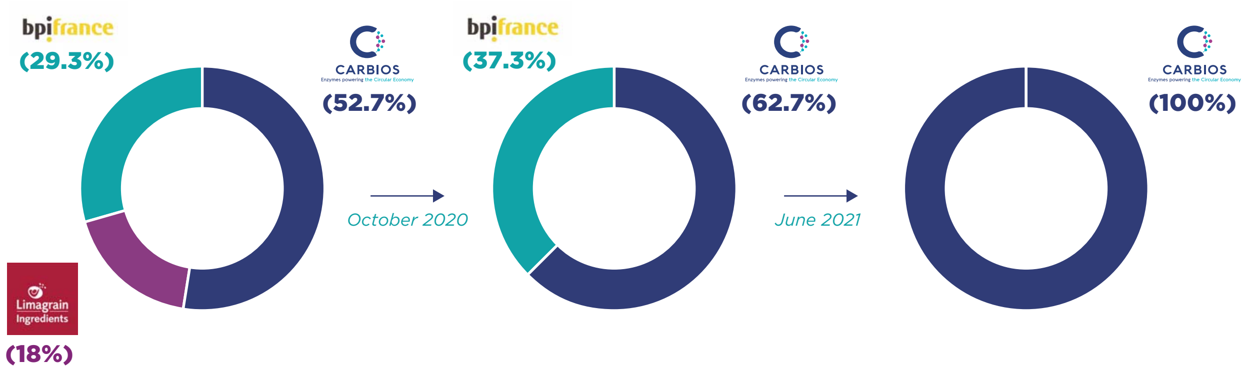
Acquisition of the stake of the Bpifrance Investissement SPI fundin the capital of Carbiolice

On June 4, 2021[1], Carbios announced the acquisition, from the SPI fund of Bpifrance Investissement, of its entire stake of 37.29% in the capital of Carbiolice. This acquisition, which took place on June 3, 2021 for a price of €17.9 million, ends five years of structuring collaboration with the SPI fund. Following this acquisition, which was paid exclusively in cash, Carbios now holds 100% of the share capital and voting rights of Carbiolice. This acquisition, which follows the acquisition in October 2020 from Limagrain Ingrédients of its entire stake of 18.02%[2], is part of the rationalization of the Company's portfolio, as announced during the successful capital increase of May 10, 2021[3].

(1) Please refer to the press release of June 4, 2021.

(2) Please refer to the press release of October 8, 2020.

(3) Please refer to the press release of May 10, 2021.



These two successive transactions, which value Carbiolice at around €48 million, demonstrate the confidence of Carbios in Carbiolice's developments and in its ability to expand its activities in the biodegradation of polymers beyond PLA. They also reinforce Carbios' ambitions to position itself as the world leader in biological technologies for the end-of-life of plastics and synthetic fibers.

› HISTORY OF EQUITY CONTRIBUTIONS IN CARBIOLICE

(In euros)	Carbios	Limagrain Ingrédients	SPI
Creation of the entity	1	-	-
Incorporation of the Company	98	1	-
Distribution of share capital at inception	**99**	**1**	**-**
Distribution of share capital at inception *(in%)*	**99.00%**	**1.00%**	**0.00%**
Carbios cash contribution	1,499,901	-	-
Conversion of Carbios receivables into Carbiolice equity securities	8,000,000	-	-
Partial contribution of assets Limagrain Ingrédients	-	3,499,999	-
SPI cash contribution	-	-	2,500,000
Distribution of share capital at December 31, 2016	**9,500,000**	**3,500,000**	**2,500,000**
Distribution of share capital at December 31, 2016 *(in%)*	**61.29%**	**22.58%**	**16.13%**
Distribution of share capital at December 31, 2017	**9,500,000**	**3,500,000**	**2,500,000**
Distribution of share capital at December 31, 2017 *(in%)*	**61.29%**	**22.58%**	**16.13%**
Cash contribution 2nd installment	1,100,000	250,000	2,000,000
Distribution of share capital at December 31, 2018	**10,600,000**	**3,750,000**	**4,500,000**
Distribution of share capital at December 31, 2018 *(in%)*	**56.23%**	**19.90%**	**23.87%**
Cash contribution 3rd installment	1,100,000	250,000	2,000,000
Distribution of share capital at December 31, 2019	**11,700,000**	**4,000,000**	**6,500,000**
Distribution of share capital at December 31, 2019 *(in%)*	**52.70%**	**18.02%**	**29.28%**
Acquisition of the stake of Limagrain Ingrédients	4,000,000	(4,000,000)	-
Cash contribution 4th installment	2,800,000	-	4,500,000
Distribution of share capital at December 31, 2020	**18,500,000**	**-**	**11,000,000**
Distribution of share capital at December 31, 2020 *(in%)*	**62.71%**	**0.00%**	**37.29%**
Acquisition of the stake of the SPI fund of BPIfrance Investissement	11,000,000	-	(11,000,000)
Distribution of share capital at December 31, 2021	**29,502,000**	**-**	**-**
Distribution of share capital at December 31, 2021 *(in%)*	**100.00%**	**0.00%**	**0.00%**

1.5.5.3 Development and outlooks

Collaborations

Barbier Group

On June 24, 2020[1], 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^2 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. On the strength of the good results obtained to date, the two parties decided to continue their collaboration to test new formulations in order to optimize the disintegration speed of the films under environmental conditions.

Novozymes

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[2].

FuturaGrow

In February 2021, Carbiolice was selected to participate in the acceleration program rolled out by Start-Up Palace and to design compostable packaging, in collaboration with food manufacturers. Carbiolice's technical and commercial teams work with Sodebo, Brioches Fonteneau and Charcuterie Petitgas on flexible and rigid packaging, with strong barrier properties and incorporating Evanesto®. The first packaging could be tested in pilot stores in early 2023 before being rolled out more widely.

Other collaborative projects

Carbiolice is also involved in three European collaborative projects aimed at developing compostable packaging and bringing together several university and industrial partners. The PRESERVE and SISTERS projects, which started in January 2021, should make it possible to accelerate the evaluation of Evanesto® for applications in compostable flexible packaging with improved properties. The CBPM project, led by the Dutch technical center Wageningen Food & Biobased Research, is evaluating several ways to accelerate the compostability of rigid packaging and tea bags. The enzymatic method carried by Carbiolice has been validated by this Dutch research laboratory and selected for scaling up by certain manufacturers as part of this collaborative project.

OK compost HOME Certification

In September 2021[3], Carbiolice announced that it had obtained Ok Compost Home certification from the TÜV Austria Group for rigid PLA-based packaging (up to 70%) containing Evanesto®. This new step enables everyday packaging (yoghurt jars, trays, cups, but also horticultural pots, etc.) containing Evanesto® to be entirely biodegraded in a domestic composter in 255 days, even at room temperature

Distinctions

In January 2021[4], 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.

In April 2021[5], Carbiolice received the *Coup de Cœur* award from the "10,000 start-ups to change the world" contest organized by the newspaper La Tribune, a distinction that positions Evanesto® as an effective solution to contribute to the fight against plastic waste pollution.

In May 2021[6], Carbiolice announced that it has received the Green Innovation label from the French Ecological Transition Ministry. This recognition attests to the innovative nature of the enzymatic biodegradation technology of PLA-based plastics implemented by Carbiolice and its ability to make a significant contribution to the environmental transition. Carbiolice thus joins the network of 215 start-ups labeled[7] Greentech Innovation since its creation in 2016.

Compostability test - Credit: Carbiolice

(1) Please refer to the Carbiolice press release of June 24, 2020.

(2) Please refer to the press release of January 29, 2019.

(3) Please refer to the Carbiolice press release of September 2, 2021.

(4) Please refer to the Carbiolice press release of January 10, 2021.

(5) Source:https://www.latribune.fr/technos-medias/innovation-et-start-up/prix-10-000-startups-pour-changer-le-monde-decouver-les-gagnants-2021-881002.Html [in French].

(6) Please refer to the Carbiolice press release of May 3, 2021.

(7) Source: The Greentech innovation initiative | Ministry for the Ecological Transition (ecologie.gouv.fr).

1.6 OTHER AREAS OF DEVELOPMENT

As part of its research and development work, Carb 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. **the enzymatic recycling of PLA; and**
2. **the biodegradation of PLA textiles.**

Other areas of innovation have already been identified in order to adapt the processes developed by Carbios to waste containing polymers other than PLA and PET, for which Carbios is working to identify new enzyme/polymer pairs, such as:

- polyamides: PA6 (global market of 4.8 Mt[(1)]), PA6.6 (global market of 2.6 Mt[(2)]), etc.
- polyolefins: polyethylene PE (global market of 107 Mt[(3)]), polypropylene PP (global market of 72 Mt[(4)]), etc.
- elastomers: natural rubber (global market of 13.8 Mt[(5)]), etc.

These polymers are present in the packaging and textiles sectors, such as PLA and PET, but also in other sectors, in particular the automotive sector where an extended producer responsibility chain exists in France, but where end-of-life recovery methods are still very limited.

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 part of its research and development work, Carbios has 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.

1.6.2 THE BIODEGRADATION OF PLA TEXTILES

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[(6)]. Biodegradation has a particular interest in these applications where recycling is complex due to the presence of organic materials (*e.g.* diapers, coffee grounds) 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. This is why a new process has been developed. This led to the filing of a patent application in 2019 on a multi-component thermoplastic product. Optimizations continue today within the Carbios laboratory in close collaboration with the Carbiolice teams.

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

(1) *Source: Tecnon OrbiChem in 2015.*
(2) *Source: Tecnon OrbiChem in 2015.*
(3) *Source: Mordor Intelligence in 2020 and Icis in 2019.*
(4) *Source: Precedence Research relayed by GlobeNewswire in 2020.*
(5) *Source: Association of Natural Rubber Producing Countries relayed by Tire Business in 2019.*
(6) *Source: Smithers Pira in 2017.*

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2 COMMENTS ON THE BUSINESS

Section 2.1 focuses on the Company's results and financial position based on the audited parent company financial statements for the fiscal years ended December 31, 2020 and December 31, 2021, 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, 2020 and December 31, 2021, as well as the notes thereto, presented in Chapter 5 of this Universal Registration Document. The Company's parent company financial statements were prepared in accordance with the accounting standards applicable in France for companies registered under French law.

2.1 ANALYSIS OF THE BUSINESS AND RESULTS

Audited parent company financial statements – French standards *(In thousands of euros)*	**12/31/2021**	**12/31/2020**
Operating revenues	1,793	1,643
Of which revenues derived from contracts with Carbiolice[1]	*163*	*619*
Operating expenses	15,123	8,464
OPERATING INCOME	**(13,330)**	**(6,821)**
Net financial income	(81)	(93)
CURRENT INCOME BEFORE TAXES	**(13,411)**	**(6,914)**
Extraordinary gain or loss	10	(720)
Income tax	(2,265)	(1,488)
PROFIT OR LOSS	**(11,136)**	**(6,146)**

(1) Additional information on Carbiolice's financial statements as at December 31, 2021 is presented in section 5.3 of this Universal Registration Document. As at the date of this document, Carbios holds a 100% 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.

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:

Details of the payments provided for the CE-PET project *(In euros)*	**KS1 (35%)**	**KS2 (60%)**	**KS3 (80%)**	**KS4 (100%)**	**Total**
Payment year	**2019**	**2020**	**2021**	**2022**	
Subsidy	361,900	258,500	206,800	206,800	1,034,000
Repayable advance	1,085,700	775,500	620,400	620,400	3,102,000
TOTAL	**1,447,600**	**1,034,000**	**827,200**	**827,200**	**4,136,000**

From the founding of Carbios up until 2021 (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[1] 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 the 2016 fiscal year.

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.

Research Tax Credit (CIR) *(in euros)*	**2021**	**2020**
Recognized as income	2,264,860	1,487,911
Cashed	1,487,911	799,779

2.1.1.2 Government, economic, budgetary, 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, 2021, 80% of this funding had been released.

Recent regulations on waste, such as the Energy Transition Law for Green Growth, the "France 2030" investment project 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, particularly in terms of revenue.

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 €1,793 thousand in 2021 (compared with €1,643 thousand in 2020).

Thus, in respect of the 2021 fiscal year, the Company recorded income of €207 thousand from the subsidy granted by ADEME, corresponding to the end of the third key stage of the CE-PET project, as well as €132 thousand through the European Commission LIFE program launched at the end of 2021.

The research services agreement signed with its subsidiary Carbiolice on February 15, 2017, for a duration of two years and modified by an amendment to extend the contract for two additional years, bringing the amount to €2,500 thousand, expired on February 14, 2021. In this context, the Company did not recognize any income for the 2021 fiscal year.

In 2021, the Company recognized €76 thousand in respect of a staffing contract and €60 thousand in respect of a management contract, which were signed on August 2, 2021 but effective on July 1, 2021, for periods of 6 and 12 months respectively.

The Company also rebilled a total of €27 thousand to its subsidiary for fees regarding regulatory matters.

Since October 1, 2021, the Company has decided to capitalize its development expenses related to the PET recycling project. Capitalized production in the amount of €409 thousand was recognized in this respect.

Other operating revenues amounted to €825 thousand.

(1) Additional information on Carbiolice's financial statements as at December 31, 2021 is presented in section 5.3 of this Universal Registration Document.

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:

Audited Parent Company Financial Statements - French standards *(In thousands of euros)*	**2021**	**2020**
OTHER COSTS AND EXTERNAL EXPENSES		
External studies, subcontracting and scientific consultations	1,844	1,083
Consumables	131	76
Supplies	130	82
Rentals, maintenance and upkeep expenses	1,546	579
Expenses and fees related to industrial property	87	53
Fees	2,364	1,378
Business travel	183	109
Miscellaneous expenses	369	245
TOTAL OTHER EXPENSES AND EXTERNAL EXPENSES	**6,673**	**3,605**
Taxes and similar payments	126	66
Salaries and wages	5,277	2,904
Social security contributions	2,077	1,288
Depreciation of fixed assets	764	455
Other expenses	225	147
TOTAL OPERATING EXPENSES	**15,123**	**8,464**

In 2021, Carbios' operating expenses amounted to €15,123 thousand (compared to €8,464 thousand in 2020), of which 63% was devoted to research (up by three points compared to 2020). This effort was mainly focused on the development of the enzymatic recycling process for PET fibers and plastics.

The rise in resources dedicated to R&D in 2021 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. With the aim of optimizing returns on its available cash, the Company opened term deposit accounts for a total amount of €65 million during the fiscal year, allowing it to benefit from attractive returns as well as guaranteed capital that is available at all times. Cash is therefore systematically invested 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 income - Audited Parent Company Financial Statements *(In thousands of euros)*	**2021**	**2020**
Financial income	43	27
Financial expenses	124	120
NET FINANCIAL INCOME	**(81)**	**(93)**

Financial income mainly comes from investments of available cash amounting to €43 thousand.

Financial expenses in 2021 consist mainly of interest on the Bpifrance loans for €114 thousand.

2.1.3.3 Net income

Net income - Audited Parent Company Financial Statements *(In thousands of euros)*	**2021**	**2020**
Current income before taxes	**(13,411)**	**(6,914)**
Extraordinary gain or loss	**10**	**(720)**
Income tax (research tax credit)	(2,265)	(1,488)
PROFIT OR LOSS	**(11,136)**	**(6,146)**

For the 2021 fiscal year, the extraordinary gain or loss was positive at €10 thousand. Extraordinary income mainly comprises the gain from the World Materials Forum competition (Scale Up category) of €50 thousand as well as the bonus on treasury shares under the liquidity contract for €18 thousand. This income is partly offset by extraordinary expenses which mainly include residual losses (€62 thousand) on investments at the former Saint-Fons site, which cannot be transferred to the new construction site of the demonstration plant located in Clermont-Ferrand.

Carbios also benefited from a Research Tax Credit of €2,265 thousand (compared to €1,488 thousand in 2020), calculated on the basis of eligible expenses for the Research and Development undertaken by the Company in 2021.

2.2 CASH FLOW AND FINANCIAL STRUCTURE

Statement of financial position - Audited Parent Company Financial Statements *(In thousands of euros)*	**2021**	**2020**
FIXED ASSETS		
Intangible assets	**1,785**	**1,086**
Concessions, patents, licenses, software	1,372	1,059
Pending patents	5	27
Ongoing R&D project	409	-
Property, plant and equipment	**15,168**	**4,793**
Office and IT hardware	172	146
Laboratory equipment and material	1,027	941
Fixtures and fittings	7,940	149
Property, plant and equipment under construction	6,030	3,369
Advances on assets under construction	**-**	**188**
Financial assets	**38,878**	**20,907**
Equity interests	38,371	20,500
Deposits and guarantees	283	200
Liquidity contract	87	171
Treasury shares	136	36
TOTAL FIXED ASSETS	**55,831**	**26,786**
CURRENT ASSETS		
Laboratory raw material inventories	94	39
Receivables	96	199
State receivables	3,898	1,720
Other receivables	535	51
Subscribed capital – called up, not paid up	121	179
Cash, cash equivalents and marketable securities	100,884	29,097
Prepaid expenses	440	139
TOTAL CURRENT ASSETS	**106,068**	**31,425**
Deferred expenses	13	17
OVERALL TOTAL	**161,912**	**58,228**

Statement of financial position - Audited Parent Company Financial Statements *(In thousands of euros)*	2021	2020
EQUITY		
Share	7,826	5,674
Issue, merger and contribution premiums	146,337	59,711
Retained earnings	0	(14,115)
Investment subsidies	8	11
Profit and loss for the period	(11,136)	(6,146)
TOTAL EQUITY	**143,035**	**45,135**
OTHER EQUITY CAPITAL		
CONDITIONAL ADVANCES	**3,707**	**4,173**
DEBT		
Loans	6,490	5,647
Trade and other payables	5,585	1,952
Tax and social liabilities	1,728	1,145
Other liabilities	121	1
Deferred income	1,246	176
TOTAL LIABILITIES	**15,170**	**8,921**
OVERALL TOTAL	**161,912**	**58,228**

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2.2.1 CAPITAL

Audited Parent Company Financial Statements *(In thousands of euros)*	12/31/2021	12/31/2020
Equity	143,035	45,135
Other equity capital (conditional advances)	3,707	4,173
Loans and financial liabilities	6,490	5,647
Cash and cash equivalents	100,884	29,097
Debt (Cash) – Net position	94,394	23,450
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, 2021, conditional advances totaled €3,707 thousand.

2.2.2 CASH FLOWS

2.2.2.1 Comments on working capital and working capital requirements

Working capital amounted to €97,388 thousand, up €69,237 thousand compared to 2020, due to the difference between:

- the fiscal year's fixed resources up by €109,847 thousand, mainly following the net capital increase of €109,039 thousand, and less the negative net cash flow of €10,044 thousand;
- the Company's needs, up €30,566 thousand, *i.e.* gross capital expenditure of €30,324 thousand, loan repayments of €242 thousand.

The working capital requirement stood at -€3,496 thousand (cash surplus), up €2,550 thousand compared to fiscal year 2020, due to:

- the increase in trade payables of €3,634 thousand and tax and social security liabilities for an amount of €703 thousand;
- the recognition of deferred income of €1,070 thousand related to the LIFE grant;
- offset by the increase in the CIR pending repayment (€2,265 thousand compared to €1,488 thousand in 2020).

With working capital of €97,388 thousand and a cash surplus of €3,496 thousand, the cash position stood at €100,884 thousand at December 31, 2021.

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 *received*, outstanding and past due at the closing date						Article D. 4411.2: Invoices *issued*, outstanding and past due at the closing date					
	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 day	91 days and more	Total (1 day and more)	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 day	91 days and more	Total (1 day and more)
(A) OVERDUE PAYMENT BRACKETS												
Number of invoices involved						45						1
Total amount of invoices involved, excl. tax		270,611	268,841	110,701	0	650,152				15,682		15,682
Percentage of the year's total purchases, excl. tax		1.09%	1.09%	0.45%	0.00%	2.63%						
Percentage of revenue excluding tax of the fiscal year										1.62%		1.62%
(B) INVOICES EXCLUDED FROM (A) CONCERNING DISPUTED OR NON-RECOGNIZED DEBTS OR RECEIVABLES												
Number of invoices excluded												
Total amount of excluded invoices												
(C) CONTRACTUAL OR LEGAL PAYMENT TERMS USED (ARTICLE L. 441-6 OR ARTICLE L. 443-1 OF THE FRENCH COMMERCIAL CODE)												
Payment terms used for the calculation of overdue payments	Contractual terms: invoice due date						Contractual terms: 30 days from invoice date					

2.2.2.3 Statement of cash flows

Audited Parent Company Financial Statements *(In thousands of euros)*	2021	2020
Cash flows related to operations (A)		
Profit and loss for the period	(11,136)	(6,146)
Depreciation and amortization (including investment subsidies)	763	453
Gains or losses on asset disposals	47	797
Changes in working capital requirements for operations	237	(273)
Net cash absorbed by operations	***(10,089)***	***(5,169)***
Cash flows related to investments (B)		
Net acquisitions of intangible assets and property, plant and equipment	(11,881)	(3,854)
Net acquisitions of non-current financial assets	(17,973)	(8,880)
Change in fixed asset liabilities	2,313	67
Net cash absorbed by investments	***(27,541)***	***(12,668)***
Net cash flow from financing activities (C)		
Net proceeds from the issuance of shares and BSAs	109 039	29,277
Inflows from loans, net of repayments and expenses	(242)	966
Inflows from repayable advances and investment subsidies	620	776
Net cash from financing activities	***109,417***	***31,019***
Change in cash and cash equivalents (A + B + C)	***71,787***	***13,182***
Cash and cash equivalents at the beginning of the period	29,097	15,915
Cash and cash equivalents at end of period	**100,884**	**29,097**

In 2021, the cash flow absorbed by the Company's operations amounted to €10,089 thousand. This was notably due to the accounting loss recognized. As for investment flows, they absorbed €27,541 thousand, mainly due to the acquisition of a €17,871 thousand stake in the subsidiary Carbiolice and the creation of an industrial demonstration plant for €9,315 thousand.

Financing operations generated cash flows of €109,417 thousand:

- The capital increase of May 12, 2021 for €109 million net of fees charged on the issue premium (€6 million);
- Collection of an ADEME repayable advance of €620 thousand following the validation of key stage 3.

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

2.2.3 FINANCING

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

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:

Thanaplast™ financial returns *(In euros)*	**Year 1***	**Year 2**	**Year 3**	**Year 4**	**Year 5**
Conditional advance	300,000	500,000	800,000	975,000	1,950,000
TOTAL FINANCIAL LIABILITIES	**300,000**	**500,000**	**800,000**	**975,000**	**1,950,000**

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

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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 an amount cap (ceiling of €7.1 thousand).

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 eight quarters, 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 eight quarters, the constant capital repayments of €75 thousand will take place from September 30, 2022 to June 30, 2027. On January 10, 2019[1], Carbios and Toulouse White Biotechnology (TWB) obtained financing of €7.5 million granted by the *Secrétariat Général pour l'Investissement* (SGPI) as part of the Future Investment Program (PIA no. 1882C0098) operated by ADEME to support the ramp-up of Carbios' industrial and commercial project in the field of enzymatic recycling of plastic waste and PET fibers, over a period of 48 months. As project leader and coordinator of the CE-PET[2] 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 INRAE 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, INRAE and INRAE 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[3]. 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% a repayable advance (with conditions). Upon the validation of each key stage, a predetermined portion of the repayable advance becomes due.

(1) *Please refer to the press release of January 17, 2019.*

(2) *"Circular Economy PET".*

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

At the end of 2021, the Company received €827 thousand for the validation of the third key stage of the CE-PET[1] project. As a reminder, the Company received €1 million for the validation of the second key stage in 2020 and €1.4 million for the completion of the first key stage in 2019, *i.e.* a total amount of €3.3 million since the start of the project.

Since 2019, the Company financed major capital expenditures on laboratory equipment for the set-up of its pilot through finance leasing totaling €605 thousand.

On July 23, 2020[2], 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.

In May 2021[3], Carbios announced the success of a capital increase carried out with cancellation of shareholders' preferential subscription rights by way of a public offering and with a priority period. The Company issued 3,000,000 new ordinary shares with a par value of €0.70 per share, at a unit price of €38, including the issue premium, for a total amount of €114 million, representing 36.7% of the Company's share capital before the transaction. The 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 commitments they had made, for a total amount of €11.4 million. L'Occitane Group subscribed for this capital increase for an amount of €10 million. This support, together with the strong demand expressed by international institutional investors and individuals eligible for this public offering, are strong markers of the legitimacy acquired by the Company and its management team.

The purpose of the funds raised is to finance:

- the construction of a Reference Unit using the Carbios' enzymatic technology for recycling 100% of PET with an estimated production capacity of 50,000 metric tons per year, amounting to approximately 65% of the net proceeds from the issue; it is specified that the part of the investment in the Reference unit not financed by the net proceeds of the issue will be, when the time comes, through other sources of financing;
- the Company's operating expenses, amounting to approximately 5% of the net proceeds of the issue;
- operating expenses related to the demonstration plant located in Clermont-Ferrand, representing approximately 5% of the net proceeds of the issue;
- expenses related to R&D activities specific to PET and PLA and the deployment of the Company's Research activities to other polymers and/or other applications, amounting to approximately 10% of the net proceeds of the issue; and
- streamlining of the Company's portfolio to develop its biodegradation technologies beyond PLA, up to approximately 15% of the net proceeds of the issue[4].

November 25, 2021[5], Carbios announced that it had obtained European funding of €3.3 million (including €3 million for the Company) in the form of a grant through the LIFE program, alongside its partners T.EN Zimmer GmbH and Deloitte. T.EN Zimmer GmbH provides its expertise on the repolymerization of monomers in 100% recycled PET and Deloitte on the analysis of the environmental performance (in particular *via* the Life Cycle Analysis) of the process from plastic and textile waste. The European Commission's LIFE program is a large grant program aimed at supporting innovative projects with a low environmental impact and a proven industrial deployment capacity. Carbios is fully in line with the European Commission's objectives through its C-ZYME™ technology. This financing, composed of grants, will be paid in several instalments over the duration of the project with an initial instalment of 40%, *i.e.* an amount of €1,320 thousand received by Carbios on November 5, 2021, including €119 thousand to be paid to partners.

(1) *"Circular Economy PET".*

(2) *Please refer to the press release of July 23, 2020:*

(3) *Please refer to the press release of May 10, 2021.*

(4) *Please refer to the press release of June 4, 2021 on the purchase of the SPI fund's stake in the capital of Carbiolice.*

(5) *Please refer to the press release of November 25, 2021.*

December 20, 2021[1], Carbios and the European Investment Bank (EIB) announce the signature of a €30 million loan agreement supported by the European Commission's InnovFin energy demonstration program. The objective of this type of financing is to support innovative projects with high potential, developed by companies aiming to achieve major changes in line with the EU's climate objectives and contributing to the leadership of European industry in the development of sustainable technologies. This loan of €30 million, disbursed in a single instalment by the EIB, carries a fixed annual interest of 5%, with a maturity of eight years. This agreement is supplemented by a share subscription warrant agreement under the terms of which Carbios will issue 2.5% of the fully diluted share capital in the form of share subscription warrants for the benefit of the EIB, including 1.25% with an exercise price of €40 per share, and 1.25% with an exercise price of €38.8861 per share, corresponding to the volume-weighted average price of the Company's ordinary share during the last three [3] trading days prior to the fifth day preceding the signature date. The creation and issue of these EIB share subscription warrants, and therefore the disbursement of the loan of €30 million, were subject to a vote by Carbios' Extraordinary Shareholders' Meeting of February 2, 2022 of a delegation of authority to the Board of Directors, and a decision of the Company's Board of Directors using this delegation of authority.

European Investment Bank The EU bank

European Commission

At the date of filing of this Universal Registration Document and on the basis of cash flow items and its forecast operating expenses, the Company considers that it is in a position to meet its future payments beyond the next twelve months.

Expected sources of funding

Following the successful completion of the key stage 3 of the CE-PET project, the Company has collected a total amount of €3.3 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.

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[2] for the acquisition of a pre-pilot laboratory. In 2019 and 2021, the Company also leased equipment for the implementation of its PET enzymatic recycling pilot for a total of €605 thousand.

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

2.2.4.1.1 Laboratory and pilot

Investments in equipment for its laboratory continued, amounting to €24 thousand in 2019, €265 thousand in 2020, and €104 thousand in 2021, bringing the total to €1,821 thousand as at December 31, 2021.

The Company also commissioned its PET enzyme recycling pilot in 2019. In this respect, as at December 31, 2021, the Company had invested €331 thousand in its own materials and equipment, of which €128 thousand in 2021, €45 thousand in 2020 and €62 thousand in 2019, as well as €651 thousand financed by finance leases during the 2020 and 2021 fiscal years.

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 2021, Carbios' intellectual property portfolio included 41 patent families (including one under exclusive worldwide license from the CNRS and the University of Poitiers and 22 protecting its innovation in the enzymatic recycling of PET plastics and fibers), including four new patent families in the 2021 fiscal year.

As at December 31, 2021, gross investments made by Carbios in patents amounted to €2,259 thousand, of which €317 thousand in 2018, €305 thousand in 2019 and €391 thousand in 2020 and 600 thousand in 2021.

2.2.4.1.3 Equity interests

At December 31, 2021, the Company held nearly 100% of the share capital of Carbiolice[3], created in 2016 and whose registered office is located in Riom (France), following the acquisition by the Company of the entire stake of Limagrain Ingrédients and the SPI fund managed by Bpifrance Investissement in the share capital of Carbiolice[4]. Carbiolice shares thus appear on Carbios' statement of financial position for a total amount of €38,371,461.

(1) Please refer to the press release of December 20, 2021.

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

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

(4) Please refer to the press release of June 4, 2021.

2.2.4.1.4 Other investments

As the Company is present on four different sites and fitting and fitting work was carried out on the various sites for a total of €7,988 thousand in 2021, mainly on the Cataroux site, for which the total amounted to €7,979 thousand . Note that part of these investments took place in previous financial years and were, therefore, capitalized for this financial year and removed from the "fixed assets in progress" item.

At the same time, the Company invested €31 thousand in office furniture and equipment, and €63 thousand in the development and renewal of its IT system. Regarding the furniture and IT equipment items, the Company invested €53 thousand in 2020 and €142 thousand in 2019.

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

In accordance with accounting standards, the "Property, plant and equipment under construction" item, which amounted to €6,030 thousand in 2021, consists mainly of the costs relating to the implementation of the Company's industrial demonstration plant for €4,653 thousand in 2021 and the building intended to accommodate the teams of the development laboratory, pilot and support activities for €1,354 thousand in 2021.

The "Property, plant and equipment under construction" item relating to the installation of the Company's industrial demonstration plant will be subject to:

- either lease-back financing;
- or a reclassification to "property, plant and equipment" when they are brought into service.

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 asset	Guarantees and endorsements given by Carbios	Revenue excluding tax at 12/31/2021	Net income as of 12/31/2021
Carbiolice	28,618,748	9,394,970	100%	38,371,461	-	-	48,413	(5,207,493)

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.

2.3 EVENTS AFTER THE REPORTING PERIOD

MOST SIGNIFICANT TRENDS SINCE DECEMBER 31, 2021

At its meeting of February 3, 2022, the Board of Directors implemented the delegation granted by the Combined General Meeting of February 2, 2022 to decide to issue, with cancellation of the preferential subscription right, 296,928 share subscription warrants known as "BSA", giving the right to subscribe for 296,928 new ordinary shares of the Company, for the benefit of the European Investment Bank. The Chairman noted that under the loan agreement €30 million signed with the European Investment Bank (the "EIB"), the Company has undertaken, under the terms of an agreement for share subscription warrants written in English ("Subscription Agreement for Warrants in the Capital of Carbios SA") dated December 20, 2021 (the "Issue Agreement"), to issue 296,928 share subscription warrants ("BSA") to the EIB. These share subscription warrants would represent 2.5% of the Company's diluted share capital, and could be exercised for a period of eight years from their issue at a price corresponding to:

- €40 for 50% of the share subscription warrants (BSA) to be issued; and
- an amount equal to the volume-weighted average of the last three (3) trading days preceding the fifth day preceding the signature of the contract relating to the issue of the share subscription warrants, i.e. €38.8861, for the remaining 50% of the share subscription warrants.

There was no significant change in the Company's financial performance between December 31, 2021 and the date of this Universal Registration Document.

2.4 OUTLOOK AND OBJECTIVES

The Company does not publish any estimates of its net income or operating income.

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

The Covid-19 coronavirus epidemic 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.

As the conflict in Ukraine has spread since February 2022, and were it to continue, it could have a significant negative impact on the Company's activity by causing operational difficulties, in particular related to:

- the economic and financial difficulties of partner companies or service providers of the Company;
- slowdowns in the activities of certain suppliers (materials, components, etc.) and therefore supply difficulties;
- the inflation of raw materials with the consequence of an increase in the prices of materials/components/equipment that the Company would need for its activity.

Since the beginning of the crisis in Ukraine, the Company has not, as of the date of publication of this document, encountered any difficulties in pursuing its activities or its planned investments. To date, the Company has no direct or indirect relations with Ukraine or Russia, and the Company has managed to limit any delays directly related to this crisis in the industrial and commercial deployment of its technologies.

However, if this crisis were to continue and/or generate lasting economic consequences, the Company could have difficulties in containing the adverse effects of these measures and in particular, the increase in the cost as well as the extension to the lead times of supplies of certain materials, equipment and products necessary for the construction of its Reference unit. This extension of lead times and the increase in prices could delay the next stages of optimization 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 implementing 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 crisis were to continue for several more months.

As of the date of this Universal Registration Document, this crisis is still ongoing and the outcome is uncertain, its impacts may still, therefore, negatively affect the Company's ability to conduct its activities and could lead to delays in the industrial deployment and commercial use of its technologies.

In view of the current situation between Russia and Ukraine, the Company specifies that its economic and balance sheet exposure to these two countries is not significant. In 2021, Carbios did not record any expenses with suppliers based in Russia and Ukraine.

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 April 1, 2018, the enzyme optimization work conducted within TBI and CRITT is eligible for ADEME funding within the CE-PET[1] project for which Carbios received the funding notification on January 10, 2019[2]. As part of this project, the PIA operated by ADEME granted €7.5 million in financing to Carbios and TWB in order to support the upscaling of Carbios' industrial and commercial project in the field of enzymatic recycling of plastic waste and PET fibers, over a period of 48 months.

  This funding, which consists of grants and advances that are repayable if the project is successful, will be paid in instalments through the project term. Post-closing, Carbios announced on March 10, 2022 that it had successfully validated the third and final technical stage of this project and that it had received an amount of €827,200 in the first half of 2022, *i.e.* a total of €3.3 million since the start of the project in 2019[3]. Carbios will be able to receive up to €4.1 million from ADEME for this project.

  As part of this work, Carbios, project leader and coordinator, is tasked with accelerating the industrialization of its technology for the enzymatic recycling of PET plastic waste and fibers. In November 2020, it also announced that it had produced the first bottles containing 100% recycled purified terephthalic acid (rPTA) from textile waste with a high PET[4] content.

  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. In accordance with the TWB rules on competitive contracts, it provides that Carbios will have full ownership of the results obtained under this project. The technical work was completed in October 2021. The last year of the project, which will end on October 31, 2022, is dedicated to economic and industrialization milestones.

  In order to continue the enzymatic engineering work carried out as part of this CE-PET project co-financed by ADEME, INSA and Carbios signed a research collaboration agreement that came into force on November 1, 2021. The contract is governed by the rules defined by the TWB consortium agreement and provides, in accordance with the TWB rules on competitive contracts, that Carbios will have full ownership of the results obtained under this project.
- On January 17, 2020, the Company announced a strategic alliance with INSA Toulouse through its TBI laboratory to set up an internationally renowned enzymatic engineering research center for the recycling and biosynthesis of plastics[5]. This laboratory, called PoPLaB, in reference to Plastic Polymers and Biotechnologies, was inaugurated on January 28, 2020. On this occasion, Carbios announced that it had become a sponsor of the INSA Toulouse Foundation for a period of three years.
- On November 25, 2021, Carbios announced that it had received support from the European Commission through the LIFE program for the "LIFE cycle of PET" project. For this project, Carbios, as project coordinator, and its partners T.EN Zimmer GmbH and Deloitte, obtained a grant of €3.3 million (including €3 million for Carbios) spread over the 39 months dedicated to the project.

  A Grant Agreement has been signed with the European Commission and a consortium agreement is being signed with Carbios partners for this project. As part of this project, Carbios will benefit from full ownership and exclusive exploitation rights of the results it will have generated. It will also have the exploitation rights in the field of enzymatic recycling on the results generated by its partners.

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 Research, Engineering and Purchasing Assistance contract entered into force between Carbios and TechnipFMC. This contract includes an option for the monitoring of supplies, markets and the coordination of an engineering project relating to the definition of a demonstration unit for terephthalic acid (TA) and ethylene glycol (EG) monomers by recycling 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, 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.

  The industrial demonstration plant, now integrated into the Michelin Group's Cataroux site, was commissioned in September 2021. In this context, two commercial leases were signed on April 13, 2021 between the Company and the Michelin Group for the purposes of defining the terms and conditions of the provision of the building housing the Company's demonstration plant, on the one hand, and that of the building housing the development laboratory, pilot and support activities on the other hand.

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

(2) *Please refer to the press release of January 17, 2019 .*

(3) *Please refer to the press release of December 3, 2019.*

(4) *Please refer to the press release of November 19, 2020.*

(5) *Please refer to the press release of January 17, 2020.*

PARTNERSHIPS AND CONTRACTS RELATED TO THE PET PROJECT

- On March 16, 2022, the Company and Technip Energies entered into a contract for studies, engineering, purchasing assistance, monitoring of supplies, contracts and site coordination. This contract defines the terms and conditions for Technip Energies to carry out, initially, engineering studies for the FEL2 phase of the project to build a reference unit of the Company.
- On October 27, 2017, the Company announced that it had signed a five-year consortium agreement with L'Oréal on September 30, 2017. This agreement aims 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 agreement, the Company signed a consortium agreement with L'Oréal for a four-year period from its launch date, *i.e.* April 19, 2019. The latter specifically concerns 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[(1)]. 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

- 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.
- 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[(2)], the global leader in enzyme production.
- In order to support the takeover of Carbiolice by Carbios, the two companies entered into a management contract on August 2, 2021, enabling Carbiolice to benefit from the skills, expertise and certain material and human resources available to Carbios. This contract allows Carbios to provide management services to redefine Carbiolice's strategic orientations as well as develop its associated activities and resources.

(1) Please refer to the press release of April 29, 2019.

(2) Please refer to the press release of January 29, 2019.

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. This license agreement has already given rise to the payment of a sum of €800 thousand to the co-owners as return following the upfront of 2016 received by Carbios when the license was granted 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.
- Following the purchase of the shares of the SPI fund in the capital of Carbiolice on June 3, 2021, Carbiolice, as an affiliate of Carbios, now directly holds the exclusive worldwide operating license for this patent family. In this respect, Carbiolice may pay royalties to the joint owners with the revenues generated by Carbiolice's exploitation of this family of patents. No fees from Carbiolice to the co-owners were recognized in 2021.
- 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[1] the results obtained as part of the Thanaplast™ project.

  As such, for the part of the project dedicated to PLA biodegradation, six patent families resulting from the project were licensed to Carbiolice and resulted in a retrocession in the form of flat-rate amounts (in 2016) and royalties (from 2020). Thus, in July 2017, Carbios signed an operating agreement with INRAE Transfert, on behalf of INRAE, INSA Toulouse and CNRS, on a patent family jointly owned with INRAE/INSA/CNRS. This agreement concerns an enzyme for the degradation of polyesters developed at TBI as part of the research collaboration agreement with INRAE as part of 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 comply with their obligations related to the use of genetic resources taken from the territories of the signatory States of the Nagoya Protocol, Carbios and INRAE signed an agreement in 2020. This allows the access and use of 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 an operating agreement with INRAE Transfert, on behalf of INRAE, INSA Toulouse and CNRS, on a patent family for a second polyester degradation enzyme. This enzyme was 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. On June 28, 2018, Carbios and INRAE Transfert signed an amendment to the license granted to Carbiolice, including the said patent family.

  Following this, 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 effective direct or indirect use of this patent family *via* Carbiolice. No payments are to be declared for 2021.

  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[2] 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.

  In addition, Carbios will have full ownership of the results obtained under the competitive contract signed with INSA which entered into force on November 1, 2021. In the event that these results are exploited or licensed by Carbios for future exploitation, this exploitation could also give rise to a financial retrocession to the INSA in the form of a lump sum.

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

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

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3 RISK FACTORS

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

The main risk factors liable, as at the date of publication of this Universal Registration Document, to have a negative impact on the Company, its business, its financial position, its results or its ability to achieve its objectives, are set out below.

These risk factors are Company-specific. They are grouped into six categories and are classified according to their degree of net criticality, in decreasing order. The risk's probability of occurrence and its magnitude are assessed according to three levels ("low", "moderate" and "high"). Future events that are internal or external to the Company, may modify this order.

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 assess each risk and classify them 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 presentation below takes into account the Covid-19 pandemic and its impacts.

Risk type	Probability of occurrence	Risk magnitude	Net degree of criticality
1. Risks related to the Company's business and market			
• Risks associated with technology development	Average	High	Significant
• Risks associated with raw materials	Average	Average	Moderate
• Risks associated with the emergence of competing technologies	Average	Low	Moderate
• Risks associated with dependence on key partners	Low	Average	Moderate
2. Financial risks	Average	High	Significant
3. Risks associated with the impact of the Covid-19 epidemic	High	Average	Significant
4. Risks related to the Company's organization			
• Risks of dependence on key personnel	Average	Average	Moderate
5. Risks associated with intellectual property			
• Risks associated with uncertain protection of patents	Average	Low	Moderate
• Risks associated with dependence on third-party technology	Low	Low	Minor
6. Regulatory risks			
• 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 planned, 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 dependent on the risks associated with the development of innovative technologies and/or products 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 aims to build a reference unit that will enable it to extrapolate the data from its demonstration plant to the industrial scale in order 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.

The main risks of the Reference Unit project are as follows:

- extension of lead times and increase in supply costs in line with strong demand (recovery) and/or a tense geopolitical situation with supplier countries;
- results of the demonstration unit and technological decisions made during the design study and which may involve rework and therefore delay;
- difficulties in producing admissible permit applications on time due to the specific technicalities of the project and the land;
- project synchronization with dependent projects, such as the supply of key raw materials. Working groups are already in place with Novozymes (for the production of enzymes) and Indorama Wellman (for the supply of PET flakes). This effort will intensify and be extended to all critical supplies in 2022.

However, the difficulties identified above could hinder the successful implementation of this strategy in accordance with the planned schedule.

These risks could prevent the Company from having the necessary and sufficient data to build its Reference Unit within the announced deadlines. They could also prevent it from entering into licensing agreements for its technology including the engineering documentation of the process and the supply of the enzymes that are respectively necessary for the construction and operation of higher capacity industrial units.

More specifically, the technical, industrial, administrative, regulatory or intellectual property-related obstacles encountered by the Company could cause complications in the deployment of its PET recycling technology. These complications could prevent the Company from having the necessary and sufficient data to build its reference unit. They could also prevent it from entering into licensing agreements for its technology including the engineering documentation of the process and the supply of the enzymes that are respectively 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 is 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 area of scientific development, which would definitively call into question the viability of the Company's business model, it would then be necessary to consider the optimal way of valuing the assets accumulated by the Company at the date such an observation. Measures, such as the partial or total sale of these assets, should also be taken to minimize the impact of such a situation on its 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 set up 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.

Carbios is developing its internal industrial team, with the recruitment of engineers experienced in technologies and projects to run the Reference unit project and the industrial demonstration plant test plan at the same time. The latter's production team is adapted to support the ramp-up of the purification steps and the testing of new raw materials. The network of technology experts is maintained and strengthened in order to have independent advice from equipment suppliers. Links with national and local authorities have also been established.

The management of technological risks is explicitly integrated into the management of the Reference Unit project, in connection with the demonstrator's activities.

The procedures and studies in connection with the filing of permit applications were launched with the mobilization of external experts mandated by Carbios and the establishment of a collaboration with the services of the State, the Region, the Mayor of Longlaville and the urban community, in project mode. The project's procurement and supply plan is initiated in advance, to take into account potentially deteriorated market conditions for the supply of certain materials, equipment and products necessary for the construction and deployment of the Reference Unit.

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

As part of the enzymatic recycling process developed by the Company, plastic or textile waste composed mainly of PET or polyester fibers is the main raw material required for large-scale operations.

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.

Indeed, two players with competing processes (methanolysis) have announced the construction of industrial units in France requiring a cumulative capacity of 230,000 tons per year of PET waste. Such competing technologies could potentially have an adverse effect on the supply of raw materials for the industrial and commercial operation of the PET enzymatic recycling technology developed by the Company.

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.

3.2.1.2.2 Risk management

The difficulties that the Company may encounter in accessing raw materials are a challenge faced by all of Carbios' competitors.

In order to secure these supplies for industrial and commercial operations, the Company has already engaged in advanced discussions with eco-organizations (Extended Producer Responsibility operators) and with several leading players capable of supplying raw materials to the future operators of its enzymatic recycling technology.

In addition, Carbios conducts depolymerization tests on various types of waste in its pilot unit and its demonstration plant. The aim is to diversify the sources of supply 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.

In addition, the location of the Company's future Reference unit in Meurthe-et-Moselle will make it possible to envisage a supply of waste from France and from Belgium, Luxembourg and Germany, which has a excellent collection system including for post-consumer textiles.

An industrial working group was set up with Novozymes to define the means of production, storage and logistics of the enzyme, from the Novozymes site(s) to the reference plant in Longlaville (54).

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. Moreover, the Company cannot guarantee that its processes will be brought to the market more quickly than those of its competitors.

At the same time, the identification of enzymes intended for the enzymatic recycling of PET is the subject of research by various universities around the world. The Company cannot guarantee that these academic laboratories will not develop an enzyme that is more efficient than Carbios' proprietary enzymes.

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

Fields of application	Direct industrial competitors
Recycling	**PET and/or polyester fibers:** Loop Industries*, Ioniqa*, Teijin*, Jeplan*, Gr3n*, Garbo*, Axens IFP Group Technologies*, BP*, Eastman*, Cumapol*, Polygenta Technologies* **Other polymers:** 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.*

3.2.1.3.2 Risk management

Carbios is a pioneer in the development of biological processes dedicated to optimizing the life cycle management of plastics and textiles. It has many strengths to enable its processes to be marketed despite the emergence of competing technologies. To this end and in order to obtain a competitive advantage, the Company has established strategic collaborations with several industrial leaders in their fields, such as Novozymes, L'Oréal, Nestlé Waters, PepsiCo, Suntory Beverage & Food Europe, Michelin, l'Occitane and Technip Energies[1]. These partners, keen to initiate a real transition towards a circular economy model to manage the life cycle of plastics, support the Company in the industrial and commercial implementation of its enzymatic technologies.

The Company also plans to strengthen its academic partnerships in order to provide itself with the possibility of acquiring upstream technologies that may be developed in the field of enzymatic recycling from universities. In addition, the Company has intellectual property covering the entire recycling process, regardless of the enzyme used.

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

In order to ensure the development of its technologies at the laboratory stage, the Company has entered into collaboration or research service agreements with academic laboratories. This is notably the case with the Thanaplast™ program (now completed) and the CE-PET project. For the latter, a consortium agreement was signed in 2019 with INRAE, acting on behalf of the Toulouse White Biotechnology Mixed Services Unit (TWB). In 2020, the Company also set up a cooperative laboratory, PopLaB, with INSA Toulouse, through its internationally recognized laboratory TBI (Toulouse Biotechnology Institute). In 2021, the Company continued the work in progress at TBI by setting up a new contract with INSA Toulouse, which entered into force in November 2021.

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 concerned, to commit unforeseen investments and/or additional resources. This could have an adverse effect on the Company's technology development and financial position. If it could no longer benefit from these renowned academic partnerships, the Company could no longer have access to state-of-the-art data, materials and equipment. The Company would then be forced to make financial investments that it may not be able to support.

Industrial partnerships

In 2020, the Company continued its collaboration with Technip Energies for the engineering and construction oversight of its demonstration plant on the Cataroux site in Clermont-Ferrand[2]. Since September 2021, Carbios has operated it on its own.

As part of its project to build a reference unit on the Longlaville site (54), on March 16, 2022, the Company also signed a contract with Technip Energies for studies, engineering, purchasing assistance, monitoring of supplies, contracts and site coordination. This defines the terms and conditions for Technip Energies to carry out, initially, engineering studies for this project.

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 may not validate the key stages of the collaboration, in particular the profitability studies of the planned partnership. They may not complete their tasks within the set deadlines or, more generally, fail to meet their commitments. The Company could then be forced to stop or delay the industrialization of the project(s) involved. Such a delay could have an adverse effect on the Company's business and financial position, especially if new investments proved necessary.

For such partnerships in particular, the Company generally depends on a single partner, which ranks among the leaders in its field. In the event of the termination or deterioration of its relations with this industrial partner, the Company could find it impossible to strike an agreement with other partners with the necessary capabilities to meet the Company's needs and requirements. This could adversely affect its ability to successfully develop, produce at a competitive cost, 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 and guarantee clauses, to cover itself in the event of a breach by the partner or its early termination of the contract.

At the same time, each partnership is monitored on the basis of a "project management" model. This includes the appointment of project managers within the Company and its partners; the set-up of monitoring and reporting tools; and the establishment of steering committees within the Company's management team and that of its partners in order to be able to quickly anticipate any delay in work or other major problem.

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

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

Lastly, partnerships related to pre-industrialization or industrialization generally depend on a single partner. The Company has focused on building with Technip Energies and Novozymes, a solid long-term partnership relationship, which strengthens mutual trust and is an asset for the success of these partnerships.

3.2.1.4.3 Degree of risk criticality

Moderate.

3.2.2 THE COMPANY'S FINANCIAL RISKS

3.2.2.1 Identification of risks

At December 31, 2021, the cash and marketable securities held by the Company totaled €101 million.

At December 31, 2021, the Company's financial liabilities consisted solely of conditional advances of €3,707 thousand and borrowings of €6,490 thousand.

Please refer to section 5.1.4 for an overview of the Company's conditional advances (Note 13) and debt schedule as at December 31, 2021 (Note 8).

It should also be noted that the Company's historical deficit can be explained by the fact that it is still in its development phase. During this phase, research expenses increase while no recurring revenue is generated. This may create a liquidity risk for the Company, excluding subsidies or additional fundraising.

Thus, for the fiscal year ended December 31, 2021, it should be noted that the Company's operational activities consumed €10.1 million in cash. Flows from investments in non-current assets (excluding financial items) consumed €11.9 million.

The cash flow forecasts for the 2022 fiscal year take the following items into consideration:

- available cash of €101 million as at December 31, 2021;
- the receipt of €30 million in respect of the loan granted by the European Investment Bank, which should take place during the second quarter of 2022;
- the receipt of the Research Tax Credit (CIR) of €2.3 million (amount recognized as at December 31, 2021), for which the payment should take place during Q2 2022; and
- the expected receipt of the ADEME grant relating to balance 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[1].

3.2.2.2 Risk management

On April 1, 2022, the Company carried out a specific review of its liquidity risk on the basis of cash items, which amount to €26 million at April 1, 2022. On this date and on the basis of its investments and current operating expenses, the Company considers that it will be able to meet its future maturities for at least the next twelve months. These items take into account investments for the deployment of the various phases of the process at the industrial demonstration plant stage, the probable final cost of which is estimated at between €20 million and €25 million, and engineering work relating to its Reference unit. In addition, investments could also be made over the next 12 months in this respect.

3.2.2.3 Degree of risk criticality

Significant.

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

- the closure of the Company's partner companies or service providers;
- slowdowns in the activities of certain suppliers (materials, components, etc.) and therefore supply difficulties;
- the closure of research laboratories;
- the lockdown measures in place;
- travel restrictions; and
- the impossibility for certain employees to work from home.

Since the start of the Covid pandemic, the Company has encountered certain difficulties in the continuation of its activities, in particular, given the restrictions and lockdown measures suffered by some of its suppliers, service providers and partners. To date, however, the Company has managed to limit any delays directly related to the health crisis in the industrial and commercial deployment of its technologies.

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

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 and Reference unit.

This extension of lead times could delay the next stages 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.

3.2.3.2 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, piloting and industrial demonstration activities for its technologies; It ensures that its staff respects barrier gestures and that health and safety measures are implemented in its establishments. 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. The Company's Executive Management also keeps a permanent watch on the risks associated with the development of this health crisis and implements all appropriate actions to reduce its potential negative impacts. As at the date of this Universal Registration Document, the Company cannot, however, assess the impacts of this crisis on the 2022 fiscal year, if it were to continue. With regard to the Reference Unit project, the Covid risk persists but is mitigated with effective protocols put in place in the companies and the evolution of the pandemic.

3.2.3.3 Degree of risk criticality

Significant.

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 are in particular the Chief Executive Officer, Emmanuel Ladent, the Deputy Chief Executive Officer, Martin Stephan, the Chief Scientific Officer, Professor Alain Marty, the Chief Financial Officer, Kader Hidra, the Director of Legal and Social Affairs, Vanina Varlamoff and the Director of Intellectual Property, Lise Lucchesi.

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

In 2021, the Company's headcount increased from 38 to 59 employees. The Company anticipates significant growth in its business. It will, therefore, need to recruit additional employees to expand its operational activities, in particular qualified scientific and technical employees to assist in its growth and 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 these key employees under economically acceptable conditions. It may therefore not be able to compete with reputable companies, groups or organizations with greater financial strength.

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

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.

3.2.4.2 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 strengthened its Executive Committee and the teams of its various operational divisions during the 2021 fiscal year, in order to gain additional expertise in key areas such as industrial engineering, finance and research. 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.

3.2.5 INTELLECTUAL PROPERTY RISKS

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.

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

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

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

Risks associated with dependence on third-party technology

Carbios' success will also depend on its ability, and that of its partners, to use the Company's exclusive technologies without infringing upon, misappropriating or otherwise violating any third parties' intellectual property rights or exclusive rights. However, despite the efforts made, the Company may not be aware of all of the intellectual property rights held by third parties and potentially linked to the Company's technologies. Therefore, the Company cannot guarantee that its processes do not infringe on patents held by third parties, or that it will not be accused of such infringement.

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

Any such litigation could also force the Company to stop developing, selling or using the products or bioprocesses that would depend on the allegedly infringing intellectual property. It could also require it to obtain a license from the holder of the intellectual property rights which 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.

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.

3.2.5.3 Degree of risk criticality

Risks associated with uncertain protection of patents: Moderate.

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

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 of biological material with the University of Kasetsart (Thailand). The strain from which the aforementioned enzyme originated was obtained from this university.

In addition, as a company operating on French soil, the Company must comply with European regulations (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). These lay down detailed rules for the utilization of genetic resources, whenever the enzymes used by the Company fit the definition of genetic resource.

To reinforce this European regulation, law No. 2016-1087 of August 8, 2016 and its implementing decree No. 2017-848 of May 9, 2017 include new provisions. These provisions relate, in particular, to the due diligence to be carried out in the event of use of genetic resources taken from the territories of the signatory States of the Nagoya Protocol.

The Company may thus encounter difficulties with the suppliers of biological materials and/or the authorities of the States concerned in obtaining the necessary information and making the declarations required by these regulations.

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 No. 282/2008 on recycled plastic materials and articles intended to come into contact with foodstuffs only concerns mechanical recycling. Processes involving a return to monomers are expressly excluded under Article 1. This regulation is currently being revised and chemical (or biological) recycling with a return to monomers, like the PET recycling process developed by Carbios, would remain excluded from this regulation. The monomers resulting from the Company's process must therefore comply with the substances registered according to the REACH Regulation No. 1907/2006 on the registration, evaluation and authorization of chemical substances and also to Regulation No. 10/2011 on plastic materials and articles intended to come into contact with foodstuffs. This Regulation No. 10/2011 is also being revised. Monomers, resulting from the chemical (or biological) recycling of PET waste, could have impurity characteristics that are not those of monomers from petrochemicals. This could potentially lead to a separate registration of the monomers from the Company's PET enzymatic recycling technology and therefore to 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). In addition, Carbios has strengthened its teams with a person dedicated to regulatory issues and its collaborations with expert firms.

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.

In addition, the finance team ensures compliance with procedures on a quarterly and half-yearly basis by performing random self-checks on various procedures. The results are sent to the Audit Committee (below) and to the Statutory Auditor. The teams receive regular feedback on this subject, and corrective measures are taken if necessary.

See section 4.1.5.2.1.2. "Audit Committee" which details the composition and role of the Audit Committee. It reports to the Board of Directors and aims to review internal control and proper 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 taken out a "Professional Multirisk" insurance policy for the premises of:

- its registered office in Saint-Beauzire located at Biopôle Clermont-Limagne, 3 Rue Émile-Duclaux, 63360 Saint-Beauzire – France;
- its technical center located at Zone Industrielle la Varenne, 20 – 22 Rue Henri Et Gilberte Goudier, 63200 Riom – France; and
- its administrative offices located at 11 Rue Patrick Dépailler, 63000 Clermont-Ferrand – France.

The main clauses of this insurance policy 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 "all work site risks/all assembly-testing risks", "damage to existing assets" and "contracting authority's civil liability" insurance. In particular, this insures all the work undertaken as part of its industrial demonstration plant on the Clermont-Ferrand site in order to cover the risks inherent to the installation of the industrial demonstration plant. 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, 2021, the Company recognized an amount of €114 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.

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4 CORPORATE GOVERNANCE

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. At its meeting of March 31, 2022, the Board of Directors duly noted the resignation of Mr. Ian Hudson from his office as Director and Chairman of the Board of Directors. Mr. Philippe Pouletty was then appointed Chairman of the Board of Directors after having been co-opted as a Director of the Company to replace TRUFFLE CAPITAL, which resigned.

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 ten 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(1)
Philippe POULETTY (1)	Chairman of the Board of Directors from April 1, 2022	Male	Chief Executive Officer of Truffle Capital SAS	63	French	04/01/2022	-
Mieke JACOBS	Independent director	Female	Strategic advisor Author	48	Belgian	06/23/2021	-
BOLD, Business Opportunities for L'Oréal Development, represented by Laurent SCHMITT	Director	Male	Executive Vice-President, Corporate Finance of the L'Oréal Group	57	French	06/23/2021	-
MICHELIN VENTURES (represented by Nicolas SEEBOTH)	Director	Male	Head of Polymers and Chemicals Research at Manufacture Française des Pneumatiques Michelin	44	French	06/23/2021	-
Vincent KAMEL	Independent director	Male	Chairman of Kamergy SAS	59	French	06/23/2021	-
Jean-Claude LUMARET	Director	Male	-	64	French	02/20/2013	-
Jacqueline LECOURTIER	Independent director	Female	Consulting engineer in the field of energy and the environment	70	French	02/20/2013	-
Jean FALGOUX	Chairman of the Board of Directors until December 31, 2018 – Director	Male	Director of Bluestar Adisseo Company	70	French	06/24/2015	-
Alain CHEVALLIER	Director	Male	Senior Partner Life Sciences at Truffle Capital	68	French	02/20/2013	Audit Committee
Jacques BREUIL	Independent director	Male	-	69	French	06/15/2017	Chairman of the Audit Committee

(1) Mr. Philippe POULETTY was appointed Chairman of the Board of Directors after having been co-opted as a Director of the Company to replace TRUFFLE CAPITAL, which resigned. The ratification of his co-option will be submitted to the Company's next Shareholders' Meeting.

(2) 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.

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

Director biographies

Philippe POULETTY, Chairman 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.

Mieke JACOBS, member of the Board of Directors

Mieke holds a Master's degree in economics/engineering from the University of Louvain in Belgium and the University of Bilbao in Spain. Based in Belgium, Mieke has more than 20 years of experience in the industry and has held various positions within DuPont de Nemours (operations management, supply chain, human resources and change management). Since 2017, she has acted as a strategic advisor and thought leader for the management teams of leading international companies. Her work is focused on strategic change and value creation. She is a thought leader, author and teacher of training programs.

Laurent SCHMITT (representative of BOLD, Business Opportunities for L'Oréal Development), member of the Board of Directors

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 and Supply Chain Director in the Czech Republic and then in Brazil, Chief Executive Officer of the luxury goods business unit in Brazil, Chief Financial Officer in France for the Professional Products Division, and Chief Financial Officer for the Africa, Middle East and Pacific regions. He currently holds the positions of Chief Corporate Finance Officer of the L'Oréal Group and Chief Executive Officer of Bold, Business Opportunity for L'Oréal Development, a venture capital investment fund of the L'Oréal Group. Laurent SCHMITT is a graduate of the *Institut d'Études Politiques de Paris* (Sciences-Po).

Nicolas SEEBOTH (representative of MICHELIN VENTURES), member of the Board of Directors

Nicolas SEEBOTH is an experienced research director with proven experience in the field of polymers and the chemical industry. He is also Chairman of Toulouse White Biotechnology, a public-private consortium aimed at accelerating the development of industrial biotechnologies. With a solid knowledge of chemistry and polymers, he held various research positions at Michelin, after obtaining a doctorate focusing on organometal chemistry at the *École Polytechnique de Paris.* He is the inventor of more than 40 patents among which are the Michelin Group's major innovations (specialty polymers and chemical additives) and regularly speaks at international conferences.

Vincent KAMEL, member of the Board of Directors

Vincent KAMEL holds an engineering degree from *École Centrale de Lyon*. He has more than 35 years of experience in the chemical industry (Rhône Poulenc, Rhodia, Solvay), in France and abroad (China, Korea, Brazil), during which he held leading positions as Chief Executive Officer of the Polyamide Division of Solvay, Director of the Coatis Business Unit and Asia Director for "Engineering Plastics". In particular, he has developed an in-depth knowledge of regulatory, industrial and business development aspects of recycling.

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 *Geschäftführer* 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 DEA) in Statistics and another post-graduate degree (French DESS) (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

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. 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 2012. Until January 2013, she was a member of the Board of Directors of Entrepose Contracting. She was also Chairwoman of the Scientific Board of Engie SA until December 31, 2016. 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).

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.

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
Philippe POULETTY	**As permanent representative of TRUFFLE CAPITAL:** 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 Co-founder of Skinnate SAS Co-founder & Chairman of SpikImm SAS **In a personal capacity:** Chief Executive Officer of TRUFFLE CAPITAL SAS Manager of NAKOSTECH SARL Founder and Chairman of the Board of Directors of ABIVAX SA - Euronext Paris Director of France Biotech (Association Loi 1901)	**As permanent representative of TRUFFLE CAPITAL:** 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 Co-founder and Director of CARMAT SA - Euronext Growth Paris Co-founder and Director of PHARNEXT SA - Euronext Growth Paris Director of Biokinesis SAS **In a personal capacity:** 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)
Mieke JACOBS	Chairwoman of the Board of Directors of Chemours NL Holding 5 BV	None

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
Laurent SCHMITT (representative of BOLD, Business Opportunities for L'Oréal Development)	**As permanent representative of BOLD, Business Opportunities for L'Oréal Development:** None. **In a personal capacity:** Executive Vice-President, Corporate Finance of the L'Oréal Group Chief Executive Officer of BOLD, Business Opportunities for L'Oréal Development	**As permanent representative of BOLD, Business Opportunities for L'Oréal Development:** None. **In a personal capacity:** None.
Nicolas SEEBOTH (representative of MICHELIN VENTURES	**As representative of MICHELIN VENTURES:** None. **In a personal capacity:** None.	**As representative of MICHELIN VENTURES:** None. **In a personal capacity:** None.
Vincent KAMEL	Director and Chairman of Kamergy SAS	Director of Rhodia Opérations SAS Director of PolyTechnyl SAS Chairman of GBU Solvay PEPOL
Jean-Claude LUMARET	None	Chairman of Toulouse Biotechnology Institute (TWB) until March 2021 Chairman of the Carbiolice Board of Directors until June 2021 Associate member of the Chamber of Commerce and Industry of Puy-de-Dôme until November 2021 Chairman of Carbiolice until November 2021
Jean FALGOUX	Director of Bluestar Adisseo (a company listed on the Shanghai Stock Exchange)	None
Alain CHEVALLIER	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 Piezomedic SAS	None
Jacqueline LECOURTIER	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	None
Jacques BREUIL	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)

4.1.1.2 Non-voting directors

Information about non-voting directors

During the fiscal year ended December 31, 2021, the following two non-voting members took 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	Expiry of the term of office
MICHELIN VENTURES, represented by Mr. Nicolas BAZIRE	Male	Chief Executive Officer MICHELIN VENTURES	50	French	01/08/2021(1)	06/23/2021
Business Opportunities for L'Oréal Development (BOLD), represented by Mr. Laurent SCHMITT	Male	Executive Vice-President, Corporate Finance of the L'Oréal Group	56	French	01/08/2021(2)	06/23/2021

(1) MICHELIN VENTURES was appointed as non-voting director of the Company at the Shareholders' Meeting of January 8, 2021, and was subsequently appointed as a director at the Shareholders' Meeting of June 23, 2021.

(2) BOLD, Business Opportunities for L'Oréal Development was appointed as non-voting director of the Company at the Shareholders' Meeting of January 8, 2021, and was then appointed as a director at the Shareholders' Meeting in date of June 23, 2021.

As of the date of this Universal Registration Document, no non-voting directors participate in Board of Directors' meetings.

Biographies of non-voting directors

N/A.

List of offices and positions held by non-voting directors in all companies over the last five years

N/A.

4.1.2 EXECUTIVE MANAGEMENT

4.1.2.1 Composition of the Executive Management

Mr. Emmanuel Ladent has been Chief Executive Officer since December 1, 2021, for a term of five years. 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 1st appointment	Expiry of the term of office	Main position held within the Company	Main position held outside the Company
Emmanuel LADENT	Board of Directors meeting of November 5, 2021 (with effect from December 1, 2021)	December 1, 2026	Chief Executive Officer	Chairman of Carbiolice
Martin STEPHAN	Board of Directors' meeting of June 17, 2020	June 17, 2024	Deputy Chief Executive Officer	-

The management team is also composed of Alain Marty, Chief Scientific Officer, Kader Hidra, Chief Financial Officer, Lise Lucchesi, Director of Intellectual Property and Vanina Varlamoff, Director of Legal Affairs and Human Resources, 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).

Lise Lucchesi is a biotechnology engineer. She also holds a CEIPI diploma (Center for International Intellectual Property Studies) and a Specialized Master in Management of Biotechnology Companies. After a few years as a market analyst in a green chemistry company, Lise joined Carbios in 2012 as Head of Strategic Watch, then held the position of Head of Intellectual Property and Agreements. Today, she is the Director of Intellectual Property and is in charge of managing the Company's patent and trademark portfolios, and also has responsibility for contracts involving intellectual property rights (licensing, research collaboration, services, etc.).

Vanina Varlamoff is a lawyer and a graduate of the *École de Formation du Barreau de Paris*. After practicing as a lawyer in Paris, mainly in the areas of intellectual property rights protection and communication law, Vanina joined Carbios in 2017 as Legal Manager. Today, as Director of Legal Affairs and Human Resources, she is mainly in charge of analyzing and drafting contracts and also oversees the Company's human resources.

4.1.2.2 Personal information concerning the members of the Executive Management

Emmanuel LADENT, Chief Executive Officer

Emmanuel LADENT, 52, a graduate of Neoma Business School, has 30 years of experience in the automotive sector and more specifically in mobility. He managed the MICHELIN Group's largest Business Line, the Global Automotive Brands division. His career as an executive is characterized by a strong international footprint, with more than 20 years spent on several continents. Specialized in the development of profitability and the transformation of activities through innovation, Emmanuel LADENT has contributed to the development of subsidiaries with several billion euros in revenue.

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 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
Emmanuel LADENT	Chairman of Carbiolice None.	None.
Martin STEPHAN	None.	None.

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 AT THE LEVEL OF THE ADMINISTRATIVE BODIES AND EXECUTIVE MANAGEMENT

As of the date of this Universal Registration Document, Michelin Ventures holds 35% of share capital and 34% of exercisable voting rights of the Company, and BOLD 5.89% of share capital and 5.88% 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 arrangement or agreement entered into with the main shareholders, customers, suppliers or others, pursuant to which a member of the Board of Directors or Executive Management has been appointed;
- 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.

4.1.5 FUNCTIONING OF THE ADMINISTRATIVE AND MANAGEMENT BODIES

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

Executive Management

The Company is represented with regard to third parties by Mr. Emmanuel LADENT, Chief Executive Officer, who was appointed in this capacity by decision of the Board of Directors on November 5, 2021.

The Company is also represented with regard to third parties by Mr. 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

Terms 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 1st appointment (member of the Executive Committee of the simplified joint stock company)	Date of 1st appointment (member of the Board of Directors of the public limited company)	Expiry of the term of office
DIRECTORS			
Philippe POULETTY	-	03/31/2022 (2)	2025 OGM for fiscal year 2024
Alain CHEVALLIER	07/04/2011	02/20/2013	2025 OGM for fiscal year 2024
Mieke JACOBS(1)	-	06/23/2021	2025 OGM for fiscal year 2024
Vincent KAMEL(1)	-	06/23/2021	2025 OGM for fiscal year 2024
BOLD, Business Opportunities for L'Oréal Development (represented by Laurent SCHMITT)	-	06/23/2021	2025 OGM for fiscal year 2024
MICHELIN VENTURES (represented by Nicolas SEEBOTH)	-	06/23/2021	2025 OGM for fiscal year 2024
Jean-Claude LUMARET	07/04/2011	02/20/2013	2025 OGM for fiscal year 2024
Jacqueline LECOURTIER(1)	05/10/2012	02/20/2013	2025 OGM for fiscal year 2024
Jean FALGOUX	-	06/24/2015	2023 OGM for fiscal year 2022
Jacques BREUIL(1)		06/15/2017	2025 OGM for fiscal year 2024
NON-VOTING DIRECTORS			
N/A.			

(1) Independent members of the Board of Directors.

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. It is transcribed in the minutes register after signature by the Chairman and one of its members.

During the fiscal year ended December 31, 2021, the Company's Board of Directors met eleven times on the days and months listed below.

Board meeting dates	Number of directors and non-voting directors present or represented	Non-voting director
January 15, 2021	Directors: 7 Non-voting directors: 2	Directors: 77.77% Non-voting directors: 100%
March 11, 2021	Directors: 9 Non-voting directors: 2	Directors: 100% Non-voting directors: 100%
March 31, 2021	Directors: 9 Non-voting directors: 2	Directors: 100% Non-voting directors: 100%
April 15, 2021	Directors: 9 Non-voting directors: 2	Directors: 100% Non-voting directors: 100%
April 29, 2021	Directors: 7 Non-voting directors: 2	Directors: 77.77% Non-voting directors: 100%
May 6, 2021	Directors: 9 Non-voting directors: 2	Directors: 100% Non-voting directors: 100%
May 10, 2021	Directors: 8 Non-voting directors: 2	Directors: 88.88% Non-voting directors: 100%
June 30, 2021	Directors: 12	Directors: 92.30%
September 30, 2021	Directors: 11	Directors: 84.62%
November 5, 2021	Directors: 10	Directors: 90.90%
December 16, 2021	Directors: 11	Directors: 100%

At the end of the next Shareholders' Meeting, the Board will examine the results of the votes and decide on the possibility of a communication on this subject.

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 Mr. Jean-Claude LUMARET to the Company and the severance indemnity granted to him, described in the Statutory Auditors' special report (see section 4.3.2 of this Universal Registration Document) and the employment contract between Mr. 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 Current agreements

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.

As of 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 and Prof. Saleh JABARIN, members of the committee.

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 Mr. 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: Philippe POULETTY, Emmanuel LADENT, 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: Jean FALGOUX, Philippe POULETTY, and BOLD, Business for L'Oréal Development, represented by Mr. Laurent SCHMITT. It is chaired by Laurent SCHMITT.

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.

4.1.5.2.2.3 Strategy Commission

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 2021 by Middlenext. 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 Middlenext recommendations with which the Company complies and those with which it intends to comply in the future:

Middlenext Code Recommendations	Applied	Not applied
I "Supervisory" power		
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 member formation(1)		X
R6: Organization of Board and Committee meetings	X	
R7: Creation of committees	X	
R8: Establishment of a specialized Corporate Social Responsibility (CSR) committee(2)		X
R9: Establishing internal rules for the Board(3)	X	
R10: Selection of each director	X	
R11: Duration of terms of office of Board members	X	
R12: Directors' compensation	X	
R13: Establishing an assessment of the Board's work	X	
R14: Relations with "shareholders"	X	
II Executive power		
R15: Diversity and equity policy within the Company	X	
R16: Definition and transparency of compensation for executive corporate officers	X	
R17: Preparation for the succession of "executives"	X	
R18: Holding of both employment contract and corporate office(4)	X	
R19: Departure indemnities(5)	X	
R20: Supplementary pension schemes(6)		X
R21: Stock options and allocation of free shares	X	
R22: Review of points to be watched	X	

(1) As of this date Universal Registration Document, no training plan is currently in place within the Company. This provides for a review on this issue to assess the advisability of complying with this recommendation.

(2) As of the date of this Universal Registration Document, the Company has not set up a specialized CSR Committee. The option of a Board meeting to form a CSR Committee is favored by the Company for the moment.

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

(4) Martin STEPHAN combines an employment contract as Deputy Chief Executive Officer of Carbios and a corporate office as Chief Operating Officer.

(5) On November 5, 2021, the Board of Directors authorized the Company to award Mr. Jean-Claude LUMARET a departure indemnity from his duties as Chief Executive Officer. Please refer to section 4.2 of this Universal Registration Document.

(6) 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.

Concerning the equity ratio provided for in recommendation R 16, for the fiscal year ended December 31, 2021, it is: 26[1] for Mr. Emmanuel LADENT, 20 for Mr. Martin STEPHAN and 3 for Mr. Ian HUDSON. Furthermore, the lowest salary within the Company is €1,925 gross per year.

(1) Calculation of the ratio: total compensation payable as the numerator and the minimum wage for the reference year or the comparative period as the denominator.

4.1.5.3 Diversity and equity policy

The Company works to promote diversity and monitors that it does not discriminate on any grounds whatsoever. It ensures equal opportunities for all in terms of recruitment, training, compensation, assignments and professional development, according to personal skills and aptitudes. The Company also ensures that all its employees are treated fairly.

The Company is committed to inclusion, diversity and equality as it believes that respect for these values enables employees to be more professionally and personally fulfilled and more involved. It is therefore essential for the Company to create an environment where difference is encouraged and where employees can each make a contribution to the Company's momentum.

Any employee who experiences or witnesses behavior that goes against the values of diversity or fairness advocated by the Company is expected to report it to the appropriate authorized person, who is generally his or her line manager or the HR manager.

The Company has already observed that this policy enables it to have better productivity, higher levels of innovation and better decision-making.

4.1.5.4 Independent directors

The Company has four independent directors, Jacqueline LECOURTIER, Mieke JACOBS, Jacques BREUIL and Vincent KAMEL, *i.e.* 36.36% of the total number of directors. The Company considers, since their appointment, these directors have fulfilled the requirements of recommendation No. 3 of the Middlenext Code, namely:

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

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, 2020 and 2021:

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

(In euros) (1)	12/31/2021 (12 months)	12/31/2020 (12 months)
Ian HUDSON, Chairman of the Board of Directors until March 31, 2022		
Compensation awarded for the fiscal year	60,643 (2)	29,589 (2)
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 fiscal year	-	-
Valuation of other long-term compensation plans	(4)	(3)
Jean-Claude LUMARET, Chief Executive Officer (until November 30, 2021), director		
Compensation awarded for the fiscal year	1,363,643 (5)	410,948 (5)
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 fiscal year	-	-
Value of other long-term compensation plans	(4)	(4)
Emmanuel LADENT, Chief Executive Officer (since December 1, 2021)		
Compensation awarded for the fiscal year	41,250 (5)	-
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 fiscal year	-	-
Value of other long-term compensation plans	(4)	-
Martin STEPHAN, Deputy Chief Executive Officer		
Compensation awarded for the fiscal year	376,745 (5)	350,431 (5)
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 fiscal year	-	-
Value of other long-term compensation plans	(4)	(4)
TOTAL	**1,842,281**	**790,968**

(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, 2020 and December 31, 2021, 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) Executive corporate officers were granted BSAs and BSPCEs. 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 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

	12/31/2021 (12 months)		12/31/2020 (12 months)	
(In euros) [1]	Amounts payable	Amounts paid	Amounts payable	Amounts paid
Ian HUDSON, Chairman of the Board of Directors until March 31, 2022				
Fixed compensation	-	-	-	-
Annual variable compensation	-	-	-	-
Multi-year variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Compensation allocated in respect of his office as director	60,643	40,875	29,589	29,589
Benefits in kind	-	-	-	-
Jean-Claude LUMARET, Chief Executive Officer and Chief Technical Officer (until November 30, 2021) then Industrial Director, director				
Fixed compensation [2] [3]	250,838	250,838	245,920	245,920
Annual variable compensation [4]	100,335	88,531	88,531	-
Multi-year variable compensation	-	-	-	-
Exceptional compensation [5] [6]	998,065	-	61,480	61,480
Compensation allocated in respect of his office as director	-	-	-	-
Benefits in kind [7]	14,405	29,422	15,017	-
Emmanuel LADENT, Chief Executive Officer (since December 1, 2021)				
Fixed compensation	27,500	27,500	-	-
Annual variable compensation [4]	13,750	-	-	-
Multi-year variable compensation	-	-	-	-
Exceptional compensation [5] [6]	-	-	-	-
Compensation allocated in respect of his office as director	-	-	-	-
Benefits in kind [7]	-	-	-	-
Martin STEPHAN, Deputy Chief Executive Officer				
Fixed compensation [8]	223,809	223,809	219,420	219,420
Annual variable compensation [4]	78,333	69,117	69,117	-
Multi-year variable compensation	-	-	-	-
Exceptional compensation [5] [6]	74,603	74,603	54,855	54,855
Compensation allocated in respect of his office as director	-	-	-	-
Benefits in kind [7]	9,908	7,039	7,039	-
TOTAL	**1,842,281**	**1,809,799**	**790,968**	**611,264**

(1) Gross amount before tax.

(2) In accordance with his employment contract and job description, under the Chairman's authority, Jean-Claude LUMARET served as Chief Technical Officer, performing duties which are separate from his corporate officer duties. Under his employment contract, he is responsible for supervising all of Carbios' technical activities, i.e. managing resources and technical resources, developing a comprehensive view of the markets and of their trends, products and technologies, in order to supervise the creation and management of a patent portfolio to guarantee the Company's positions vis-à-vis its customers and competitors, develop and provide technical and methodological support. From December 1, 2021, in accordance with his employment contract and his job description, under the authority of the Chief Executive Officer, Jean-Claude LUMARET performed the duties of Industrial Director, distinct from those exercised as part of his corporate office. Under his employment contract, he was responsible for advising and supporting the Company's Chief Executive Officer on the Company's industrial strategy, supervising the technical teams for the implementation of these strategic orientations and also supervising the development of new processes.

(3) 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; for 2021, this amounted to a gross annual amount of €125,419 in respect of his employment contract and €125,419 in respect of his corporate office.

(4) In compliance with the Company's commitments, Emmanuel LADENT, Jean-Claude LUMARET and Martin STEPHAN could receive an annual bonus equivalent to 50%, 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 that the Board of Directors record the achievement of all or part of each of the objectives. It is the cumulative achievement of each of the objectives that defines the percentage of the annual bonus to be paid to Emmanuel LADENT, Jean-Claude LUMARET and Martin STEPHAN. For the fiscal year 2021, the bonus was paid in January 2022, but was provisioned in the Company's financial statements as at December 31, 2021, in accordance with applicable accounting principles.

(5) 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. For 2020 and 2021, 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, was paid to Jean-Claude LUMARET and Martin STEPHAN in August 2020 for the 2020 objectives, and in June 2021 for those of 2021. Jean-Claude LUMARET received €83,613 in respect of 2021 objectives, and also received a retirement indemnity of €914,452.

(6) Executive corporate officers were granted BSAs and BSPCEs. 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 concerning the BSAs and BSPCEs granted to executive corporate officers.

(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. Emmanuel LADENT receives benefits in kind in the form of a company car, a supplementary pension, a civil liability for corporate officers insurance and an executive unemployment insurance. For the fiscal year 2020, the benefits in kind were booked for the year 2020, but "paid" in January 2021. For the fiscal year 2021, the benefits in kind were booked for the year 2021, but "paid" in January 2022. Executive corporate officers were granted BSAs and BSPCEs. 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 concerning the BSAs and BSPCEs granted to executive corporate officers.

(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

Gross compensation received *(In euros)*	12/31/2021 (12 months)	12/31/2020 (12 months)
Jacqueline LECOURTIER, director		
Compensation (fixed, variable)	16,000	8,714
Other compensation	-	-
Ian HUDSON, director until March 31, 2022 (1)		
Compensation (fixed, variable)	60,643	29,589
Other compensation(2)	-	-
Pascal JUERY, director until September 30, 2021		
Compensation (fixed, variable)	15,857	12,786
Other compensation	-	-
Alain CHEVALLIER, director		
Compensation (fixed, variable)	27,071	13,857
Other compensation	-	-
Jacques BREUIL, director		
Compensation (fixed, variable)	22,500	13,357
Other compensation	-	-
TRUFFLE CAPITAL, director until March 31, 2022		
Compensation (fixed, variable)	-	-
Other compensation	-	-
Godefroy MOTTE, director until September 30, 2021		
Compensation (fixed, variable)	13,643	15,214
Other compensation	-	-
Jean FALGOUX, director		
Compensation (fixed, variable)	45,714	44,857
Other compensation	-	-
Mieke JACOBS, director since June 23, 2021		
Compensation (fixed, variable)	5,929	-
Other compensation	-	-
BOLD, Business Opportunities for L'Oréal Development, represented by Laurent SCHMITT		
Compensation (fixed, variable)	-	-
Other compensation	-	-
MICHELIN VENTURES, represented by Nicolas SEEBOTH		
Compensation (fixed, variable)	-	-
Other compensation	-	-
Vincent KAMEL, director since June 23, 2021		
Compensation (fixed, variable)	5,286	-
Other compensation	-	-
TOTAL	**212,643**	**138,375**

(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

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
Philippe POULETTY **Chairman of the Board of Directors** Start of term: 04/01/2022 End of term: 2025		X		X		X		X
Jean-Claude LUMARET **Director, Technical and Industrial Director** Start of term: 02/20/2013 (1) End of term: 11/30/2021 (2)	X(3)			X	X(4)			X
Emmanuel LADENT **Chief Executive Officer** Start of term: 12/01/2021 End of term: 12/01/2026		X		X	X(5)			X
Martin STEPHAN **Deputy Chief Executive Officer** Start of term: 06/17/2020 End of term: 06/17/2024	X(6)			X		X		X

(1) Date of first appointment as member of the Board of Directors.

(2) Effective date of the resignation of Jean-Claude LUMARET from his term of office as Chief Executive Officer. 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 fiscal year ending December 31, 2024.

(3) Since December 1, 2021, Jean-Claude LUMARET, director, has held a permanent employment contract which defines his conditions of employment as Industrial Director. Under this contract, in respect of the 2021 fiscal year, Mr. LUMARET received the sum of €20,903 and will receive, in respect of fiscal year 2022, the sum of €250,838 as well as an annual bonus based on achievement of contractually defined business targets. Until November 30, 2021, Mr. LUMARET held a permanent employment contract which defined his conditions of employment as Chief Technical Officer. Under this contract, Mr. LUMARET received, for the 2021 fiscal year, the sum of €114,958 and for the 2020 fiscal year, the sum of €114,960.

(4) Mr. Jean-Claude LUMARET received a departure indemnity of €849,500.

(5) Emmanuel LADENT receives severance pay related to the end or change in duties under the GSC (Garantie Sociale du Chef d'Entreprise).

(6) Since February 1, 2017, Mr. 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 2021 fiscal year, Mr. STEPHAN received the sum of €223,808 and will receive, in respect of fiscal year 2022, 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.

Mr. Emmanuel Ladent benefits, in respect of his office as Chief Executive Officer, from job loss insurance, the contribution of which is 100% covered by the Company. In the event that this insurance provides for a waiting period during which Mr. Emmanuel Ladent cannot benefit from the proposed guarantees, the Company undertakes to indemnify Mr. Emmanuel Ladent so that he is paid, during this waiting period, a sum equivalent to 70% of his net compensation.

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 €93 thousand in 2021 (10% of the Company's revenue at December 31, 2021).

Affiliate	Transaction completion date	Nature of transaction	Amount
Mr. Jean-Claude LUMARET (Industrial Director)	November 5, 2021	Employment contract	The employment contract provides for gross annual compensation of €250,838, as well as an annual bonus of 40% of the total compensation of Mr. Jean-Claude LUMARET.
	November 5, 2021	Severance indemnity	Overall amount of €849,500
Carbiolice (company 100% owned by the Company as of the date of this document)[(1)]	August 30, 2016 Amendment dated June 28, 2018	Licensing and sub-licensing of patent and know-how licenses	The contract states that Carbios will receive a lump-sum royalty of €8 million and a variable royalty on revenue resulting from the use by Carbiolice of the technology licensed. No variable royalties were recognized in respect of 2021.
	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 2021.
	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[(2)]. No income was recognized in 2021, as the contract ended on February 15, 2021.
	September 17, 2018	Letter of agreement for service provision rebilling	Rebilling of services performed by service providers on behalf of Carbios and Carbiolice. This resulted in income of €93 thousand being recognized in 2021.

(1) Additional information on Carbiolice's financial statements as at December 31, 2021 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 2020 and 2021.

4.3.2.1 Statutory Auditors' report on regulated agreements (fiscal year ended 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.

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 17, 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.

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

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

Type and purpose:

Since April 1, 2011, Mr. 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 20, 2021

The Statutory Auditor

PricewaterhouseCoopers Audit

Flora Camp

4.3.2.2 Statutory Auditors' special report on regulated agreements (fiscal year ended December 31, 2021)

To the Shareholders' Meeting

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

It is our responsibility to inform you, on the basis of the information provided to us, of the characteristics, the main terms and conditions as well as 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 comment on their usefulness and merits nor to seek the existence of other agreements. It is your responsibility, under the terms of Article R. 225-31 of the French Commercial Code, to assess the interest in signing these agreements in order to approve them.

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.

EMPLOYMENT CONTRACT BETWEEN CARBIOS AND MR. JEAN-CLAUDE LUMARET, INDUSTRIAL DIRECTOR

Type and purpose:

Carbios entered into an employment contract with Mr. Jean-Claude Lumaret, Director of the Company, with effect from December 1, 2021, to perform the duties of Industrial Director in order to benefit from his skills.

The terms of this agreement were authorized by the Board of Directors on November 5, 2021.

Modalities and financial implications:

The total amount of compensation recorded in expenses and paid to Mr. Jean-Claude Lumaret in respect of the 2021 fiscal year amounts to €20,903.

The amount of the bonus recorded in expenses for the 2021 fiscal year prorata temporis over one month of the year amounts to €8,361. This amount has not yet been paid to Mr. Jean-Claude Lumaret as of December 31, 2021.

SEVERANCE INDEMNITY FOR MR. JEAN-CLAUDE LUMARET AS CHIEF EXECUTIVE OFFICER

Type and purpose:

Carbios awarded Mr. Jean-Claude Lumaret additional compensation in the form of a severance payment in the total amount of €849,500, representing two years of salary (including the annual salary, awards and bonus). The signature of this agreement is justified by the quality of the services provided by Mr. Jean-Claude Lumaret as Chief Executive Officer and by the positive results of his management duties.

The terms of this agreement were authorized by the Board of Directors on November 5, 2021.

Modalities and financial implications:

The total amount of the severance payment for the function of Chief Executive Officer recorded in expenses and paid to Mr. Jean-Claude Lumaret in respect of the 2021 fiscal year amounts to €849,500.

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:

On June 28, 2018, Carbios signed an amendment to the license agreement in order to extend the scope of the license to new patent families, 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 or expense was recorded during the fiscal year in respect of this contract.

LETTER OF AGREEMENT ON THE REBILLING OF SERVICES BETWEEN CARBIOS AND CARBIOLICE

Type and purpose:

Carbios signed a letter of agreement on 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 2021 fiscal year, Carbios recorded income of €27,217 in respect of the rebilling of expenses incurred in 2021 and received an amount of €59,600 in respect of expenses rebilled in 2020 and 2021.

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:

This patent and know-how license agreement is established for a period up to the expiry of the last of the granted patents and provides for flat-rate compensation of €8 million at the signing (2016) and a variable amount on net sales of the products covered by the patents.

During the 2021 fiscal year, Carbios recorded income of €280 and received the same amount.

RESEARCH SERVICES AGREEMENT BETWEEN CARBIOS AND CARBIOLICE

Type and purpose:

On February 15, 2017, Carbios has signed a research services contract for the development of main and secondary products using biodegradation technology.

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. It was renewed by amendment for two years, i.e. until February 15, 2021, with a total compensation of €2,499,966.

The contract ended on February 15, 2021.

No income was recorded during the fiscal year.

EMPLOYMENT CONTRACT BETWEEN CARBIOS AND MR. JEAN-CLAUDE LUMARET

Type and purpose:

Since April 1, 2011, Mr. 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:

In accordance with the commitments made by Carbios, Mr. Jean-Claude Lumaret could receive an annual bonus equal to 40% of his annual compensation, both for his corporate office and for his salaried duties, subject to the cumulative achievement of defined professional objectives within the set time frame. The annual bonus N is paid in January N+1.

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.

For the 2021 fiscal year, the Company recognized the following compensation items for Mr. Jean-Claude Lumaret as expenses:

- Fixed compensation (2021): €114,967
- Benefits in kind (2021): €14,405
- 5Bonus (2021 prorata temporis over 11/12 months of the year): €91,973
- Exceptional bonus (2021): €83,613
- Retirement indemnity: €64,952

The components of compensation paid to Mr. Jean-Claude Lumaret in 2021 are as follows:

- Fixed compensation (2021): €114,967
- Benefits in kind (2020 and 2021): €29,422
- Bonus (2020): €88,531
- Exceptional bonus (2021): €83,613
- Retirement indemnity: €64,952

Neuilly-Sur-Seine, March 31, 2022

The Statutory Auditor
PricewaterhouseCoopers Audit
Flora Camp

5 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, 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; and
- the parent company financial statements for the fiscal year ended December 31, 2020 and the related Statutory Auditors' report as presented in sections 5.1 (pages 80 to 105) and 5.2 (pages 106 to 107) of the Universal Registration Document filed with the AMF on April 14, 2021 under the number D.21-0306.

5.1 ANNUAL PARENT COMPANY FINANCIAL STATEMENTS

5.1.1 STATEMENT OF FINANCIAL POSITION

ASSETS

Audited parent company financial statements - French standards *(In thousands of euros)*	Note	12/31/2021 Gross	12/31/2021 Depr./amort.	12/31/2021 Net	12/31/2020 Net
FIXED ASSETS					
Intangible assets	**5**	**2,698**	**913**	**1,785**	**1,086**
Concessions, patents, licenses, software		2,285	913	1,372	1,059
Other intangible assets		413	-	413	27
Property, plant and equipment	**5**	**16,810**	**1,641**	**15,168**	**4,793**
Other property, plant and equipment		10,780	1,641	9,139	1,236
Property, plant and equipment under construction		6,030	-	6,030	3,370
Advances on assets under construction		-	-	-	188
Financial assets		**38,880**	**2**	**38,878**	**20,907**
Equity interests	5	38,371	-	38,371	20,500
Other non-current financial assets		508	2	507	407
TOTAL FIXED ASSETS		**58,388**	**2,556**	**55,831**	**26,786**

CURRENT ASSETS					
Laboratory raw material inventories	7	94	-	94	39
Trade receivables and related accounts	7	96	-	96	199
State receivables	7	3,898	-	3,898	1,720
Subsidies receivable	7 & 13	-	-	-	-
Other receivables	7	535	-	535	51
Subscribed capital – called up, not paid up	-	121	-	121	179
Cash, cash equivalents and marketable securities	10 & 11	100,884	-	100,884	29,097
Prepaid expenses	7	440	-	440	139
TOTAL CURRENT ASSETS		**106,068**	**-**	**106,068**	**31,425**
Expense to be spread over the loan		13	-	13	17
OVERALL TOTAL		**164,469**	**2,556**	**161,912**	**58,228**

Liabilities

Audited parent company financial statements - French standards *(In thousands of euros)*	Note	12/31/2021	12/31/2020
EQUITY	12		
Share Capital		7,826	5,674
Issue, merger and contribution premiums		146,337	59,711
Retained earnings		-	(14,115)
Investment subsidies		8	11
Profit and loss for the period		(11,136)	(6,146)
TOTAL EQUITY		**143,035**	**45,135**
OTHER EQUITY CAPITAL			
CONDITIONAL ADVANCES	13	**3,707**	**4,173**
DEBT			
Loans	13	6,490	5,647
Trade and other payables	8	5,585	1,952
Tax and social liabilities	8	1,728	1,145
Other liabilities	8	121	1
Deferred income	8	1,246	176
TOTAL LIABILITIES		**15,170**	**8,921**
OVERALL TOTAL		**161,912**	**58,228**

5.1.2 INCOME STATEMENT

Audited parent company financial statements - French standards *(In thousands of euros)*	Note	France	Exports	12/31/2021	12/31/2020
Sales of goods				-	-
Production sold, goods				-	-
Production sold, services		729	239	968	1,346
Net revenue	**14**			**968**	**1,346**
Stored production				-	-
Capitalized production				409	-
Operating subsidy	13			339	242
Reversals of depreciation, amortization and provisions, expense transfers				77	55
Other income				0	0
Total operating revenues	**14**			**1,793**	**1,643**
Purchases of goods				-	-
Inventory change (goods)				(54)	(19)
Purchases of raw materials and other supplies				185	94
Inventory change (raw materials and supplies)				-	-
Other purchases and external expenses				6,524	3,530
Taxes and similar payments				126	66
Salaries and wages				5,277	2,904
Social security contributions				2,077	1,288
Depreciation of fixed assets	5			764	455
Provisions for fixed assets	5			-	-
Provisions on current assets	5			-	-
Provisions for contingencies and charges	5			-	-
Other expenses				225	147
Total operating expenses	**15**			**15,123**	**8,464**
OPERATING INCOME (LOSS)				**(13,330)**	**(6,821)**

Audited parent company financial statements - French standards *(In thousands of euros)*	Note	France	Exports	12/31/2021	12/31/2020
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				42	25
Reversals of provisions and expense transfers				-	-
Positive exchange rate differences				-	2
Net income on sales of marketable securities				-	-
Total financial income				**43**	**27**
Depreciation, amortization and provisions	5			2	-
Interest and similar expenses				120	116
Negative exchange rate differences				2	4
Net expenses on sales of marketable securities				-	-
Total financial expenses				**124**	**120**
FINANCIAL INCOME	**19**			**(81)**	**(93)**
CURRENT INCOME BEFORE TAXES				**(13,411)**	**(6,914)**
Extraordinary income on management transactions				2	2
Extraordinary income on equity transactions				258	120
Reversals of provisions and expense transfers				-	-
Total extraordinary income				**260**	**122**
Extraordinary expenses on management transactions				15	6
Extraordinary expenses on capital transactions				235	835
Extraordinary depreciation and provisions	5			-	-
Total extraordinary expenses				**250**	**841**
EXTRAORDINARY GAIN OR LOSS	**20**			**10**	**(720)**
Employee profit-sharing				-	-
Income tax	21			(2,265)	(1,488)
TOTAL INCOME				**2,096**	**1,791**
TOTAL EXPENSES				**13,232**	**7,937**
PROFIT OR LOSS				**(11,136)**	**(6,146)**

5.1.3 STATEMENT OF CASH FLOWS

Audited parent company financial statements – French standards *(In thousands of euros)*	**12/31/2021**	**12/31/2020**
NET CASH FROM OPERATING ACTIVITIES		
Profit and loss for the period	(11,136)	(6,146)
Depreciation, amortization and impairment (including investment subsidies)	763	453
Gains or losses on asset disposals	47	797
Changes in working capital requirements	237	(273)
Net cash absorbed by operations	**(10,088)**	**(5,169)**
NET CASH FLOW FROM INVESTMENT ACTIVITIES		
Acquisitions of fixed assets	(12,069)	(3,893)
Acquisition of non-current financial assets	(17,973)	(8,880)
Disposals of fixed assets	188	38
Changes in fixed asset liabilities	2,313	67
Net cash from (absorbed by) investments	**(27,541)**	**(12,668)**
NET CASH FLOW FROM FINANCING ACTIVITIES		
Net proceeds from the issuance of shares and BSAs	109,038	29,277
Inflows from loans	0	1,001
Reimbursement of loans	(245)	(25)
Expense to be spread over the loan	4	(10)
Inflows from repayable advances and Investment subsidies	620	776
Net cash from financing activities	**109,417**	**31,019**
Change in cash and cash equivalents	**71,788**	**13,182**
Cash and cash equivalents at the beginning of the period	**29,097**	**15,915**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**100,884**	**29,097**

5.1.4 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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. The accounting principles applied in the statutory financial statements are those generally accepted in France. These financial statements cover the fiscal year ended December 31, 2021, being the Company's tenth accounting period.

NOTE 2 HIGHLIGHTS OF THE FISCAL YEAR

With new patent applications filed during the fiscal year, Carbios' intellectual property portfolio at the end of 2021 included 41 patent families (including one under an exclusive worldwide license with the CNRS and University of Poitiers), representing 225 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 2021 were as follows:

- On May 12, 2021, the Company carried out a capital increase of €114 million before deducting nearly €6 million in direct costs from the issue premium.
- On June 3, 2021, the Company acquired the entire 37.29% stake in the capital of Carbiolice from the SPI (Sociétés de Projets Industriels) fund, *i.e.* €11,000,000 shares for a total of €17.9 million.
- During the 2021 fiscal year, the Company invested slightly more than €9.3 million for the demonstration plant at the Cataroux industrial site and nearly €1.4 million for the development of its future offices on the same site.
- On November 25, 2021, Carbios announced that it had received support from the European Commission through the LIFE program for the "LIFE cycle of PET" project. For this project, Carbios, project coordinator, and its partners T.EN Zimmer GmbH and Deloitte, obtained a grant of €3.3 million (including €3 million for Carbios) spread over the 39 months dedicated to the project.
- On December 1, 2021, Carbios appointed Emmanuel Ladent as Chief Executive Officer, replacing Jean-Claude Lumaret, co-founder of Carbios and Chief Executive Officer of the Company since its creation in 2011, who asserted his rights to retirement while retaining his term of office as a director of the Company.
- On December 10, 2021, the Company validated key stage 3 of the CE-PET project co-financed by ADEME.
- On December 20, 2021, Carbios and the European Investment Bank (EIB) announced the signature of a €30 million loan agreement supported by the European Commission's InnovFin energy demonstration program.

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, 2021 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

At its meeting of February 3, 2022, the Board of Directors implemented the delegation granted by the Combined General Meeting of February 2, 2022 to decide to issue, with cancellation of the preferential subscription right, 296,928 share subscription warrants known as "BSA", giving the right to subscribe for 296,928 new ordinary shares of the Company, for the benefit of the European Investment Bank. The Chairman noted that under the loan agreement of €30 million signed with the European Investment Bank (the "EIB"), the Company has undertaken, under the terms of an agreement for share subscription warrants written in English ("Subscription Agreement for Warrants in the Capital of Carbios SA") dated December 20, 2021 (the "Issue Agreement"), to issue 296,928 share subscription warrants ("BSA") to the EIB. These share subscription warrants would represent 2.5% of the Company's diluted share capital, and could be exercised for a period of eight years from their issue at a price corresponding to:

- €40 for 50% of the share subscription warrants to be issued; and
- an amount equal to the volume-weighted average of the last three (3) trading days preceding the fifth day preceding the signature of the contract relating to the issue of the equity warrants, *i.e.* €38.8861, for the remaining 50% of the equity warrants.

The conflict in Ukraine has spread since February 2022 and if it were to continue, it could have a significant negative impact on the Company's activity by causing operational difficulties, in particular related to:

- the economic and financial difficulties of partner companies or service providers of the Company;
- slowdowns in the activities of certain suppliers (materials, components, etc.) and therefore supply difficulties;
- the inflation of raw materials with the consequence of an increase in the prices of materials/components/equipment that the Company would need for its activity.

Since the beginning of the crisis in Ukraine, the Company has not, as of the date of publication of this document, encountered any difficulties in pursuing its activities or its planned investments. To date, the Company has no direct or indirect relations with Ukraine or Russia, and the Company has managed to limit any delays directly related to this crisis in the industrial and commercial deployment of its technologies.

However, if this crisis were to continue and/or generate lasting economic consequences, the Company could have difficulties in containing the adverse effects of these measures and in particular, the increase in the cost as well as the extension to the lead times of supplies of certain materials, equipment and products necessary for the construction of its Reference unit. This extension of lead times and the increase in prices could delay the next stages of optimization 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 implementing 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 crisis were to continue for several more months.

As of the date of this Universal Registration Document, this crisis is still ongoing and the outcome is uncertain, its impacts may still, therefore, negatively affect the Company's ability to conduct its activities and could lead to delays in the industrial deployment and commercial use of its technologies.

In view of the current situation between Russia and Ukraine, the Company specifies that its economic and balance sheet exposure to these two countries is not significant. In 2021, Carbios did not record any expenses with suppliers based in Russia and Ukraine.

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 incompliance 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

As of October 1, 2021, the Company decided to capitalize its development expenses, which is the reference method and is therefore definitive.

The information communicated below is an integral part of the 2021 financial statements, which were approved on March 31, 2022 by the Board of Directors.

Financial information is accordingly compared to that of the Company's ninth fiscal year, ended on December 31, 2020, 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 2021 *(In euros)*	At the beginning of the period 01/01/2021	Increase	Decrease	At the end of the period 12/31/2021
FIXED ASSETS				
INTANGIBLE ASSETS	**1,712,401**	**1,013,306**	**27,492**	**2,698,214**
Software, website	25,641	-	-	25,641
Patents	1,469,351	580,101	-	2,049,452
Patents licensed	189,917	20,015	-	209,932
Pending patents	27,492	4,540	27,492	4,540
Development costs	-	408,650	-	408,650
PROPERTY, PLANT AND EQUIPMENT	**5,961,486**	**13,571,611**	**2,723,279**	**16,809,816**
Fixtures and fittings	172,646	7,988,302	-	8,160,948
Laboratory fittings and equipment	1,875,912	292,734	-	2,168,646
Office and IT hardware	261,407	63,451	-	324,858
Furniture	93,989	31,488	-	125,477
Assets under construction	3,369,457	5,195,636	2,535,205	6,029,888
Advance payments made	188,074	-	188,074	-
FINANCIAL ASSETS	**20,906,729**	**18,056,783**	**83,895**	**38,879,617**
Equity interests	20,500,000	17,871,461	-	38,371,461
Guarantees and security deposits	199,923	83,350	-	283,273
Liquidity contract	170,789	-	83,895	86,894
Treasury shares	36,018	101,972	-	137,990
TOTAL	**28,580,617**	**32,641,699**	**2,834,667**	**58,387,649**

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

Fiscal year 2021 *(In euros)*	Depr./amort. period	At the beginning of the period 01/01/2021	Increase	Decrease	At the end of the period 12/31/2021
DEPRECIATION, AMORTIZATION AND PROVISIONS					
INTANGIBLE ASSETS					
Software, website	1 year	25,641	-	-	25,641
Patents	10 years	542,513	257,887	-	800,400
Patents licensed	10 years	57,861	29,490	-	87,351
PROPERTY, PLANT AND EQUIPMENT					
Fixtures and fittings	7 to 10 years	47,826	193,018	-	240,844
Laboratory fittings and equipment	5 to 10 years	911,370	210,953	-	1,122,323
Office and IT hardware	3 to 5 years	174,552	49,382	-	223,935
Furniture	3 to 7 years	34,587	19,630	-	54,217
FINANCIAL ASSETS					
Treasury shares		-	1,627	-	1,627
TOTAL		**1,794,352**	**760,360**	**-**	**2,554,711**

Movements during the fiscal year affecting expenses spread over several fiscal years *(in euros)*	At the opening 01/01/2021	Increase	Decrease	At closing 12/31/2021
Expenses to be spread over several years	16,902	0	3,605	13,297

Development costs

These are development expenses for the "PET recycling" project capitalized following the commissioning of the Cataroux site and the inauguration of the industrial demonstration plant on September 30, 2021.

The expenses incurred have been recorded as fixed assets, as the project meets the criteria for capitalization.

Capitalized expenses during the fiscal year amounted to €409 thousand and consisted of:

- personnel expenses: €326 thousand;
- patents: €40 thousand;
- raw materials and supplies: €32 thousand;
- R&D subcontracting and consultants: €11 thousand.

This asset is scheduled to be commissioned when the expected economic benefits are consumed, *i.e.* at the start of the marketing phase.

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.

These assets are not amortized and will be subject to:

- lease-back financing; or
- a reclassification to "property, plant and equipment" when they are brought into service.

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, 2021, Carbios owned 29,502,000 Carbiolice SAS shares, representing a stake of 100%. Equity interests are assessed at their acquisition value, i.e. €38,371,461. If this value exceeds the value in use, impairment is recognized for the difference.

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 during the tests carried out for the annual closing:

- 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 2021);
- a terminal value calculated on a normative cash flow using an EBITDA margin rate of 24.6% (corresponding to the 3rd quartile observed with comparable companies) and an average cost of capital rate adjusted for the rate of long-term growth;
- discount rate ("WACC") used of 18.5% (compared to 20% last year), 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 18.5% is corroborated by academic studies on high-growth companies in the marketing launch phase;
- tax rate: 2021 draft Finance Law; and
- the impairment tests performed at the end of fiscal year 2021 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, 2021, the Company held 3,648 Carbios shares, or a carrying amount of €138 thousand. The closing net asset value was €136 thousand. Since the net asset value was lower than the carrying amount, a provision in the amount of €3 thousand was recognized at the closing date;
- The cash paid to the intermediary and not yet used is recognized under "Liquidity contract" and represents €87 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, 2021.

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 at 12/31/2021 *(In euros)*	**Gross amount**	**At one year**	**More than one year**
Current assets & prepayments			
Customers	96,053	96,053	
Income tax(1)	2,264,860	2,264,860	
Value added tax(2)	1,633,137	1,633,137	
Other receivables(3)	656,095	656,095	
Prepaid expenses(4)	440,074	440,074	
TOTAL	**5,090,220**	**5,090,220**	

(1) The income tax receivable corresponds to the Research Tax Credit (CIR) recognized for 2021 at €2,265 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, 2020, €1,488 thousand had been recorded for the 2020 Research Tax Credit. It was repaid on April 19, 2021.

(2) The VAT receivable corresponds to reimbursement requests for the months of November 2021 (€427 thousand) and December 2021 (€367 thousand) as well as to non-recoverable VAT on services not paid at December 31, 2021, namely: VAT on fixed assets (€447 thousand), VAT on abs (€149 thousand), and intra-community VAT (€132 thousand).

(3) Other receivables include €532 thousand in down payments on orders and €121 thousand in unpaid capital, for which the effective payment was made on January 7, 2022.

(4) 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, 2021, inventory totaled €94 thousand compared to €39 thousand in 2020.

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

Statement of debts at 12/31/2021 *(In euros)*	**Total amount**	**From 0 to 1 year**	**From 1 to 5 years**	**More than 5 years**
Regional and national funds	5,486,600	547,500	4,789,100	150,000
State-guaranteed loan	1,003,765	3,765	1,000,000	
Suppliers	5,584,754	5,584,754	0	
Tax and social liabilities	1,728,242	1,728,242	0	
Other liabilities	121,424	121,424	0	
Deferred income	1,245,519	1,245,519	0	
TOTAL	**15,170,304**	**9,481,204**	**5,539,100**	**150,000**

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

The "Loans and debts" item includes:

- public debt, consisting of the ADI BPI (€155 thousand) and ADEME (€2,481.6 thousand) repayable advances obtained as part of the various research projects carried out by the Company until then, as well as the two loans subscribed from Bpifrance of which €2,850 thousand remain;
- private debt. In this case, it consists exclusively of the loan of €1 million taken out with a banking institution during the Covid crisis.

Trade payables include outstanding invoices at closing for a total of €4,359 thousand, as well as accrued invoices related to both the operating cycle (€541 thousand) and the investment cycle (€685 thousand).

Social security liabilities consist of balances due to the various funds at the end of the period, provisions for premiums and bonuses, provisions for paid leave and related expenses.

NOTE 9 ACCRUALS (PREPAYMENTS AND DEFERRED INCOME)

Accruals are shown on the statement of financial position for the fiscal year ended December 31, 2021 in the following amounts:

Statement of accruals *(In euros)*	**Assets**	**Liabilities**
Suppliers, amounts receivable and accrued invoices	3,564	1,225,916
Trade receivables, not yet invoiced		
Personnel and social welfare organizations, accrued expenses		1,202,198
State, accrued expenses and accrued income	112,041	34,325
Prepaid expenses	440,074	
Deferred income		1,245,519
Accrued interest income	14,044	
Expense to be spread over the loan	13,297	
TOTAL	**583,022**	**3,707,958**

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 €065 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;
- €5 million, maturing in September 2024;
- €5 million maturing in April 2023; and
- €50 million maturing in September 2026.

They 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 €43 thousand, of which €14 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, 2021, the Company had €35,840 thousand in demand accounts.

In addition, in respect of marketable securities, the Company has warrants of PK-MED for an amount of €20 thousand, for which no impairment is to be recognized at this stage.

NOTE 12 EQUITY

STATEMENT OF CHANGES IN EQUITY

Audited parent company financial statements French standards *(In euros)*	Share Capital	Issue premium	Subscription capital	Investment subsidies (net)	Profit or loss for the period	Retained earnings	Total due to shareholder
12/31/2020	**5,673,708**	**59,687,449**	**23,942**	**10,500**	**(6,145,617)**	**(14,115,264)**	**45,134,719**
Allocation of earnings N-1		(20,260,880)			6,145,617	14,115,264	
Increase/decrease in share capital and issue premium	2,151,923	106,908,556					109,060,479
Subscription of BSA/BCE			(21,984)				(21,984)
Quasi-equity							
2021 results				(2,250)	(11,136,160)		(11,138,410)
12/31/2021	**7,825,630**	**146,335,125**	**1,958**	**8,250**	**(11,136,160)**		**143,034,804**

12.1 Composition of share capital

Share capital

Capital transactions performed prior to the period and recorded during the period

At its meeting of January 15, 2021, the Board of Directors noted the creation of 23,125 new shares from the exercise of 23,125 BCE-2020-1, subscribed at a price of €7.75934, *i.e.* a par value of €0.70 and an issue premium of €7.05934, after the exercise of 15,000 BCE-2020-1 on December 22, 2020, 2,771 BCE-2020-1 on December 24, 2020, and 5,534 BCE-2020-1 on December 28, 2020.

Capital transactions performed during the period

At its meeting of January 15, 2021, the Board of Directors noted the creation of 9,600 new shares resulting from the exercise of 9,600 BSA-2015-2 subscribed at a price of €12.4581, *i.e.* €0.70 in par value and €11.7581 in issue premium.

At its meeting on March 11, 2021, the Board of Directors noted:

- the creation of 16,000 new shares from the exercise of 16,000 BCE-2015-2, subscribed for €12.4581 (€0.70 in par value and €11.7581 in issue premiums);
- the creation of 14,375 new shares from the exercise of 14,375 BCE-2020-4, subscribed for €20.0650 (€0.70 in par value and €19.9050 in issue premiums);
- the creation of 9,600 new shares from the exercise of 9,600 BCE-2016-1, subscribed for €8.2837 (€0.70 in par value and €7.5837 in issue premiums);
- the creation of 9,600 new shares from the exercise of 9,600 BSA-2015-3, subscribed for €12.4581 (€0.70 in par value and €11.7581 in issue premiums).

At its meeting of May 10, 2021, the Board of Directors, acting under the delegation of authority granted by the Combined Shareholders' Meeting of January 8, 2021 (Fifth Resolution), decided to increase the Company's share capital for a nominal amount of €2,100,000, from €5,715,130.40 to €7,815,130.40, through the issue with cancellation of preferential subscription rights, by way of a public offering with an irreducible priority period for the benefit of existing shareholders of 3,000,000 new ordinary shares, at a price of €38 each, *i.e.* a par value of €0.70 and an issue premium of €37.30. The Chief Executive Officer took note of this capital increase on May 12, 2021.

At its meeting on November 5, 2021, the Board of Directors noted:

- the creation of 5,000 new shares from the exercise of 5,000 BCE-2017-1, subscribed for €7.86 (€0.70 in par value and €7.16 in issue premiums);
- the creation of 6,000 new shares from the exercise of 6,000 BCE-2013-1, subscribed for €11.2240 (€0.70 in par value and €10.5240 in issue premiums);

At its meeting on December 16, 2021, the Board of Directors noted:

- the creation of 2,000 new shares from the exercise of 2,000 BCE-2020-7, subscribed for €30.2899 (€0.70 in par value and €29.5899 in issue premiums);
- the creation of 2,000 new shares from the exercise of 2,000 BCE-2020-7, subscribed for €30.2899 (€0.70 in par value and €29.5899 in issue premiums);

As a result, as of December 31, 2021, the share capital amounting to €7,825,630.40 consisted of 11,179,472 ordinary shares, with a par value of €0.70 each, entirely subscribed and fully paid up.

Movements of securities	Number	Nominal value	Share Capital
Securities at the beginning of the fiscal year	**8,105,297**	**€0.70**	**€5,673,707.90**
Capital reduction	-	-	-
Securities issued	3,074,175	€0.70	€2,151,922.50
Securities redeemed or canceled	-	-	-
Shares at year-end	**11,179,472**	**€0.70**	**€7,825,630.40**

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 statement of financial position 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, 2021, the issue premiums paid after deducting capital increase costs amounted to €146,335,124.82.

Transaction	Operation date	Issue premiums	Direct costs charged	Exercise of equity warrants/ BCEs for valuable consideration[1]	Total issue premium	BSA
At 12/31/2020		**€63,595,075.17**	**€(3,923,835.99)**	**€16,209.68**	**€59,687,448.86**	**€23,942.44**
Exercise of BSA-2015-2	01/12/2021	€112,877.76		€8,160.00	€121,037.76	€(8,160.00)
Exercise of BCE-2015-2	01/15/2021	€129,339.10			€129,339.10	€0.00
Exercise of BCE-2020-4	01/19/2021	€286,134.38			€286,134.38	€0.00
Exercise of BSA-2016-1	01/20/2021	€72,803.52		€5,664.00	€78,467.52	€(5,664.00)
Exercise of BSA-2015-3	01/25/2021	€112,877.76		€8,160.00	€121,037.76	€(8,160.00)
Exercise of BCE-2015-2	02/15/2021	€58,790.50			€58,790.50	€0.00
Capital increase	05/12/2021	€111,900,000.00	€(6,003,554.26)		€105,896,445.74	€0.00
RAN allocation	06/30/2021	€(20,260,880.40)			€(20,260,880.40)	€0.00
Exercise of BCE-2017-1	10/20/2021	€35,800.00			€35,800.00	€0.00
Exercise of BCE-2013-1	10/22/2021	€63,144.00			€63,144.00	€0.00
Exercise of BCE-2020-7	12/06/2021	€59,179.80			€59,179.80	€0.00
Exercise of BCE-2020-7	12/08/2021	€59,179.80			€59,179.80	€0.00
AT 12/31/2021		**€156,224,321.39**	**€(9,927,390.25)**	**€38,193.68**	**€146,335,124.82**	**€1,958.44**

(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 €1,958.44 as at December 31, 2021.

Earnings per share

As of December 31, 2021, net earnings per share, obtained by dividing the profit or loss for the fiscal year (€11,136,160) by the number of shares (11,179,472), amounted to -€1.00.

12.2 Distribution of share capital

As at December 31, 2021, the 11,179,472 shares comprising the share capital were distributed as follows:

Shareholders	Number of shares	Percentage of ownership	Number of voting rights	Percentage of voting rights
BOLD Business Opportunities for L'Oréal Development	660,248	5.91%	660,248	5.90%
Copernicus Wealth Management SA(1)	658,392	5.89%	658,392	5.88%
Michelin Ventures	486,400	4.35%	486,400	4.35%
L'Occitane Group	263,157	2.35%	263,157	2.35%
Funds managed by Truffle Capital	46,511	0.42%	46,511	0.42%
Management and directors	15,904	0.14%	15,905	0.14%
Treasury shares	3,648	0.03%	NA	NA
Free float	9,045,212	80.91%	9,062,507	80.96%
TOTAL	**11,179,472**	**100%**	**11,193,120**	**100%**

(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, 2021, one of Jean-Claude Lumaret's shares, as well as 17,295 registered shares included in the free float met these criteria.

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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, 2021, 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(1)	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 = (total number of BSA 2011-1 allocated to the beneficiary * 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 on 09/28/2012, and for the first time from 02/28/2013, calculated according to the following rule: x = (total nb. of BSAs 2012-2 allocated to beneficiary * 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 = (total nb. of BSAs 2013-1 allocated to beneficiary * nb. of months since 07/26/2013)/48.
Exercise price *(en euros)*	1.00	2.25	2.25	80% of IPO price
Total number of shares subscribed as at December 31, 2021	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, 2021	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.

During the 2021 fiscal year, no equity warrants were issued.

During the 2021 fiscal year, 9,600 BSA-2015-2, 9,600 BSA-2015-3 and 9,600 BSA-2016-1 were exercised. All warrants were exercised under the BSA-2015-2, BSA-2015-3 and BSA-2016-1 plans.

As of December 31, 2021, 179,600 BSAs giving rights to 179,600 shares were still exercisable.

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, 2021, 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 2015-2	BCE-2017-1	BCE-2019-1	BCE-2020-1 to BCE-2020-3
Date of Shareholders' Meeting	Collective decision of the shareholders on 09/28/2012	Shareholders' Meeting of 06/24/2015	Shareholders' Meeting of 06/15/2017	Shareholders' Meeting of 06/14/2018	Shareholders' Meeting of 06/19/2019
Date of Board of Directors' meeting	-	Decision of the Board of Directors of 06/24/2015	Decision of the Board of Directors of 06/27/2017	Decision of the Board of Directors of 12/06/2018	Decision of the Board of Directors of 03/12/2020
Total number of shares that may be subscribed or purchased, of which the number that may be subscribed or purchased by:	77,386	31,000	35,000	28,000	185,000
Alain CHEVALLIER	1,548	-	-	-	-
Jean-Claude LUMARET	-	-	-	-	92,500
Martin STEPHAN	-	-	35,000	-	46,250
Ian HUDSON	-	-	-	28,000	-
Warrant exercise start date	02/01/2013	06/24/2016	06/27/2018	01/01/2020	03/12/2020
Expiration date	09/28/2022	06/24/2025	06/27/2027	01/01/2029	03/12/2030
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 = (total nb. of BCE-2012-1 allocated to the beneficiary * nb. of months since 02/01/2012)/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 = (total nb. of BCE-2015-2 allocated to the beneficiary * nb. of months since 06/24/2015)/48.	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 * nb. of months since 06/27/2017)/48.	For the first 14,000 warrants: possibility of exercising x warrants per complete monthly period starting from 01/01/2019, and for the first time from 01/01/2020, calculated according to the following rule: x = 14,000 * (number of months since 01/01/2019)/48. For the other 14,000 warrants: possibility of exercising y warrants where y = (number of warrants not yet exercisable) *% determined by the performance of the Carbios share price.	To be exercised, these warrants must satisfy four performance conditions. Each condition realized opens rights to exercise one-quarter of the BSPCE granted. In the event of the acquisition of the entire Company by a manufacturer, accelerated vesting is provided for depending on the acquisition price per share.
Exercise price *(en euros)*	2.25	12.4581	7.86	5.29999	7.75934
Total number of shares subscribed as at December 31, 2021	75,838	16,000	5,000	0	23,125
Cumulative number of subscription or purchase warrants canceled or null and void	0	0	0	0	0
Share subscription warrants that may be exercised as at December 31, 2021	1,548	15,000	30,000	28,000	161,875

	BCE-2020-4 to BCE-2020-6	BCE 2020-7	BCE-2021-1 to BCE-2021-15	BCE-2021-16	BCE-2021-17
Date of Shareholders' Meeting	Shareholders' Meeting of 06/18/2020	Shareholders' Meeting of 06/18/2020	Shareholders' Meeting of 06/18/2020	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 07/09/2020	Decision of the Board of Directors of 09/15/2020	Decision of the Board of Directors of 03/12/2020	Decision of the Board of Directors of 11/05/2021	Decision of the Board of Directors of 11/05/2021
Total number of shares that may be subscribed or purchased, of which the number that may be subscribed or purchased by:	115,000	100,000	85,000	36,735	6,390
Jean-Claude LUMARET	57,500	-	-	-	-
Martin STEPHAN	28,750	-	-	-	-
Emmanuel LADENT	-	-	-	36,735	-
Warrant exercise start date	07/09/2020	09/15/2020 and 09/15/2021	01/15/2022	12/01/2022	11/05/2022
Expiration date	07/09/2030	09/15/2030	01/15/2032	12/01/2032	11/05/2032
Price of subscription or purchase of warrant	Free	Free	Free	Free	Free
Warrant exercise method	To be exercised, these warrants must satisfy four performance conditions. Each condition realized opens rights to exercise one-quarter of the BSPCE granted. In the event of the acquisition of the entire Company by a manufacturer, accelerated vesting is provided for depending on the acquisition price per share. For the other 14,000 warrants: possibility of exercising y warrants where y = (number of warrants not yet exercisable) *% determined by the performance of the Carbios share price.	To be exercised, 65,000 warrants must satisfy four performance conditions. Each condition met gives the right to the exercise of one-quarter of the 65,000 BSPCEs granted. In the event of acquisition of the entire Company by a manufacturer, accelerated vesting is provided for according to the acquisition price per share. For 35,000 warrants, possibility of exercising a number x of warrants per complete monthly period starting from 09/15/2020, and for the first time from 09/15/2021, calculated according to the following rule: x = (35,000 * nb. of months since 09/15/2020)/48. If all of the Company's shares are acquired by an industry player, accelerated vesting is provided depending on the share vesting price.	Possibility of exercising a number x of warrants per full monthly period, and for the first time from 01/15/2022, calculated according to the following rule: x = total number of BCE-2021 granted to the beneficiaries * (number of months since 01/15/2021)/48. If all of the Company's shares are acquired by an industry player, accelerated vesting is provided depending on the share vesting price.	For the first 18,367 warrants: possibility of exercising x warrants per complete monthly period starting from 01/12/2021, and for the first time from 01/12/2022, calculated according to the following rule: x = 18,367 * (number of months since 12/01/2021)/48. The remaining 18,368 warrants are subject to four performance conditions to be exercised. Each condition fulfilled gives the right to the exercise of 5,510 warrants, 6,429 warrants, 2,755 warrants and 3,677 warrants, respectively. In the event of acquisition of the entire Company by a manufacturer, an accelerated vesting is provided for according to the acquisition price per share. If all of the Company's shares are acquired by an industry player, accelerated vesting is provided depending on the share vesting price.	Possibility of exercising a number x of warrants per full monthly period, and for the first time from 11/05/2022, calculated according to the following rule: x = total number of BCE-2021 granted to the beneficiaries * (number of months since 11/05/2021) /48.
Exercise price *(en euros)*	20.6050	30.2899	44.5049	37.7340	39.7863
Total number of shares subscribed as at December 31, 2021	14,375	4,000	0	0	0
Cumulative number of subscription or purchase warrants canceled or null and void	43,125	0	0	0	0
Share subscription warrants that may be exercised as at December 31, 2021	57,500	96,000	85,000	36,735	6,390

(1) Exercisable from January 15, 2022.
(2) Exercisable from November 5, 2022.
(3) Exercisable from December 1, 2022.

During fiscal year 2021, BSPCE issues were carried out:

- at its meeting on January 15, 2021, 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 85,000 BSPCEs ("BCE-2021-1", "BCE-2021-2", "BCE-2021-3", "BCE-2021-4", "BCE-2021-5", "BCE-2021-6", "BCE-2021-7", "BCE-2021-8", "BCE-2021-9", "BCE-2021-10", "BCE-2021-11", "BCE-2021-12", "BCE-2021-13", "BCE-2021-14" and "BCE-2021-15") that grant the right to subscribe for 85,000 ordinary shares with a par value of €0.70 at a unit price equal to the volume-weighted average of the last 20 trading days preceding the warrant award date, *i.e.* a price equal to €44.5047;
- at its meeting of November 5, 2021, the Board of Directors, acting under a delegation of authority granted by the Combined Shareholders' Meeting of June 18, 2020 (Thirteenth Resolution), decided to issue and award 43,125 BSPCE (of which 36,735 "BCE-2021-16" and 6,390 "BCE-2021-17") giving the right to subscribe to 43,125 ordinary shares with a par value of €0.70, at a unit price equal to the weighted average by the volume of the last twenty trading days preceding the grant date of the warrants, *i.e.* a price of €37.734 for the BCE-2021-16 and a price of €39.7863 for the BCE-2021-17.

During the 2021 fiscal year, 16,000 BCE-2015-2, 14,375 BCE-2020-4, 5,000 BCE-2017-1, 6,000 BCE-2013-1 and 4,000 BCE-2020-7 were exercised.

As of December 31, 2021, there remained 518,048 BSPCEs outstanding.

NOTE 13 LOANS, CONDITIONAL ADVANCES AND SUBSIDIES

Loans

Denomination	Date	Rate	Duration	12/31/2020	New	Repayment	12/31/2021
FIAD	12/12/2014	0%	7 years	€30,360	-	€30,360	€0
Bpifrance Innovation loan	11/23/2018	3.21%	7.5 years	€1,500,000	-	€150,000	€1,350,000
Bpifrance Innovation loan	11/20/2019	4.45%	7.5 years	€1,500,000	-	-	€1,500,000
State-guaranteed loan (Société Générale)	08/31/2020	0.25%	6 years	€1,000,000	-	-	€1,000,000
Accrued interest				€836	€3,765	€836	€3,765
TOTAL				**€4,031,196**	**€3,765**	**€181,196**	**€3,853,765**

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. In June 2021, the Company negotiated with its bank an additional deferral of one year, *i.e.* until August 24, 2022 and, thereafter, repayment of the loan over 4 years.

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 €13,297.47 remaining to be spread as at December 31, 2021.

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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	12/31/2020	New	Repayment	Other movements	12/31/2021
Repayable advance ADI BPI	06/13/2017	€220,000	-	€65,000		€155,000
Repayable advance ADEME	04/08/2019	€1,395,900	€620,400	-	€465,300	€2,481,600
Conditional advance OSEO Thanaplast™	12/19/2012	€3,707,214	-	-		€3,707,214
Conditional advance ADEME	04/08/2019	€465,300	-		€(465,300)	€0
TOTAL		**€5,788,414**	**€620,400**	**€65,000**	**-**	**€6,343,814**

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.*

As the Company's forecast is not expected to reach this threshold before 2026, no provision has been recorded to recognize the difference between the discounted debt, as provided for in the contract, and the debt actually recognized.

In addition, as soon as the reimbursement of the repayable advance has been completed in accordance with the above payment schedule, the agreement stipulates that the Company shall pay a bonus equal to 4% of revenue generated by the utilization of the products, if this exceeds a cumulative amount of €100,000 thousand. This additional payment is however subject to a time limit (applicable only for a period of five consecutive years from the date of the end of the reimbursement of the advance), and an amount cap (ceiling of €7,100 thousand).

ADEME grant: CE-PET project

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

The contract agreement stipulates that the completion of each key stage and the associated conditions provide entitlement to the following payments capped based on a maximum% of cumulative grants:

(In euros)	KS1 (35%)	KS2 (60%)	KS3 (80%)	KS4 (100%)	Total
Payment year	**2019**	**2020**	**2021**	**2022**	
Subsidy	361,900	258,500	206,800	206,800	1,034,000
Repayable advance	1,085,700	775,500	620,400	620,400	3,102,000
TOTAL	**1,447,600**	**1,034,000**	**827,200**	**827,200**	**4,136,000**

At December 31, 2021, the Company had completed the work for the second key stage. Since its creation, the Company has received:

(In euros)	1st payment	2nd payment	3rd payment	4th payment	Total
Date of payment	**06/07/2019**	**10/21/2019**	**06/30/2020**	**12/06/2021**	
Subsidy	€155,100	€206,800	€258,500	€206,800	€827,200
Repayable advance	€465,300	€620,400	€775,500	€620,400	€2,481,600
TOTAL	**€620,400**	**€827,200**	**€1,034,000**	**€827,200**	**€3,308,800**

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, 2021 amounted to €6,893 thousand. This is in fact all the expenses provided for in the agreement signed with ADEME.

Since the beginning of the program, the Company has received €827 thousand in ADEME subsidies (see table above). However, in the absence of certainty as to the validation of key stage 4 by end-2022, the difference, *i.e.* €207 thousand (€1,034 thousand - €827 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 the 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 €2,482 thousand in ADEME conditional advances (see table above).

LIFE aid: Life cycle of PET

On October 25, 2021, the Company obtained aid from the European climate and environment agency consisting exclusively of subsidies for a total amount of €3,300 thousand for the LIFE CYCLE OF PET project. The program includes the participation of Deloitte and T.EN Zimmer GmbH, whose total share represents €296 thousand. Carbios is the project coordinator.

The amount of eligible expenses amounts to €8,489 thousand and the subsidy rate is therefore 38.88%. The program starts on October 1, 2021 and ends on June 30, 2025.

The payments are planned as follows:

- 1st pre-financing of 40% within 30 days following the signature of the contract, *i.e.* €1,320 thousand collected on November 5, 2021, of which €119 thousand to partners and €1,201 thousand to Carbios;
- 2nd pre-financing of 40% subject to having used 100% of the pre-financing deposit previously paid to cover the costs of the project; and
- The balance of 20% at the end of the project.

Expenses incurred at December 31, 2021 were mainly estimated on the basis of the budget, *i.e.* €339 thousand. The corresponding theoretical grant amounts to €132 thousand (€339 thousand x 38.88%). Deferred income, equivalent to a current debt, was therefore recognized for an amount of: €1,201 thousand - €132 thousand = €1,069 thousand.

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; repayment began on December 30, 2016, and ended during the first half of 2021;
- 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, 2021, the remaining amount to be repaid was €155 thousand;
- Two Innovation Loans from Bpifrance for a total of €3,000 thousand at floating rates 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 began on September 30, 2021 for the first loan and will begin one year later for the second one, *i.e.* for a total remaining due of €2,850 thousand at the close.

NOTE 14 REVENUE AND OTHER OPERATING INCOME

Total operating revenues amounted to €793 thousand at December 31, 2021 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: €968 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. No royalty income was recognized as of December 31, 2021, since the Carbiolice subsidiary did not make any sales in connection with this license.

Carbiolice research services agreement

On February 15, 2017, it entered into a research services agreement with its subsidiary for a period of two years and a total amount of €1,248 thousand. The aim of this contract is to carry out a product development program thanks to its biodegradation technology. During 2018, an amendment was signed to extend the contract for an additional two years, and increase the total amount of the contract to €2,500 thousand. The contract ended on February 15, 2021, not generating any revenue for this fiscal year.

Other contracts

In addition, the Company obtained €968 thousand from other contracts, part of which came from contracts signed with Carbiolice (see Note 17).

Other operating income: €825 thousand

R&D capitalization

The income recognized as part of the capitalization of R&D amounted to €409 thousand at December 31, 2021. It included all the development costs of the industrial demonstration plant considered to be capitalized from September 30, 2021. From that date, all of the activation conditions were met. The previous stages of research and development (laboratory level) and management (pilot level) are considered as general research and not development.

Operating subsidy

For the CE-PET project, the Company recorded an operating subsidy of €207 thousand. As a precaution, no income receivable has been recognized relating to the expenses incurred in key stage 4, the date of which is scheduled for June 30, 2022, and whose validation is uncertain.

The LIFE project generated operating income of €132 thousand over the fiscal year, after recognition of deferred income relating to expenses not yet incurred at this stage (see Note 13).

Other operating income

The Company recorded operating income of €77 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:

(In thousands of euros)	**2021**	**2020**
Other costs and external expenses		
External studies, subcontracting and scientific consultancy	1,844	1,083
Consumables	131	76
Supplies	130	82
Rentals, maintenance and upkeep expenses	1,546	579
Expenses and fees related to industrial property	87	53
Fees	2,364	1,378
Business travel	183	109
Miscellaneous expenses	369	244
Total other expenses and external expenses	**6,655**	**3,605**
Taxes. Taxes and similar payments	126	66
Salaries and wages	5,277	2,904
Social security contributions	2,077	1,288
Depreciation of fixed assets	764	455
Other expenses	225	147
TOTAL OPERATING EXPENSES	**15,123**	**8,464**

In 2021, Carbios spent €15,123 thousand on operating activities compared to €8,464 thousand in 2020. This effort mainly focused on the development of the PET plastic and fiber enzymatic recycling process, such as external R&D expenses, which were up 79%. The company also saw a strong increase in its employee expenses due to the growth in its personnel, with hires notably related to the industrial demonstration project. At the same time, rent and maintenance expenses increased with the start of the rental of the Michelin Cataroux site which hosts the industrial demonstration plant.

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

	Average headcount in 2021	Average headcount in 2020
Managers	31	21
Supervisory staff and technicians	15	10
Employees	0	0
TOTAL	**46**	**31**

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 (until November 31, 2021) then Chief Industrial Officer	Employment contract	Fixed compensation: €135,871 Annual variable bonus: €100,335 Exceptional bonus: €998,065 Benefits in kind: €14,405, of which €11,568 for the French social security regime for company heads (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: €223,808 Annual variable bonus: €78,333 Exceptional bonus: €74,603 Benefits in kind: €9,908
Emmanuel LADENT – Chief Executive Officer	Employment contract (since 12/01/2021)	Fixed compensation: €27,500 Annual variable bonus: €13,750 Exceptional bonus: €0 Benefits in kind: €0

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

The following transactions were performed during the 2021 fiscal year with the subsidiary Carbiolice:

- Carbiolice research services agreement: See Note 14;
- licensing and sub-licensing of patents and know-how: See Note 14;
- rebilling of tests and regulatory matters (€163 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, Article 833-14/4) amounts to €279,100 and breaks down as follows:

- fees related to the certification of the statutory financial statements: €42,600;
- fees for other services:
  - due diligence on capital transactions: €99,500,
  - due diligence in respect of the audit of the consolidated financial statements prepared under IFRS for the first time and on a voluntary basis, relating to the following fiscal years: opening on January 1, 2020, closing on December 31, 2020 and December 31, 2021: €137,000.

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 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.

Financial revenues *(in thousands of euros)*	**2021**	**2020**
Financial expenses	43	27
Financial expenses	124	120
FINANCIAL INCOME	**(81)**	**(93)**

Financial income mainly comes from investments of available cash amounting to €43 thousand.

Financial expenses in 2021 consist mainly of interest on the Bpifrance loans for €114 thousand.

NOTE 20 EXTRAORDINARY GAIN OR LOSS

For the 2021 fiscal year, the exceptional result was positive by €10 thousand. Non-recurring income includes the gain from the World Materials Forum competition (Scale Up category) of €50 thousand as well as the bonus on treasury shares under the liquidity contract for €18 thousand. This income is partly offset by exceptional expenses which mainly include residual losses (€62 thousand) on investments at the former Saint-Fons site, which cannot be transferred to the new construction site of the demonstration plant located in Clermont-Ferrand.

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 €2,265 thousand as of December 31, 2021.

The fiscal deficit carried forward at the end of the fiscal year amounted to €54,418,209.

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 €271,063 as at December 31, 2021.

This figure was calculated according to the following assumptions:

- voluntary retirement;
- retirement age: 67 years;
- turnover: slow;
- discount rate: 0.98%;
- 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-leaseback financing of industrial equipment for a total of €604 thousand over a period of five years (see details in the table below), representing the total amount allocated by the banking partner.

	Land	Buildings	Equipment Tools	Other	Total
Initial values:			604,484		604,484
Depreciation:					
Previous aggregations			83,860		83,860
Provisions for the fiscal year			111,971		111,971
TOTAL			**195,831**		**195,831**
Fees paid:					
Previous aggregations			93,423		93,423
Fiscal year			122,947		122,947
TOTAL			**216,370**		**216,370**
Fees to be paid:					
At maximum one year			129,669		129,669
From over 1 year to less than 5 years			302,304		302,304
Over 5 years					
TOTAL			**431,973**		**431,973**
Residual value:					
At maximum one year					
From over 1 year to less than 5 years			6,047		6,047
Over 5 years					
TOTAL			**6,047**		**6,047**

NOTE 23 TABLE OF SUBSIDIARIES AND EQUITY INTERESTS

As of this fiscal year, Carbios is the consolidating company of the group that it comprises with its subsidiary Carbiolice.

(In euros)	SAS Carbiolice
Share Capital	28,618,748
Reserves and carryforwards prior to the allocation of income	(14,164,481)
Portion of share capital owned (%)	100%
Book value of securities held	38,371,461
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	48,413
Results (profit or loss for the most recent period ended)	(5,207,493)
Dividends received by the Company during the fiscal year	-
Comments	-

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, 2021.

5.2 STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

(Fiscal year ended December 31, 2021)

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, 2021, 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, 2021 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, 2021 is €38,371, 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 annual financial statements.

Our work consisted in assessing the data and assumptions on which the estimates are based, in particular the cash flow forecasts prepared by the Company's management, in reviewing the calculations made by the Company and in reviewing the approval procedure for these estimates by management.

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, March 31, 2022

The Statutory Auditor

PricewaterhouseCoopers Audit

Flora Camp

5.3 ADDITIONAL INFORMATION ABOUT CARBIOLICE

The information presented below is taken from the Carbiolice financial statements as at December 31, 2021. 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 decision of the Chairman on March 30, 2022.

For your information, Mr. Jean-Claude Lumaret (Chairman of Carbiolice from June 20, 2021 to October 31, 2021) and Mr. Emmanuel Ladent (Chairman since November 1, 2021) did not receive any compensation from Carbiolice. Ms Nadia Auclair ceased to be Chairwoman of Carbiolice on June 19, 2021.

This section 5.3 contains specific information relating to operating flows between Carbios and Carbiolice.

ASSETS

	12/31/2021			12/31/2020
(In thousands of euros)	Gross	Amort./Deprec.	Net	Net
FIXED ASSETS				
Intangible assets	**10,331**	**3,325**	**7,006**	**7,942**
Establishment costs	40	40	-	5
Concessions, patents, licenses, software	8,247	3,285	4,962	5,726
Commercial fund	2,043	-	2,043	2,043
Other intangible assets	1	-	1	168
Property, plant and equipment	**4,682**	**3,236**	**1,446**	**1,402**
Other property, plant and equipment	4,640	3,236	1,404	958
Property, plant and equipment under construction	42	-	42	335
Advances on assets under construction	-	-	-	109
Financial assets	**17**	**-**	**17**	**17**
Equity interests	-	-	-	-
Other non-current financial assets	17	-	17	17
TOTAL FIXED ASSETS	**15,030**	**6,561**	**8,469**	**9,361**

CURRENT ASSETS				
Laboratory raw material inventories	429	254	174	850
Trade receivables and related accounts	-	-	-	67
State receivables	892	-	892	742
Other receivables	11	-	11	4
Subscribed capital - called up, not paid up	-	-	-	-
Cash, cash equivalents and marketable securities	4,093	-	4,093	8,134
Prepaid expenses	65	-	65	89
TOTAL CURRENT ASSETS	**5,489**	**254**	**5,235**	**9,886**
Expense to be spread over the loan	-	-	-	-
OVERALL TOTAL	**20,519**	**6,815**	**13,704**	**19,248**

Notes to the Carbiolice statement of financial position:

- The gross amount of the item "Patents, licenses, trademarks", valued at €8,246,680, 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

(In thousands of euros)	12/31/2021	12/31/2020
EQUITY		
Share Capital	28,619	29,500
Issue, merger and contribution premiums	0	-
Retained earnings	(14,165)	(10,584)
Investment subsidies	148	65
Profit and loss for the period	(5,207)	(4,466)
TOTAL EQUITY	**9,395**	**14,516**
OTHER EQUITY CAPITAL		
conditional advances	-	-
DEBT		
Loans	3,576	3,771
Trade and other payables	298	607
Tax and social liabilities	359	354
Other liabilities	-	-
Deferred income	76	-
TOTAL LIABILITIES	**4,309**	**4,732**
OVERALL TOTAL	**13,704**	**19,248**

(In thousands of euros)	France	Exports	12/31/2021	12/31/2020
Sales of goods	1	7	8	369
Production sold, goods	17	15	32	187
Production sold, services	1	7	8	8
Net revenue	**19**	**29**	**48**	**564**
Stored production			(88)	156
Capitalized production			-	-
Operating subsidy			80	-
Reversals of depreciation, amortization and provisions, expense transfers			145	82
Other income			0	0
Total operating revenues			**185**	**802**
Purchases of goods			9	334
Inventory change (goods)				
Purchases of raw materials and other supplies			60	952
Inventory change (raw materials and supplies)			499	(421)
Other purchases and external expenses			1,917	2,218
Taxes and similar payments			28	35
salaries and wages			1,574	1,111
Social security contributions			530	435
Depreciation of fixed assets			1,102	1,078
Provisions for fixed assets			-	-
Provisions on current assets			207	111
Provisions for contingencies and charges			-	-
Other expenses			0	0
Total operating expenses			**5,926**	**5,852**
OPERATING INCOME (LOSS)			**(5,741)**	**(5,050)**
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	0
Net income on sales of marketable securities			-	-
Total financial income			**0**	**0**
Depreciation, amortization and provisions			-	-
Interest and similar expenses			31	12
Negative exchange rate differences			-	0
Net expenses on sales of marketable securities			-	-
Total financial expenses			**31**	**12**
FINANCIAL INCOME			**(31)**	**(12)**
CURRENT INCOME BEFORE TAXES			**(5,772)**	**(5,062)**
Extraordinary income on management transactions			-	16
Extraordinary income on equity transactions			12	178
Reversals of provisions and expense transfers			-	-
Total extraordinary income			**12**	**194**
Extraordinary expenses on management transactions			-	-
Extraordinary expenses on capital transactions			168	175
Extraordinary depreciation and provisions			-	-
Total extraordinary expenses			**168**	**175**
EXTRAORDINARY GAIN OR LOSS			**(156)**	**19**
Employee profit-sharing			-	-
Income tax			(721)	(577)
TOTAL INCOME			*197*	*996*
TOTAL EXPENSES			*5,404*	*5,462*
PROFIT OR LOSS			**(5,207)**	**(4,466)**

5

INTRA-GROUP FLOWS THROUGH THE SIMPLIFIED INCOME STATEMENTS OF CARBIOS AND CARBIOLICE

Flow *(In thousands of euros)*	Carbiolice – 2021 fiscal year	Of which Carbios	Carbiolice – 2020 fiscal year	Of which Carbios
Operating revenues	185	0	802	0
Operating expenses	5,926	163	5,852	588
Operating income (loss)	(5,741)	(163)	(5,050)	(588)
Net income	(5,207)	(163)	(4,466)	(588)

5.4 PRO FORMA FINANCIAL INFORMATION

5.4.1 INTRODUCTION

5.4.1.1 Information on the context of the Transaction

The unaudited Pro forma Condensed Consolidated Financial Information of Carbios (collectively with Carbiolice, the “Consolidated Group”) consists of the unaudited pro forma condensed consolidated income statement for the 12-month period ending December 31, 2021 with the explanatory notes (together, the “Unaudited Pro Forma Condensed Consolidated Financial Information”), and has been prepared to present the expected effects of the acquisition of Carbiolice (the “Transaction”). The unaudited pro forma consolidated financial information has been prepared on the basis of assumptions summarized below and should be read in conjunction with the audited consolidated financial statements of the Carbios group as of December 31, 2021, prepared in accordance with IFRS (International Financial Reporting Standards) as published by the International Accounting Standards Board (IASB) and adopted by the European Union.

The unaudited pro forma consolidated financial information is presented in millions of euros and reflects the acquisition (transaction completed on June 3, 2021) of Carbiolice as if the transaction had been recognized on January 1, 2021.

The unaudited Pro Forma Condensed Consolidated Financial Information is prepared solely for illustrative purposes and, by its nature, is neither representative nor indicative of the actual results of the operations that the Consolidated Group would have carried out, nor of the actual financial position that the Group may have recorded if the Transaction had been completed on January 1, 2021 for the unaudited pro forma condensed consolidated income statement. The unaudited Pro Forma Condensed Consolidated Financial Information is not necessarily indicative of the future results of operations or financial position of the Consolidated Group.

The unaudited Pro Forma Condensed Consolidated Financial Information is the subject of a report by the Company’s Statutory Auditors in accordance with Appendix 20 of Delegated Regulation (EU) 2019/980.

5.4.1.2 Accounting treatment of the Transaction

In accordance with IFRS 3 “Business Combinations” (“IFRS 3”) and the share acquisition agreement entered into between Carbios and Carbiolice on June 3, 2021 (the “Acquisition Agreement”), Carbios is the acquiring company and Carbiolice, the acquired company.

In accordance with the principles of IFRS 3, as Carbiolice is the acquired company, its identifiable assets acquired and liabilities assumed will be initially recognized at their fair value on the date of completion of the Transaction, on June 4, 2021, i.e. at the acquisition date as defined under IFRS 3 (the “Completion Date”). The valuation of the acquirer’s assets and liabilities is not affected by the Transaction.

5.4.1.3 Preparation of the pro forma financial information

The unaudited Pro Forma Condensed Consolidated Financial Information is presented in thousands of euros.

The unaudited Pro Forma Condensed Consolidated Financial Information is prepared in accordance with Appendix 20 of Delegated Regulation (EU) 2019/980 of March 14, 2019 “Pro Forma Information”, the ESMA recommendation (ESMA 32-382-1138 of March 4, 2021) and the position-recommendation DOC-2021-02 on pro forma financial information issued by the AMF (Autorité des Marchés Financiers) on January 8, 2021 and amended on April 29, 2021.

The unaudited Pro Forma Condensed Consolidated Financial Information is based on relevant extracts from the following documents:

the consolidated financial statements of the Carbios Group for the fiscal year ended December 31, 2021, prepared in accordance with IFRS as adopted by the European Union. These consolidated financial statements have been audited, see Note 5.7;

the accounting position of Carbiolice for the period from January 1, 2021 to June 3, 2021 prepared in accordance with the Carbios Group accounting principles under French accounting standards. This information has not been audited. This information comes from the internal reporting of Carbiolice. For the period in question, the data have been adjusted according to the Group’s accounting rules and methods. These adjustments are explained in Note 3.1.2.

Pro forma adjustments to the Pro Forma Condensed Consolidated Financial Information are limited to those: (i) directly attributable to the Transaction, and (ii) factually verifiable. The Pro Forma Condensed Consolidated Financial Information does not reflect elements such as synergies or operational efficiency gains that could result from the Transaction, nor the reorganization and integration costs that could be incurred as part of the Transaction. The Pro Forma Condensed Consolidated Financial Information is prepared on the basis of certain assumptions that Carbios considers reasonable in the context of the Acquisition Agreement.

5.4.2 UNAUDITED PRO FORMA CONSOLIDATED INCOME STATEMENT FOR THE 12-MONTH PERIOD ENDED DECEMBER 31, 2021

Pro forma income statement

	Consolidated income statement	Pro forma adjustments		Pro forma income statement
(In thousand euros)	12/31/2021 12 months	Estimate of Carbiolice's net income from 01/01/2021 to 06/03/2021 according to the Group's accounting rules and methods	Cancellation of equity-accounted entries and deconsolidation of Carbiolice shares	12/31/2021 12 months
REVENUE	**105**	**21**	**-**	**126**
Research and development expenses, net	(7,727)	(1,272)	-	(8,998)
Research and development expenses	*(11,732)*	*(1,646)*	-	*(13,377)*
Subsidies and other operating income	*3,597*	*374*	-	*3,971*
Capitalization of development costs	*409*	-	-	*409*
Sales and marketing expenses	(1,976)	(324)	-	(2,300)
General and administrative expenses	(6,251)	(750)	-	(7,001)
Other operating income and expenses	21,211	3	(1,110)	20,104
OPERATING INCOME	**5,363**	**(2,322)**	**(1,110)**	**1,931**
FINANCIAL INCOME	**(454)**	**(50)**	**-**	**(504)**
Share of net income of equity-accounted companies	(1,128)	-	1,128	-
INCOME BEFORE TAXES	**3,780**	**(2,372)**	**18**	**1,426**
Income tax	-	-	-	-
NET INCOME FOR THE PERIOD	**3,780**	**(2,372)**	**18**	**1,426**

5.4.3 NOTES TO THE PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

5.4.3.1 Basis of preparation

5.4.3.1.1. Consolidated income statement

The Carbios Group consolidated income statement is taken from the audited consolidated financial statements for the fiscal year ended December 31, 2021, note 5.6. These financial statements reflect the situation of the Carbios Group during the 2021 fiscal year, including the following significant events:

- equity method of Carbiolice from January 1, 2021 to June 3, 2021;
- takeover of Carbiolice by Carbios on June 4, 2021;
- full consolidation of Carbiolice from June 4, 2021 to December 31, 2021.

5.4.3.1.2. Pro forma adjustments - estimate of Carbiolice's net income from January 1, 2021 to June 3, 2021

Carbiolice - activity from January 1, 2021 to June 3, 2021	Carbiolice historical data - from 01/01/2021 to 06/03/2021	Adjustment of Carbiolice's historical data according to the Group's accounting rules and methods					Estimate of Carbiolice's net income from 01/01/2021 to 06/03/2021 according to the Group's accounting rules and methods
		IAS 38	IAS 19	IFRS 2	IFRS 9	IFRS 16	
REVENUE	**21**	**-**	**-**	**-**	**-**	**-**	**21**
Research and development expenses	(990)	(320)	5	-	30	3	(1,272)
Research and development expenses	(1,334)	(320)	5	-	-	3	(1,646)
Subsidies and other operating income	344	-	-	-	30	-	374
Capitalization of development costs	-	-	-	-	-	-	-
Sales and marketing expenses	(310)	-	(14)	-	-	-	(324)
General and administrative expenses	(660)	-	(24)	(63)	-	(4)	(750)
Other operating income and expenses	3	-	-	-	-	-	3
OPERATING INCOME	**(1,935)**	**(320)**	**(33)**	**(63)**	**30**	**-**	**(2,322)**
Financial expenses	-	-	-	-	-	-	-
Financial expenses	(11)	-	-	-	(30)	(9)	(50)
FINANCIAL INCOME	**(11)**	**-**	**-**	**-**	**(30)**	**(9)**	**(50)**
Share of net income of equity-accounted companies	-	-	-	-	-	-	-
INCOME BEFORE TAXES	**(1,946)**	**(320)**	**(33)**	**(63)**	**-**	**(9)**	**(2,372)**
Income tax	-	-	-	-	-	-	-
NET INCOME FOR THE PERIOD	**(1,946)**	**(320)**	**(33)**	**(63)**	**-**	**(9)**	**(2,372)**

Carbiolice historical data as of June 3, 2021

The underlying figures for Carbiolice for the period from January 1 to June 3, 2021 come from an accounting position from Carbiolice, prepared in accordance with French standards, that has not been audited or reviewed. As of June 3, 2021, this accounting position is presented by function in accordance with the Carbios Group's accounting rules.

Adjustment of Carbiolice's historical data according to the Carbios Group's accounting rules and methods

The Carbios and Carbiolice Management carried out a preliminary comparison of their accounting methods. This assessment led to the identification of the following differences:

- IAS 38 - Depreciation and amortization:
  - Restatement of the amortization of patent licenses for the period from January 1, 2021 to June 3, 2021 in accordance with the Carbios Group's accounting rules,
  - Amortization of intangible assets resulting from the purchase price allocation exercise for Carbiolice from January 1, 2021;
- IAS 19 - Adjustment to the provision for retirement benefits in accordance with the standard;
- IFRS 2 - Recognition of the expense relating to the free share plan in progress at Carbiolice over the period from January 1, 2021 to June 3, 2021;
- IFRS 9 - Restatement of interest expenses and related subsidies on interest-free loans and repayable advances according to a market rate in accordance with IFRS 9;
- IFRS 16 - Restatement of lease purchases and leases over the period in accordance with IFRS 16.

5.4.3.2 Pro forma adjustments: Impacts of business combinations

The following pro forma adjustments were recorded to reflect the impacts of the business combination:

- the share of equity-accounted companies in the amount of €(1,128) thousand was canceled as Carbiolice's activity over the period from January 1, 2021 to June 3, 2021 has been fully consolidated in this pro forma income statement;
- the adjustment of the surplus related to the removal from the equity method of Carbiolice in the amount of €(1,110) thousand.

5.5 STATUTORY AUDITORS' REPORT ON THE PRO FORMA FINANCIAL INFORMATION FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

To the Chief Executive Officer,

In our capacity as Statutory Auditors and pursuant to Regulation (EU) No. 2017/1129 supplemented by Delegated Regulation (EU) No. 2019/980, we have prepared this report on the pro forma financial information of Carbios S.A. (the "Company") relating to the fiscal year ended December 31, 2021, included in section 5.4 of the Universal Registration Document (the "Pro Forma Financial Information").

This Pro Forma Financial Information has been prepared solely for the purpose of illustrating the effect that the takeover of Carbiolice by Carbios S.A. could have had on the Company's consolidated income statement for the fiscal year ended December 31, 2021 if transaction had taken effect on January 1, 2021. By their very nature, they describe a hypothetical situation and are not necessarily representative of the financial position or performance that could have been observed if the transaction or event had occurred at a date prior to its actual occurrence.

This Pro Forma Financial Information was prepared under your responsibility in accordance with the provisions of Regulation (EU) No. 2017/1129 and the ESMA recommendations on pro forma financial information.

It is our responsibility, on the basis of our work, to express a conclusion, in the terms required by Appendix 20, section 3 of Delegated Regulation (EU) No. 2019/980, on the accuracy of the preparation of the Pro Forma Financial Information.

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, which do not include an audit or a limited review of the financial information underlying the preparation of the Pro Forma Financial Information, consisted mainly in verifying that the bases on which the Pro Forma Financial Information was prepared are consistent with the source documents as described in the explanatory notes to the Pro Forma Financial Information, to review the audit evidence justifying the pro forma restatements and to consult with the Company's management to gather the information and explanations that we deemed necessary.

In our opinion:

- the Pro Forma Financial Information has been correctly prepared on the basis indicated;
- this basis is consistent with the accounting methods applied by the Company.

This report is issued solely for the purpose of filing the Universal Registration Document with the AMF and cannot be used in any other context.

Neuilly-sur-Seine, April 20, 2022

The Statutory Auditor

PricewaterhouseCoopers Audit

Flora Camp

5.6 CONSOLIDATED FINANCIAL STATEMENTS PREPARED UNDER IFRS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

5.6.1 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Consolidated statement of financial position *(In thousands of euros)*	Notes	12/31/2021	12/31/2020	01/01/2020
ASSETS				
Goodwill	5.1	20,583	-	-
Intangible assets	5.1	23,188	1,086	858
Property, plant and equipment	5.2	16,466	4,793	2,415
Rights of use	5.5	6,989	1,402	1,404
Investments in associates	3.4	-	8,272	1,948
Financial assets	6	388	371	273
TOTAL NON-CURRENT ASSETS		**67,614**	**15,924**	**6,898**
Trade receivables and related accounts	8	16	155	28
Other current assets	8	6,148	2,201	1,158
Cash and cash equivalents	11	104,956	29,077	15,895
TOTAL CURRENT ASSETS		**111,120**	**31,433**	**17,080**
TOTAL ASSETS		**178,734**	**47,356**	**23,978**
LIABILITIES AND EQUITY				
Share Capital		7,826	5,674	4,833
Issue and contribution premiums		146,337	59,711	31,275
Consolidated reserves		(10,604)	(10,260)	(9,806)
Retained earnings		(600)	(14,555)	(14,525)
Net income - attributable to shareholders of the parent company		3,780	(8,273)	
EQUITY	**12**	**146,739**	**32,297**	**11,777**
Non-current provisions	7 & 22	202	159	95
Current and non-current borrowings and financial liabilities	14	11,941	8,221	7,459
Non-current lease liabilities	5.4	5,358	1,097	1,161
Other non-current liabilities	9	-	-	-
Deferred tax liabilities	20	1,694	-	-
TOTAL NON-CURRENT LIABILITIES		**19,194**	**9,477**	**8,715**
Current provisions	7 & 22	76	-	-
Current borrowings and financial liabilities	14	1,376	1,125	110
Current lease liabilities	5.4	1,256	360	283
Trade payables and related accounts	9	5,137	1,683	1,241
Other current liabilities	9	4,956	2,415	1,853
TOTAL CURRENT LIABILITIES		**12,801**	**5,582**	**3,487**
TOTAL LIABILITIES AND EQUITY		**178,734**	**47,356**	**23,978**

5.6.2 CONSOLIDATED INCOME STATEMENT

Consolidated income statement *(In thousands of euros)*	Notes	12/31/2021 12 months	12/31/2020 12 months
Revenue	15	105	128
Research and development expenses	16.1	(7,727)	(3,176)
Research and development expenses	*16.1*	*(11,732)*	*(5,698)*
Subsidies and other operating income	*16.1*	*3,597*	*2,522*
Capitalization of development costs	*16.1*	*409*	*-*
Sales and marketing expenses	16.2	(1,976)	(1,253)
General and administrative expenses	16.3	(6,251)	(1,983)
Other operating income and expenses	3.4 & 3.5	21,211	603
OPERATING INCOME		**5,363**	**(5,682)**
FINANCIAL INCOME	**19**	**(454)**	**(313)**
Share of net income of equity-accounted companies	3.4	(1,128)	(2,278)
INCOME BEFORE TAXES		**3,780**	**(8,273)**
INCOME TAX	**20**	**-**	**-**
NET INCOME FOR THE PERIOD		**3,780**	**(8,273)**
Basic earnings per share (in euros)	*21*	*0.38*	*(1.12)*
Diluted earnings per share (in euros)	*21*	*0.35*	*(1.12)*

5.6.3 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Consolidated statement of comprehensive income *(In thousands of euros)*	12/31/2021 12 months	12/31/2020 12 months
NET INCOME FOR THE PERIOD	**3,780**	**(8,273)**
Actuarial gains or losses	(36)	(30)
OTHER COMPREHENSIVE INCOME THAT CANNOT BE RECLASSIFIED IN PROFIT OR LOSS	**(36)**	**(30)**
TRANSLATION DIFFERENCES	**-**	**-**
OTHER COMPREHENSIVE INCOME THAT CAN BE RECLASSIFIED IN PROFIT OR LOSS	**-**	**-**
COMPREHENSIVE INCOME	**3,744**	**(8,303)**

5.6.4 CHANGE IN CONSOLIDATED EQUITY

Change in consolidated equity *(In thousands of euros)*	Share capital of Carbios nb. outstanding shares	Share capital - ordinary shares	Issue and contribution premiums	Consolidated reserves	Retained earnings	Profit or loss for the period	Total equity
AS AT JANUARY 1, 2020	**6,904,609**	**4,833**	**31,275**	**(9,806)**	**(14,525)**		**11,777**
Net income for the period						(8,273)	(8,273)
Other items of comprehensive income					(30)		(30)
Comprehensive income		**-**	**-**	**-**	**(30)**	**(8,273)**	**(8,303)**
Capital increase net of transaction costs	1,200,688	840	28,437				29,277
Change in Treasury shares				18			18
Share-based payments				329			329
Change in interest rates				(801)			(801)
AS AT DECEMBER 31, 2020	**8,105,297**	**5,674**	**59,711**	**(10,260)**	**(14,555)**	**(8,273)**	**32,297**
Appropriation of income for the past fiscal year					(8,273)	8,273	-
Net income for the period						3,780	3,780
Other items of comprehensive income					(36)		(36)
Comprehensive income		**-**	**-**	**-**	**(36)**	**3,780**	**3,744**
Capital increase net of transaction costs	3,074,175	2,152	106,891				109,042
Change in Treasury shares				(102)			(102)
Share-based payments				1,759			1,759
Other movements			(20,265)	(2,000)	22,265		
AS AT DECEMBER 31, 2021	**11,179,472**	**7,826**	**146,337**	**(10,604)**	**(600)**	**3,780**	**146,739**

5.6.5 CONSOLIDATED STATEMENT OF CASH FLOWS

Consolidated statement of cash flows *(in thousands of euros)*	Notes	12/31/2021 12 months	12/31/2020 12 months
NET CASH FROM OPERATING ACTIVITIES			
Net income for the period		**3,780**	**(8,273)**
(-) Elimination of amortization and depreciation of fixed assets and right-of-use assets	5	2,763	761
(-) Gains or losses on asset disposals	5	215	806
(-) Employee provisions and benefits	22	(181)	32
(-) Cost of share-based payments	13	1,759	329
(-) Financial income	19	454	313
(-) Other items with no impact on cash and cash equivalents		-	(100)
(-) Share of net income of equity-accounted companies	3.4	1,128	2,278
(-) Income and expenses related to changes in scope*	3.4	(21,202)	(602)
Cash flow from operations before cost of net financial debt and taxes		**(11,283)**	**(4,457)**
(-) Changes in working capital requirement		2,239	(210)
Tax paid			
NET CASH FROM OPERATING ACTIVITIES		**(9,044)**	**(4,667)**
NET CASH FLOW FROM INVESTMENT ACTIVITIES		**-**	**-**
Acquisition of property, plant and equipment and intangible assets	5	(11,796)	(3,892)
Capitalized development costs	5	(409)	-
Disposal of fixed assets	5	188	38
Acquisition of Carbiolice shares	3.4	(17,871)	(5,300)
Decrease in financial assets		-	-
Change in scope		7,057	-
Acquisition of financial assets	6	-	(98)
Decrease in financial assets	6	(6)	(0)
NET CASH FLOW FROM INVESTMENT ACTIVITIES		**(22,837)**	**(9,252)**
NET CASH FLOW FROM FINANCING ACTIVITIES			
Capital increase	12	109,038	25,777
Treasury shares	12	(102)	18
Issuance of borrowings and financial liabilities	14	620	1,772
Repayments of borrowings and financial liabilities	14	(443)	(25)
Payment of lease liabilities	5.5	(1,352)	(341)
Net financial interest paid	14	-	(101)
NET CASH FLOW FROM FINANCING ACTIVITIES		**107,761**	**27,101**
CHANGE IN CASH POSITION		**75,880**	**13,181**
Cash and cash equivalents at the beginning of the period	11	29,077	15,895
Cash and cash equivalents at end of period	11	104,956	29,077
CHANGE IN CASH POSITION		**75,880**	**13,182**

* *Elimination of the (i) capital gain related to the change in consolidation for the fiscal year ended December 31, 2021 and (ii) the dilution gain related to the changes in the percentage holding of Carbiolice's share capital for the fiscal year ended on December 31, 2020.*

5.6.6 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Unless otherwise indicated, the amounts mentioned in this note are in thousands of euros, except for data relating to shares. Certain amounts may be rounded in the calculation of the financial information contained in the consolidated financial statements. As a result, the totals in some tables may not add up exactly to the sum of the previous figures).

NOTE 1 BUSINESS AND HIGHLIGHTS

Carbios' consolidated financial statements were approved by the Board of Directors on March 31, 2022 and authorized for publication.

1.1 The Company and its business

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.

These IFRS financial statements constitute the Group's first consolidated financial statements. They include the financial statements of Carbios, the parent company, as well as the stake in Carbiolice under the equity method until June 3, 2021, then the financial statements of the latter fully consolidated at December 31, 2021 following the takeover by Carbios of Carbiolice. The group formed by Carbios and Carbiolice is hereinafter referred to as the "Group".

Registered office address:

Biopôle Clermont-Limagne
3, rue Émile-Duclaux
63360 Saint-Beauzire, France

Trade and Companies Register number: 531 530 228 Trade and Companies Register Clermont-Ferrand

1.2 Highlights of the fiscal year

With new patent applications filed during the fiscal year, Carbios' intellectual property portfolio at the end of 2021 included 42 patent families (including one under an exclusive worldwide license with the CNRS and University of Poitiers), representing 225 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 2021 were as follows:

- on May 12, 2021, the Company carried out a capital increase of €114 million before deducting nearly €6 million in direct costs from the issue premium;
- on June 3, 2021, the Company acquired the entire 37.29% stake in the capital of Carbiolice from the SPI (Industrial Project Companies) fund, i.e. 11,000,000 shares for a total of €17.9 million. This transaction resulted in the takeover by Carbios of Carbiolice. (see Note 2.5 to the financial statements);
- during the 2021 fiscal year, the Company invested slightly more than €9.3 million for the demonstration plant at the Cataroux industrial site and nearly €1.4 million for the development of its future offices on the same site;
- on November 25, 2021, Carbios announced that it had received support from the European Commission through the LIFE program for the "LIFE cycle of PET" project. For this project, Carbios, project coordinator and its partners T.EN Zimmer GmbH and Deloitte, obtained a subsidy of €3.3 million (including €3 million for Carbios) spread over the 39 months dedicated to the project (see Note 14);
- on December 1, 2021, the Company appointed Mr. Emmanuel Ladent as Chief Executive Officer, replacing Mr. Jean-Claude Lumaret, co-founder of the Company and Chief Executive Officer since its creation in 2011. The latter asserts his pension rights while retaining his office as a Director of the Company;
- on December 10, 2021, the Company validated key stage 3 of the CE-PET project co-financed by ADEME;
- on December 20, 2021, Carbios and the European Investment Bank (the "EIB") announced the signature of a €30 million loan agreement supported by the European Commission's InnovFin energy demonstration program.

1.3 Going concern

The going concern assumption is used insofar as the financial resources available to the Group enable it to continue its activity over a period of more than 12 months. Nevertheless, the management of the ongoing developments until the final marketing stage or even the application of Carbios' processes to other markets may require new financing to be sought from institutional entities or industrial partners.

1.4 Events after the reporting period

At its meeting of February 3, 2022, the Board of Directors implemented the delegation granted by the Combined General Meeting of February 2, 2022 to decide to issue, with cancellation of preferential subscription rights, 296,928 share subscription warrants (BSA), giving the right to subscribe for 296,928 new ordinary Company sharesfor the benefit of the EIB. The Chairman recalled that under the loan agreement of €30 million signed with the EIB, the Company has committed, under the terms of a share subscription warrants agreement drafted in English (Subscription Agreement for Warrants in the Capital of Carbios S.A.) on December 20, 2021 (the "Issue Agreement"), to issue 296,928 share subscription warrants ("BSA") to the EIB. These share subscription warrants (BSA) would represent 2.5% of the Company's diluted share capital, and could be exercised for a period of eight years from their issue at a price corresponding to:

- €40 for 50% of the share subscription warrants (BSA) to be issued; and
- an amount equal to the volume-weighted average of the last three (3) trading days preceding the fifth day preceding the signing of the contract relating to the issuance of the share subscription warrants (BSA), i.e. €38.8861 for the remaining 50% of the share subscription warrants.

The conflict in Ukraine has spread since February 2022 and if it were to continue, it could have a significant negative impact on the Company's activity by causing operational difficulties, in particular related to:

- the economic and financial difficulties of partner companies or service providers of the Company;
- slowdowns in the activities of certain suppliers (materials, components, etc.) and therefore supply difficulties;
- the inflation of raw materials with the consequence of an increase in the prices of materials/components/equipment that the Company would need for its activity.

Since the beginning of the crisis in Ukraine, the Group has not, at the date of the closing of the financial statements, encountered any difficulties in the continuation of its activities or its planned investments. The Group has no direct or indirect relations with Ukraine or Russia, and the Group has managed to limit any delay directly related to this crisis in the industrial and commercial deployment of its technologies.

However, if this crisis were to continue and/or generate lasting economic consequences, the Group could have difficulties in containing the adverse effects of these measures and in particular, the increase in the cost as well as the extension to the lead times of supplies of certain materials, equipment and products necessary for the construction of its Reference unit (the "Unit").

This extension of lead times and the increase in prices could delay the next stages of optimization 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 implementing the PET recycling technology developed by the Group. In addition, the negative impact of this epidemic on the financial markets and potentially on the Group's share price could intensify if the crisis were to continue.

As of the date of this Universal Registration Document, this crisis is still ongoing and the outcome is uncertain. Its impacts are therefore still likely to negatively affect the Group's ability to conduct its activities and could cause delays in industrial deployment and sales of its technologies.

NOTE 2 SEGMENT INFORMATION

Accounting principles

According to IFRS 8, an operating segment is a component of a company:

- that engages in activities likely to generate income and incur expenses;
- for which the operating results are regularly monitored by the main operational decision-maker;
- for which separate financial information is available.

Management considers that the Group's only operating segment is research and development, on enzymatic recycling processes and on biodegradation processes, with the ultimate aim of bringing them to an industrial scale and marketing them. The Group benefits from significant R&D synergies, which should continue to increase across all activities following the full consolidation of Carbiolice. All of the Group's activities and assets are located in France.

NOTE 3 ACCOUNTING PRINCIPLES AND METHODS

3.1 Principles applied in the preparation of the financial statements

Declaration of compliance

The Company's financial statements as of December 31, 2021 are the first financial statements presented in accordance with IFRS (International Financial Reporting Standards) as published by the International Accounting Standards Board (IASB) and adopted by the European Union, and in particular in application of IFRS 1 "First-time adoption of International Financial Reporting Standards", at the date of preparation of the financial statements.

Note 2.2 explains the options used for this first-time application as well as a reconciliation between Carbios' statutory financial statements prepared in accordance with French rules and methods and these IFRS financial statements for the fiscal year ended December 31, 2020, and at the date of transition to IFRS on January 1, 2020.

All the texts adopted by the European Union are available on the European Commission website, incorporating international accounting standards (IAS and IFRS) and interpretations of the Interpretation Committees (IFRS Interpretations Committee, or IFRS IC, and Standing Interpretations Committee, or SIC).

The accounting principles and methods and options used by the Company for this initial application are described below. In certain cases, IFRS allow the choice between the application of a reference treatment or another authorized treatment.

Principles applied in the preparation of the financial statements

The Group's consolidated financial statements have been prepared in accordance with the historical cost principle, with the exception of items measured at fair value as mentioned in the notes to the financial statements.

Changes in accounting basis

The following main new standards, amendments to standards and interpretations have been published by the International Accounting Standards Board (IASB) and adopted by the European Union at the date of preparation of the financial statements. They are mandatory for the 2021 fiscal year.

- Amendment to IFRS 16 "Rent concessions" relating to rent concessions in the context of the Covid-19 pandemic beyond June 30, 2021.

This amendment extends the simplification measure under which lessees can recognize rent concessions related to Covid-19 as if they were not contract amendments.

The main IFRIC decisions published in 2021 concern:

- IAS 19 "Change in the method of calculating obligations relating to certain defined benefit plans";
- IAS 38 "Software configuration or customization costs in an SaaS arrangement";
- IFRS 9 "Hedging variability in cash flows due to real interest rates";
- IAS 2 "Costs necessary to sell inventories";
- IFRS 16 "Non-recoverable VAT on lease payments";
- IAS 32 "Recognition of warrants classified as debt on initial recognition".

The amendments and interpretations listed above did not have an impact on the amounts recognized in previous periods and are not expected to have a significant impact on current or future periods.

IFRS standards applicable on a mandatory basis for the 2022 financial statements. The Company does not apply them in advance:

- amendments to IAS 16 "Property, plant and equipment": These amendments aim to standardize the practice of the recognition of income and expenses during the testing phase of the asset;
- amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets": These amendments standardize practices for identifying and measuring provisions for onerous contracts;
- amendment to IFRS 9 "Financial Instruments": The amendment specifies the expenses to be included in the test used to determine whether a financial liability should be derecognized.

The expected impacts of these amendments are not considered significant.

3.2 First-time adoption of IFRS

The IFRS accounting principles and methods set out below have been applied in preparing the financial statements for the fiscal year ended December 31, 2021, the comparative information included in these financial statements for the fiscal year ended December 31, 2020 and the opening statement of financial position under IFRS at January 1, 2020, i.e. the date of transition to IFRS.

For the preparation of its opening statement of financial position, the Group complied with the provisions of IFRS 1 "First-time adoption of International Financial Reporting Standards". This standard is based on the general principle of retrospective application of all standards, but provides for certain mandatory exceptions and optional exemptions.

As part of the accounting for its leases under IFRS 16, the Group has chosen to apply the following exemptions provided for by IFRS 1:

- application of the definition of leases under IFRS 16 to existing leases at the transition date based on the facts and circumstances existing at that date;
- valuation using the full retrospective method, which involves an assessment of the lease liability at the transition date as if IFRS 16 had always been applied. This has an impact on the Group's consolidated reserves;
- no restatement of contracts with a residual term of less than 12 months at the transition date;
- no restatement of leases of low-value assets (less than €5,000);
- use of the knowledge acquired *a posteriori*, to determine the term of a lease that contains extension or termination options.

In addition, in accordance with the IFRS 1 exemption relating to government loans, the Group elected to apply IFRS 9 and IAS 20 prospectively from the transition date to repayable advances and interest-free loans contracted prior to the date of transition.

With regard to IAS 19 "Employee Benefits", it chose to recognize all cumulative actuarial gains and losses in shareholders' equity at the date of transition to IFRS.

Lastly, in accordance with the IFRS 1 exemption relating to share-based compensation plans falling within the scope of IFRS 2, the Group has not restated the BSA and BSPCE plans, which correspond to vested rights at the transition date. Thus, only the following plans have been restated:

- BSA 2012-1;
- BSA 2016-1;
- BCE 2015-2;
- BCE 2016-1;
- BCE-2017-1;
- BCE-2019-1;
- BCE 2020 1 to 7;
- BCE 2021 1 to 17.

3.2.1 Presentation of the transition to the opening statement of financial position as at January 1, 2020 and the first fiscal year as at December 31, 2020 between the French financial statements and the IFRS consolidated financial statements

In accordance with §28 of (EC) No. 1136/2009 of the European Commission of November 25, 2009, it should be noted that the Company has never published financial statements prepared in accordance with IFRS since its creation.

For the sole purpose of financial information, the Group has considered the transition date to be January 1, 2020 and prepared its first set of financial statements under IFRS as at December 31, 2021.

It has opted for some of the exemptions provided for by IFRS 1, presented in Note 3.2. The Group's financial statements prepared in accordance with International Financial Reporting Standards (International Financial Reporting Standards - IFRS) differ in certain respects from those prepared according to French accounting principles, the applicable framework given the Company's domiciliation and the nature of the Company's statutory financial statements. The main differences are presented in the following tables:

OPENING STATEMENT OF FINANCIAL POSITION - JANUARY 1, 2020: TRANSITION FROM FRENCH ACCOUNTING PRINCIPLES TO IFRS

Consolidated statement of financial position *(In thousands of euros)*	01/01/2020 French Accounting standards	Equity method of Carbiolice[1]	Presentation of the statement of financial position[2]	Employee benefits[3]	Share-based payments[4]	Interest -free loans & repayable advances[5]	Lease purchases and leases[6]	IFRS
ASSETS								
Goodwill	-	-	-	-	-	-	-	-
Intangible assets	858	-	-	-	-	-	-	858
Property, plant and equipment	2,415	-	-	-	-	-	-	2,415
Rights of use	-	-	-	-	-	-	1,404	1,404
Investments in associates	-	1,948	-	-	-	-	-	1,948
Financial assets	12,027	(11,700)	(54)	-	-	-	-	273
NON-CURRENT ASSETS	**15,300**	**(9,752)**	**(54)**	**-**	**-**	**-**	**1,404**	**6,898**
Trade receivables	28	-	-	-	-	-	-	28
Other current assets	1,144	-	20	-	-	-	(6)	1,158
Cash and cash equivalents	15,915	-	(20)	-	-	-	-	15,895
CURRENT ASSETS	**17,086**	**-**	**-**	**-**	**-**	**-**	**(6)**	**17,080**
TOTAL ASSETS	**32,386**	**(9,752)**	**(54)**	**-**	**-**	**-**	**1,398**	**23,978**
LIABILITIES AND EQUITY								
Share Capital	4,833	-	-	-	-	-	-	4,833
Issue and contribution premiums	31,275	-	-	-	-	-	-	31,275
Consolidated reserves	-	(9,752)	(54)	-	-	-	-	(9,806)
Retained earnings	(10,366)	-	-	(95)	-	(269)	(46)	(10,776)
Profit and loss for the period	(3,749)	-	-	-	-	-	-	(3,749)
Investment subsidies	13	-	(13)	-	-	-	-	-
EQUITY	**22,005**	**(9,752)**	**(67)**	**(95)**	**-**	**(269)**	**(46)**	**11,777**
Non-current provisions	-	-	-	95	-	-	-	95
Current and non-current borrowings and financial liabilities	8,068	-	(110)	-	-	(499)	-	7,459
Non-current lease liabilities	-	-	-	-	-	-	1,161	1,161
Other non-current liabilities	-	-	-	-	-	-	-	-
Deferred tax liabilities	-	-	-	-	-	-	-	-
NON-CURRENT LIABILITIES	**8,068**	**-**	**(110)**	**95**	**-**	**(499)**	**1,161**	**8,715**
Current provisions	-	-	-	-	-	-	-	-
Current borrowings and financial liabilities	-	-	110	-	-	-	-	110
Current lease liabilities	-	-	-	-	-	-	283	283
Trade payables	1,241	-	-	-	-	-	-	1,241
Other current liabilities	1,072	-	13	-	-	768	-	1,853
CURRENT LIABILITIES	**2,313**	**-**	**123**	**-**	**-**	**768**	**283**	**3,487**
TOTAL LIABILITIES AND EQUITY	**32,386**	**(9,752)**	**(54)**	**-**	**-**	**-**	**1,398**	**23,978**

FIRST COMPARATIVE FISCAL YEAR - DECEMBER 31, 2020: TRANSITION FROM FRENCH ACCOUNTING PRINCIPLES TO IFRS

	12/31/2020								
Consolidated statement of financial position *(In thousands of euros)*	French Accounting standards	Equity method of Carbiolice[1]	Presentation of the statement of financial position[2]	Employee benefits[3]	Share-based payments[4]	Interest-free loans & repayable advances[5]	Income from ordinary activities[6]	Lease purchases and leases[7]	IFRS
ASSETS									
Goodwill	-	-	-	-	-	-	-	-	-
Intangible assets	1,086	-	-	-	-	-	-	-	1,086
Property, plant and equipment	4,793	-	-	-	-	-	-	-	4,793
Rights of use	-	-	-	-	-	-	-	1,402	1,402
Investments in associates	-	8,272	-	-	-	-	-	-	8,272
Financial assets	20,907	(20,500)	(36)	-	-	-	-	-	371
NON-CURRENT ASSETS	**26,786**	**(12,228)**	**(36)**	**-**	**-**	**-**	**-**	**1,402**	**15,924**
Trade receivables	199	-	-	-	-	-	(44)	-	155
Other current assets	2,145	-	20	-	-	-	44	(9)	2,201
Cash and cash equivalents	29,097	-	(20)	-	-	-	-	-	29,077
CURRENT ASSETS	**31,441**	**-**	**-**	**-**	**-**	**-**	**-**	**(9)**	**31,433**
TOTAL ASSETS	**58,228**	**(12,228)**	**(36)**					**1,393**	**47,356**
LIABILITIES AND EQUITY									
Share Capital	5,674	-	-	-	-	-	-	-	5,674
Issue and contribution premiums	59,711	-	-	-	-	-	-	-	59,711
Consolidated reserves	-	(10,553)	(36)	-	329	-	-	-	(10,260)
Retained earnings	(14,115)	-	-	(125)	-	(269)	-	(46)	(14,555)
Profit and loss for the period	(6,146)	(1,676)	-	(34)	(329)	(71)	-	(18)	(8,273)
Investment subsidies	11	-	(11)	-	-	-	-	-	-
EQUITY	**45,135**	**(12,228)**	**(47)**	**(159)**		**(340)**	**-**	**(64)**	**32,297**
Non-current provisions	-	-	-	159	-	-	-	-	159
Current and non-current borrowings and financial liabilities	9,819	-	(1,124)	-	-	(473)	-	-	8,221
Non-current lease liabilities	-	-	-	-	-	-	-	1,097	1,097
Other non-current liabilities	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	-	-	-	-	-	-	-	-	-
NON-CURRENT LIABILITIES	**9,819**	**-**	**(1,124)**	**159**	**-**	**(473)**	**-**	**1,097**	**9,477**
Current provisions	-	-	-	-	-	-	-	-	-
Current borrowings and financial liabilities	1	-	1,124	-	-	-	-	-	1,125
Current lease liabilities	-	-	-	-	-	-	-	360	360
Trade payables	1,683	-	-	-	-	-	-	-	1,683
Other current liabilities	1,590	-	11	-	-	814	-	-	2,415
CURRENT LIABILITIES	**3,274**	**-**	**1,135**	**-**	**-**	**814**	**-**	**360**	**5,582**
TOTAL LIABILITIES AND EQUITY	**58,228**	**(12,228)**	**(36)**			**-**		**1,393**	**47,356**

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The main consolidation and IFRS restatements made at the transition date of January 1, 2020 as well as for the first comparative fiscal year at December 31, 2020 include:

(1) CARBIOLICE SHARES ACCOUNTED FOR USING THE EQUITY METHOD (SEE NOTE 3.4)

The use of the equity method for Carbiolice in the Group's financial statements includes:

- the cancellation of the Carbiolice shares at Carbios;
- the recognition of equity-consolidated investments calculated for the portion of the securities held in Carbiolice;
- the recognition of consolidated reserves corresponding to the portion of the securities held in the loss of Carbiolice to be offset against the opening reserves;
- the recognition of the share of Carbiolice's income for the 2020 fiscal year as well as the surplus relating to the capital transactions carried out in October 2020.

(2) PRESENTATION OF THE STATEMENT OF FINANCIAL POSITION

(2.1) Distinction between current and non-current assets/ liabilities according to IAS 1

French accounting standards do not require the distinction between the current and non-current portion of assets and liabilities on the statement of financial position. The "French accounting standards" column shows all borrowings and financial liabilities considered to be non-current. In accordance with IAS 1, borrowings and similar financial liabilities of less than one year have been reclassified as current liabilities.

(2.2) Investment subsidies

The reclassification in the statement of financial position corresponds to the FIAD investment subsidy which, in accordance with IAS 20, has been reclassified as deferred income.

(2.3) Treasury shares

In accordance with IAS 32, as the Company is a listed company, the share buyback programs entrusted to an independent service provider are recognized directly in equity, unlike under French accounting standards where these securities are recognized in financial assets.

(2.4) Other current assets/cash and cash equivalents

This reclassification in the statement of financial position corresponds to the share subscription warrants to PKMED for €20 thousand. The latter, recognized in "marketable securities" under French standards have been reclassified in "other current assets" in the IFRS financial statements following IFRS 9.

(3) EMPLOYEE BENEFITS

In the statutory financial statements under French standards, retirement benefits are an off-balance sheet commitment. In accordance with IAS 19, the amount was recognized in the IFRS financial statements. The assumptions relating to employee benefits are detailed in Note 10.

(4) SHARE-BASED PAYMENTS

The recognition of share-based payments meets IFRS 2. In accordance with the requirements of the standard, the value of share-based payments is calculated at the grant date of the rights. Share-based payments, settled in equity instruments, are recognized as expenses over the vesting period, with an offsetting entry to equity. The Group recognizes the expense when the goods or services have been received. The Group has applied IFRS 2 to all equity instruments granted to employees, executives and directors.

Share-based payment assumptions are detailed in Note 8.

(5) INTEREST-FREE LOANS AND REPAYABLE ADVANCES

The Company receives a certain amount of public aid in the form of subsidies or conditional advances. These have been recognized in "Recognition of public subsidies and disclosure on public aid" in accordance with IAS 20. As these are financial advances granted at interest rates below the market rate, these advances are measured under IFRS 9 at amortized cost. The rate advantage is determined using a discount rate corresponding to a market rate on the grant date. The resulting advantage amount obtained when repayable advances do not bear interest is considered as a subsidy recorded in income in the statement of comprehensive income.

(6) INCOME FROM ORDINARY ACTIVITIES

Some of Carbios' income, recognized as "revenue" under French accounting standards, do not meet the definition of income from ordinary activities according to IFRS 15 insofar as these activities do not have performance obligations. These reclassifications mainly concern income relating to research service contracts and various re-invoicing that the Company entered into with its subsidiary Carbiolice, before its takeover, and with industrial partners (see details in Note 15). The receivables concerned have been reclassified from "trade receivables" to "other current assets".

(7) LEASE PURCHASES AND LEASES

IFRS 16 requires the recognition in the statement of financial position of all lease contracts, recognized as expenses under French standards. This results in:

- a "right of use" on the leased asset, recognized as an asset in fixed assets;
- a liability for rents and other payments to be made during the term of the lease.

3.2.2 Presentation of the income statement for the first comparative fiscal year as at December 31, 2020

Consolidated income statement *(In thousands of euros)*	12/31/2020 French Accounting standards 12 months	Equity method of Carbiolice[1]	Presentation of the income statement[2]	Employee benefits[3]	Subsidies & Research tax credit (CIR)[4]	Share-based payments[5]	Interest-free loans & repayable advances[6]	Income from ordinary activities[7]	Lease purchases and leases[8]	IFRS 12 months
Revenue	1,346	-	-	-	-	-	-	(1,219)	-	128
Operating subsidy	242	-	-	-	(242)	-	-	-	-	-
Reversals of depreciation, amortization and provisions, expense transfers	55	-	(55)	-	-	-	-	-	-	-
REVENUE	**1,643**	**-**	**(55)**	**-**	**(242)**	**-**	**-**	**(1,219)**	**-**	**128**
Research and development expenses, net	(4,772)	-	(788)	(20)	1,729	(99)	100	646	27	(3,176)
Research and development expenses	(4,809)	-	(797)	(20)	-	(99)	-	-	27	(5,698)
Subsidies and other operating income	38	-	9	-	1,729	-	100	646	-	2,522
Sales and marketing expenses	(1,756)	-	-	(9)	-	(61)	-	573	-	(1,253)
General and administrative expenses	(1,937)	-	124	(4)	-	(168)	-	-	1	(1,983)
Other operating income	0	602	-	-	-	-	-	-	-	603
Other operating income	-	602	-	-	-	-	-	-	-	602
Other income	0	-	-	-	-	-	-	-	-	0
OPERATING EXPENSES	**(8,464)**	**602**	**(664)**	**(32)**	**1,729**	**(329)**	**100**	**1,219**	**29**	**(5,810)**
OPERATING INCOME/(LOSS)	**(6,821)**	**602**	**(720)**	**(32)**	**1,488**	**(329)**	**100**	**-**	**29**	**(5,682)**
FINANCIAL INCOME	**(93)**	**-**	**-**	**(1)**	**-**	**-**	**(172)**	**-**	**(47)**	**(313)**
EXTRAORDINARY GAIN OR LOSS	**(720)**	**-**	**720**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
INCOME BEFORE TAXES	**(7,633)**	**602**	**-**	**(34)**	**1,488**	**(329)**	**(71)**	**-**	**(18)**	**(5,995)**
Research tax credit	1,488	-	-	-	(1,488)	-	-	-	-	-
Income tax	-	-	-	-	-	-	-	-	-	-
Share of net income of equity-accounted companies	-	(2,278)	-	-	-	-	-	-	-	(2,278)
NET INCOME FOR THE PERIOD	**(6,145)**	**(1,676)**	**-**	**(34)**	**-**	**(329)**	**(71)**	**-**	**(18)**	**(8,273)**

Consolidated statement of comprehensive income *(In thousands of euros)*	12/31/2020 French Accounting standards 12 months	Equity method of Carbiolice[1]	Presentation of the income statement[2]	Employee benefits[3]	Subsidies & Research tax credit (CIR)[4]	Share-based payments[5]	Interest-free loans & repayable advances[6]	Income from ordinary activities[7]	Lease purchases and leases[8]	IFRS 12 months
NET INCOME FOR THE PERIOD	**(6,145)**	**(1,676)**	**-**	**(34)**	**-**	**(329)**	**(71)**	**-**	**(18)**	**(8,273)**
Actuarial gains or losses	-	-	-	(30)	-	-	-	-	-	(30)
INCOME TAX EFFECT										
Other comprehensive income that cannot be reclassified in profit or loss	-	-	-	(30)	-	-	-	-	-	(30)
TRANSLATION DIFFERENCES										
Other comprehensive income that can be reclassified in profit or loss	-	-	-	-	-	-	-	-	-	-
COMPREHENSIVE INCOME	**(6,145)**	**(1,676)**	**-**	**(64)**	**-**	**(329)**	**(71)**	**-**	**(18)**	**(8,303)**

The main consolidation and IFRS restatements made in the first comparative fiscal year as of December 31, 2020 include:

(1) CARBIOLICE SHARES ACCOUNTED FOR USING THE EQUITY METHOD (SEE NOTE 3.4)

The use of the equity method for Carbiolice in the Group's financial statements includes:

- the recognition of Carbiolice's share of income for the 2020 fiscal year;
- the recognition of gain on dilution in other operating income due to capital transactions in November 2020.

(2) PRESENTATION OF THE INCOME STATEMENT

In accordance with the principles of IAS 1, the Group has chosen to present an income statement by function under IFRS. Thus,

- the exceptional income presented in the financial statements under French accounting standards for an amount of €720 thousand and which mainly corresponds to the scrapping of investments made on the Saint-Fons site, was reclassified as operating expenses - research and development costs - other (Note 16.2);
- reversals of depreciation, amortization and provisions, and transfers of expenses are also reclassified as a deduction from the corresponding operating expenses.

(3) EMPLOYEE BENEFITS

In the statutory financial statements under French standards, retirement benefits are an off-balance sheet commitment. In accordance with IAS 19, the provision for retirement benefits has been recognized in the financial statements. The assumptions used are detailed in Note 22.

(4) SUBSIDIES & RESEARCH TAX CREDIT (CIR)

Reclassifications in the income statement comply with IAS 20 and correspond to:

- the ADEME operating subsidy, reclassified as a deduction from the associated expenses, i.e. research and development costs for €242 thousand;
- the research tax credit, for Carbios, is mainly related to research and development costs recognized as expenses, and is therefore treated as a subsidy related to the results. The amount thus recognized as a deduction of R&D expenses for the 2021 fiscal year is €1,488 thousand.

(5) SHARE-BASED PAYMENTS

The recognition of share-based payments meets IFRS 2. The cost of transactions settled in equity instruments is recognized as an expense for the period in which the rights to benefit from the equity instruments are acquired, offset by an increase in equity. Thus, the expense amounted to €329 thousand for the 2020 fiscal year.

Share-based payment assumptions are detailed in Note 13.

(6) INTEREST-FREE LOANS AND REPAYABLE ADVANCES

The Company benefits from a certain amount of public aid in the form of subsidies or conditional advances. These have been recognized in "Recognition of public subsidies and disclosure on public aid" in accordance with IAS 20. As these are financial advances granted at interest rates below the market rate, these advances are measured under IFRS 9 at amortized cost. The rate advantage is determined using a discount rate corresponding to a market rate on the grant date. The resulting advantage amount obtained when repayable advances do not bear interest is considered as a subsidy recorded in income in the statement of comprehensive income.

(7) REVENUE

Some of Carbios' income, recognized as "revenue" under French accounting standards, do not meet the definition of income from ordinary activities according to IFRS 15 insofar as these activities do not have performance obligations. These reclassifications mainly concern income relating to research service contracts and various re-invoicing that the Company entered into with its subsidiary Carbiolice, before its takeover, and with industrial partners. (See details in Note 15).

(8) LEASE PURCHASES AND LEASES

IFRS 16 requires the recognition in the statement of financial position of all lease contracts, recognized as expenses under French standards. This results in:

- the cancellation of rental and leasing expenses recognized under French accounting standards;
- the recognition of a depreciation expense relating to the "right of use" asset;
- the recognition of an interest expense on loans in respect of rents and other payments to be made during the term of the lease.

3.2.3 Presentation of the statement of cash flows for the first comparative fiscal year as at December 31, 2020

Consolidated statement of cash flows *(In thousands of euros)*	12/31/2020 French Accounting standards 12 months	Equity method of Carbiolice	Presentation of the statement of financial position(1)	Employee benefits	Share-based payments	Interest-free loans & repayable advances	Lease purchases and leases(2)	IFRS 12 months
NET CASH FROM OPERATING ACTIVITIES								
Net income for the period	**(6,145)**	**(1,676)**	**-**	**(34)**	**(329)**	**(71)**	**(18)**	**(8,273)**
(-) Elimination of amortization and depreciation of fixed assets and right-of-use assets	455	-	2	-	-	-	304	761
(-) Gains or losses on asset disposals	797	-	-	-	-	-	9	806
(-) Employee provisions and benefits	-	-	-	32	-	-	-	32
(-) Cost of share-based payments	-	-	-	-	329	-	-	329
(-) Other items with no impact on cash and cash equivalents	-	-	-	-	-	(100)	-	(100)
(-) Financial income	93	-	-	1	-	172	47	313
(-) Share in the result of equity-accounted companies (net of tax)	-	2,278	-	-	-	-	-	2,278
(-) Results on dilution	-	(602)	-	-	-	-	-	(602)
Cash flow from operations before cost of net financial debt and taxes	**(4,800)**	**-**	**2**	**(0)**	**-**	**-**	**341**	**(4,457)**
(-) Changes in working capital requirement	(208)	-	(2)	-	-	-	-	(210)
Tax paid	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
NET CASH FROM OPERATING ACTIVITIES	**(5,008)**	**-**	**-**	**(0)**	**-**	**-**	**341**	**(4,667)**
NET CASH FLOW FROM INVESTMENT ACTIVITIES								
Acquisition of property, plant and equipment and intangible assets	(3,892)	-	-	-	-	-	-	(3,892)
Disposal of fixed assets	38	-	-	-	-	-	-	38
Acquisition of Carbiolice shares	(5,300)	-	-	-	-	-	-	(5,300)
Acquisition of financial assets	(98)	-	-	-	-	-	-	(98)
Decrease in financial assets	18	-	(18)	-	-	-	-	(0)
NET CASH FLOW FROM INVESTMENT ACTIVITIES	**(9,234)**	**-**	**(18)**	**-**	**-**	**-**	**-**	**(9,252)**
NET CASH FLOW FROM FINANCING ACTIVITIES								
Capital increase	25,777	-	-	-	-	-	-	25,777
Treasury shares	-	-	18	-	-	-	-	18
Issuance of borrowings and financial liabilities	1,772	-	-	-	-	-	-	1,772
Repayments of borrowings and financial liabilities	(25)	-	-	-	-	-	-	(25)
Payment of lease liabilities	-	-	-	-	-	-	(341)	(341)
Net financial interest paid	(101)	-	-	-	-	-	-	(101)
NET CASH FLOW FROM FINANCING ACTIVITIES	**27,424**	**-**	**18**	**-**	**-**	**-**	**(341)**	**27,101**
CHANGE IN CASH POSITION	**13,182**	**-**	**-**	**(0)**	**-**	**-**	**-**	**13,182**
Cash and cash equivalents at the beginning of the period	15,915	-	(20)	-	-	-	-	15,895
Cash and cash equivalents at end of period	29,097	-	(20)	-	-	-	-	29,077
CHANGE IN CASH POSITION	**13,182**	**-**	**-**	**-**	**-**	**-**	**-**	**13,182**

(1) Presentation of the statement of financial position

(1.1) TREASURY SHARES

In accordance with IAS 32, as the Company's shares were admitted to a regulated market, share buyback programs entrusted to an independent service provider are recognized directly in equity, unlike under French accounting standards where these securities are recognized as financial assets.

This generated a movement of €18 thousand between cash flows related to investing activities and flows related to financing activities.

(1.2) MARKETABLE SECURITIES

This reclassification in the statement of financial position corresponds to the share subscription warrants to PKMED for €20 thousand. The latter, recognized in "marketable securities" under French standards have been reclassified in "other current assets" in the IFRS financial statements following IFRS 9.

(2) Lease purchases and leases

The restatements made in the statement of financial position under IFRS 16 involve a transfer of cash flows related to operating activities to financing activities.

3.3 Use of estimates and judgments

As part of the preparation of the financial statements in accordance with IFRS, the Group has made judgments and estimates that could affect the amounts presented for assets and liabilities at the date of preparation of the financial statements, and the amounts presented in respect of income and expenses for the period.

These estimates are made by the Group's management on the basis of the going concern assumption based on the information available at the time these judgments and estimates were made. These estimates are evaluated on an ongoing basis and are based on past experience and various other factors considered reasonable that form the basis for assessing the carrying amount of assets and liabilities. Estimates may be revised if the circumstances on which they are based change or as new information becomes available. Actual results may differ materially from these estimates if assumptions or conditions change.

Significant estimates or judgments made by the Group relate in particular to the following items:

- Note 3.4 "Scope and method of consolidation" - IFRS 10 - assumptions related to the control of Group entities;
- Note 13 "Share-based payments" - IFRS 2 - valuation of share subscription warrants and founders' warrants granted to employees, executives and members of the Board of Directors;
- Note 22 "Employee benefit obligations" - IAS 19 - assumptions relating to defined benefit plans;
- Note 15 "Revenue" - IFRS 15 - revenue accounting and recognition methods;
- Note 3.5 "Takeover of Carbiolice and terms for the purchase price allocation" - IFRS 3 - assumptions related to the recognition and valuation of assets;
- Note 5.1 "Capitalization of development costs" - IAS 38 - application of capitalization criteria;
- Note 5.5 "Right of use of lease purchases and leases" - IFRS 16 - discount rate;
- Note 14 "Treatment of repayable advances and interest-free loans" - IFRS 9 - discount rate and loan terms;
- Note 5.4 "Impairment tests" - IAS 36 - procedures for performing impairment tests on assets;
- Note 20 "Deferred Taxes" - IAS 12 - procedures for recognizing deferred tax assets.

3.4 Consolidation scope and methods

Accounting principle

According to IFRS 10, subsidiaries are all entities over which the Group has exclusive control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement in the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which the Group acquires control. They are deconsolidated from the date on which control ceases to be exercised.

According to IAS 28, the Company's interests in a joint venture are accounted for using the equity method. They are initially recognized at cost, which includes transaction costs. After initial recognition, the Company's financial statements include the Company's share in the income and other comprehensive income of the equity-accounted investee, until the date on which the joint control ends. Gains arising from transactions with equity-method associates are eliminated by the counterparty of equity-method investments to the extent of the Company's interests in the company. Losses are eliminated in the same way as gains, but only to the extent that they do not represent an impairment loss.

At January 1, 2020, Carbios held 52.70% of the share capital in Carbiolice. During the 2020 fiscal year, the following transactions were carried out on Carbiolice shares:

October 2020: Acquisition by Carbios of the shares of Carbiolice held by LCI

On October 7, 2020, Carbios acquired the entire stake in Carbiolice of Limagrain Ingrédients. The latter represented 18.02% of the share capital of Carbiolice, i.e. 4 million shares. This transaction increased Carbios' stake in Carbiolice from 52.70% to 70.72%.

October 2020: Carbiolice capital increase

On October 22, 2020, Carbiolice carried out a capital increase by exercising 7.3 million share subscription warrants (BSA) with a par value of €1 each, issued at a unit price of €1. Each BSA exercised gives the right to subscribe to one ordinary share, i.e. 7.3 million ordinary shares.

Bpifrance's SPI fund participated in this capital increase for an amount of €4.5 million while Carbios took part for an amount of €2.8 million. The share capital of Carbiolice was thus increased to €29.5 million.

As of December 31, 2020 and following these transactions, Carbios held 62.71% of the share capital of Carbiolice.

June 2021: Acquisition by Carbios of the shares of Carbiolice held by SPI

On June 3, 2021, Carbios acquired the entire stake in Carbiolice of the Bpifrance SPI fund. The latter represented 37.29% of the share capital of Carbiolice, i.e. 11 million shares. This transaction increased Carbios' stake in Carbiolice from 62.71% to 100% and enabled Carbios to take control of Carbiolice. As this transaction led to the takeover of Carbiolice by the Company, it was determined that the transaction falls within the scope of IFRS 3 - Business Combinations.

Prior to this last transaction, Carbios was not in a position of control over Carbiolice for governance reasons, in particular related to restrictions on decisions on strategic activities under the Shareholders' Agreement. As such, Carbios' stake in Carbiolice is accounted for using the equity method until the effective takeover on June 3, 2021.

Consequently, the scope of consolidation is as follows:

	12/31/2021		12/31/2020		01/01/2020	
	Percentage holding	Consolidation method	Percentage holding	Consolidation method	Percentage holding	Consolidation method
Carbios	Parent company (from a legal point of view)					
Carbiolice	100.00%	Full consolidation(1)	62.71%	Equity method	52.70%	Equity method

(1) From the takeover on June 3, 2021 - previously accounted for using the equity method.

The following table summarizes Carbiolice's financial information and the impacts of the equity method:

Equity method *(In thousands of euros)*	06/03/2021 (1)	12/31/2020	01/01/2020
Percentage of shares held	**62.71%**	**62.71%**	**52.70%**
IFRS net position [Equity] of Carbiolice	*13,082*	*14,882*	*11,696*
Value of equity-accounted investments	**7,143**	**8,272**	**1,948**
IFRS net income for the period of Carbiolice	*(1,799)*	*(4,115)*	*-*
Share of income for the period accounted for using the equity method in Carbios' net income	**(1,128)**	**(2,278)**	**N/A**
Other operating income and expenses(2)	**-**	**603**	**N/A**
Total impact of the equity method on the Group's net income	**(1,128)**	**(1,675)**	**N/A**
Impact of previous losses on Carbios' opening reserves	**N/A**	**N/A**	**(9,752)**

(1) Position before the change in scope from June 3, 2021 and transition to full consolidation.
(2) Other operating income.

The capital increase of October 22, 2020 diluted Carbios' stake in Carbiolice from 70.72% to 62.71%. This dilution generated income of €603 thousand recognized in "Other operating income and expenses".

Note 2.5 details the terms of the purchase price allocation of Carbiolice and the accounting impacts related to the change in consolidation method.

3.5 Takeover of Carbiolice

Acquisition price:

Acquisition price: *(In thousands of euros)*	6/4/2021
Acquisition price paid (37.29% share)	17,871
Fair value of non-controlling interests (62.71%)[1]	30,039
Loss related to unfavorable portion of pre-existing contracts[2]	(1,693)
ACQUISITION PRICE (100%)	**46,217**

The acquisition price used for the purchase price allocation exercise thus amounts to €46,217 thousand. This amount includes:

(1) the revaluation of the stake of the 62.71% previously held - see Note 3.4;

(2) the loss relating to the unfavorable portion of pre-existing contracts (see note below on reacquired rights).

Carbiolice purchase price allocation

Masterbatch technology

As part of its development strategy, the Company acquired on June 3, 2021 the remaining 37.29% of the share capital of Carbiolice from the SPI fund, whose management company is Bpifrance Investissement.

Since the creation of Carbiolice in 2016, the close collaboration between the Company and the SPI fund has enabled the development of the Evanesto technology, an innovation aimed at plastics and PLA packaging applications which, by their nature, cannot be recycled. Evanesto® is an enzymatic additive that makes plant-based plastics compostable. Plastics containing Evanesto® are assimilated to bio-waste, composted and transformed into compost in less than 200 days.

This solution makes it possible to combat the accumulation of plastic waste in the environment and becomes an effective lever for the deployment of an efficient solution for sorting biowaste at source.

Technology license - Rights reacquired

According to IFRS, as part of a business combination, an acquiring company may record a right that it previously granted to the acquired company. The exclusive license agreement on French territory between Carbios and Carbiolice constitutes a pre-existing relationship giving the right to the recognition of an asset with reacquired rights.

This technology, which was the subject of an exclusive license in France from Carbiolice, is used in the form of an enzymatic additive called Evanesto®. This is easily integrated into conventional plastic and packaging manufacturing processes.

The value that represents the off market portion of the contract corresponds to the unfavorable or favorable part of the contract for the purchaser. In the event that the terms represent a favorable or unfavorable situation for the buyer, the latter must recognize a profit or loss in respect of the contract. Such recognition leads to the recognition of an upward or downward adjustment of the acquisition price to be considered as part of the purchase price allocation exercise. In view of the terms of the contract, it appears that the latter is unfavorable for the Company. The value of the unfavorable portion of the license agreement amounts to €1,693 thousand (see below - Impacts of the change in scope).

STATEMENT OF FINANCIAL POSITION AT THE ACQUISITION DATE AND DESCRIPTION OF THE ASSETS IDENTIFIED BY THE PURCHASE PRICE ALLOCATION (PPA - PURCHASE PRICE ALLOCATION) EXERCISE

The net assets acquired from Carbiolice are detailed below:

Purchase price allocation *(In thousands of euros)*	**6/4/2021**
Intangible assets	22,505
Masterbatch technology	*9,813*
Technology license (rights reacquired)	*12,503*
Other intangible assets	189
Property, plant and equipment	1,294
Financial assets	17
TOTAL NON-CURRENT ASSETS	**23,817**
Trade receivables & other current assets	727
Cash and cash equivalents	7,057
TOTAL CURRENT ASSETS	**7,784**
TOTAL ASSETS	**31,601**
Non-current provisions	53
Current and non-current borrowings and financial liabilities	3,806
Deferred tax liabilities	1,694
TOTAL NON-CURRENT LIABILITIES	**5,554**
Trade payables	321
Other current liabilities	92
TOTAL CURRENT LIABILITIES	**413**
TOTAL LIABILITIES AND EQUITY	**5,967**
NET ASSETS ACQUIRED	**25,634**
GOODWILL	**20,583**
ACQUISITION COST	**46,217**

The 12-month period during which the amounts allocated to the identifiable assets and liabilities acquired and to goodwill are subject to change will end on June 3, 2022.

Deferred tax liabilities are detailed in Note 20. They were recognized against goodwill.

Contribution of Carbiolice to the net income for the fiscal year

Carbiolice's data has been consolidated as of June 4, 2021, and Carbiolice's contribution for the 2021 fiscal year to the main aggregates of the Carbios Group is as follows:

5

Main aggregates related to Carbiolice *(In thousands of euros)*	**12/31/2021 7 months**
Revenue	27
INCOME FROM ORDINARY ACTIVITIES	**27**
OPERATING INCOME	**(3,664)**
FINANCIAL INCOME	**(67)**
NET INCOME FOR THE PERIOD	**(3,731)**

Impacts of the change in scope

In accordance with IFRS 3, the treatment of a step-by-step acquisition was applied and the change in consolidation method for Carbiolice was treated as follows: disposal of investments in associates and recognition of a capital gain on disposal of these shares measured at fair value. This capital gain amounted to €22,895 thousand, offset by the loss relating to the value of the unfavorable portion of the license agreement of €1,693 thousand (see above - purchase price allocation). The share of other operating income and expenses related to the change in scope during the fiscal year amounted to €21,211 thousand.

In addition, in accordance with IFRS 3, if the acquisition had taken place on January 1, 2021, the main aggregates for the fiscal year ended December 31, 2021 would have been as follows:

Aggregates as if the acquisition had taken place on 01/01/2021	12/31/2021 12 months
Revenue	126
Net income for the period	1,426

3.6 Presentation currency

The Group's financial statements are prepared in euros (EUR).

3.7 Assessment of the effects of climate change

In view of:

- the nature of the Group's activities and its geographical presence in France;
- the commitments made by the Group in the environmental field, in particular with regard to its process for depolymerizing plastic waste into PET through its enzymatic recycling process.

The Group has not identified any significant effects for the 2021 fiscal year.

In particular:

- its commitments are not material as of December 31, 2021, and no liability is recognized in this respect in the consolidated statement of financial position;
- no provision for environmental risks and charges is included in the consolidated statement of financial position at December 31, 2021;
- in 2021, the Group did not identify any significant effects of the commitments made in this area on the value of its tangible assets. In particular, its production facilities under development take into consideration the Group's environmental commitments from the design stage.

NOTE 4 RISK MANAGEMENT

Carbios may be exposed to different types of financial risk: market risk, credit risk and liquidity risk. Where applicable, the Group uses simple measures proportionate to its size to minimize the potentially adverse effects of these risks on financial performance.

Carbios' policy is not to subscribe to financial instruments for speculative purposes.

Market risk

Interest rate risk

The Group has no significant exposure to interest rate risk, as no floating-rate debt has been subscribed.

Credit risk

Credit risk is the risk of financial loss for the Group in the event that a customer or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amounts of financial assets represent the maximum exposure to credit risk.

Cash and cash equivalents

The Group's cash and cash equivalents are held with banking counterparties and leading financial institutions. The Group considers that its cash and cash equivalents present a very low credit risk in view of the external credit ratings of its counterparties.

Trade receivables and contract assets

The Group is limited in its exposure to credit risk related to trade receivables. At December 31, 2020 and 2021, no impairment of receivables had been written off or impaired with actual losses (credit-impaired).

Liquidity risk

Liquidity risk is the risk to which the Group is exposed when it experiences difficulties in meeting its obligations relating to financial liabilities that will be settled by remitting cash or other financial assets. The Group's objective in managing liquidity risk is to ensure, to the extent possible, that it will have sufficient liquidity to honor its liabilities when they fall due, under normal or "stressed" conditions, without incurring unacceptable losses or damaging the Group's reputation.

The residual contractual maturities of financial liabilities at the closing date are detailed in Notes 9 and 14. The amounts expressed in gross data and not discounted, include contractual interest payments.

NOTE 5 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

5.1 Intangible assets

Accounting principles

Research and development expenses

Research costs are expensed as incurred. Costs incurred on development projects are recognized as intangible assets when the following criteria are met:

- it is technically possible to complete the intangible asset so that it is available for use or sale;
- management plans to complete, use or sell the intangible asset;
- there is a possibility of using or selling the intangible asset;
- it can be demonstrated that the intangible asset will generate probable future economic benefits;
- adequate technical, financial and other resources necessary to complete the development, use or sale of the intangible asset are available; and
- the expenses attributable to the intangible asset during its development can be measured reliably.

Otherwise, the costs are expensed as incurred. After initial recognition, development expenses are recognized at cost less accumulated depreciation and impairment losses.

The Group's capitalized development costs relate to the PET technology. The development costs incurred for the PET technology are capitalized from September 30, 2021, the date of commissioning of the Carbios demonstration plant, thus making it possible to cumulatively achieve the six activation criteria mentioned above.

Patents & software

In accordance with IAS 38 criteria, costs related to the acquisition of software patents and licenses are recognized as assets on the basis of the costs incurred to acquire and use the software in question.

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 and over the duration of use of the patents. Additional costs and subsequent extensions on capitalized patents are amortized over the remaining term for the application to which they relate.

Goodwill

In the event of an acquisition, the assets and liabilities assumed from the subsidiary are recognized at their fair value and the goodwill or residual difference represents the difference between the acquisition cost of the securities and the Group's share in the measurement of the fair value of the assets and liabilities identified. The standard provides for a period of twelve months after the acquisition date to identify the assets and liabilities assumed from the acquiree that are not recognized at the time of the initial recognition of the business combination and to retroactively modify the values initially allocated. The measurement of the purchase price ("consideration transferred" in IFRS 3R), including, where applicable, the estimated fair value of the earn-out payments and conditional compensation ("contingent consideration" in IFRS 3R), must be finalized within 12 months of the acquisition. In accordance with IFRS 3R, any adjustments to the purchase price beyond the 12-month period are recognized in the income statement. Direct costs related to the acquisition are recognized as expenses for the period.

The goodwill recognized is the result of the takeover of Carbiolice by the Company in June 2021.

Masterbatch technology

Since the creation of Carbiolice in 2016, the close collaboration between the Company and the SPI fund has enabled the industrial development of a unique solution: the creation of a new generation of PLA-based plastics that are 100% compostable under universal conditions (industrial, domestic composting or methanization). This innovation solves one of the main problems posed by the end-of-life of plastics: the pollution of our environment. This process developed by Carbiolice consists of introducing enzymes into plastic materials to make them 100% biodegradable.

In accordance with the recommendations of IFRS 3, this asset is an integral part of the net assets acquired from Carbiolice by the Company when it took control in June 2021, and must be valued using the royalty and reconstitution costs method.

Technology license

According to IFRS 3, as part of a business combination, an acquiring company may record a right that it previously granted to the acquired company. The exclusive license agreement on French territory between Carbios and Carbiolice constitutes a pre-existing relationship giving the right to the recognition of an asset with reacquired rights.

In accordance with the recommendations of IFRS 3, this asset held by Carbiolice, and an integral part of the net assets acquired from Carbiolice by the Company when it took control in June 2021, must be valued based on the expected cash flows for the holder of the assets of this contract over the remaining term of the contract, without taking into account the possibility of renewal of the contract.

Depreciation and amortization expense

Depreciation and amortization is calculated on a straight-line basis over the estimated useful lives of the assets. The estimated useful lives for the current period and the comparative period are as follows:

The depreciation and amortization methods, durations of use and residual values are reviewed at each closing date and adjusted if necessary.

The technology license and the Masterbatch technology are amortized from June 4, 2021, the date of the takeover of Carbiolice and the recognition of these assets following the purchase price allocation exercise. They are amortized over the remaining life of the patents underlying these technologies.

Development costs relating to PET technology are not amortized in the 2021 fiscal year. They will be amortized as soon as they are ready for use.

Depreciation and amortization is calculated on a straight-line basis over the estimated useful lives of the assets. The estimated useful lives for the current period and the comparative period are as follows:

Items	Depr./amort. period
Software, website	1 year - straight-line
Patents	10 years - straight-line
Technology license - rights reacquired	13 years - straight-line
Masterbatch technology	13 years - straight-line

The depreciation and amortization methods, durations of use and residual values are reviewed at each closing date and adjusted if necessary.

Subsequent impairment tests

The goodwill are not amortized but are subject to an impairment test as soon as there is an indication of impairment and at least once a year in accordance with the procedures described in Note 5.4.

Intangible assets break down as follows:

Intangible assets *(In thousands of euros)*	12/31/2020	Change in scope	Increase	Decrease	Reclassification	12/31/2021
Goodwill	**-**	**20,583**	**-**	**-**	**-**	**20,583**
PET technology - assets under construction	-	-	409	-	-	409
Masterbatch technology	-	9,813	-	-	-	9,813
Concessions, patents and similar rights	1,685	-	618	-	27	2,330
Technology license (rights reacquired)	-	12,503	-	-	-	12,503
Software	-	68	-	-	-	68
Other intangible assets in progress	27	-	4	-	(27)	4
Advances and advance payments on intangible assets	-	168	1	(168)	-	1
TOTAL GROSS VALUES	**1,712**	**43,136**	**1,031**	**(168)**	**-**	**45,712**
Goodwill	**-**	**-**	**-**	**-**	**-**	**-**
PET technology - assets under construction	-	-	-	-	-	-
Masterbatch technology	-	-	(426)	-	-	(426)
Concessions, patents and similar rights	(626)	-	(287)	-	-	(913)
Technology license (rights reacquired)	-	-	(543)	-	-	(543)
Software	-	(47)	(11)	-	-	(58)
Other intangible assets in progress	-	-	-	-	-	-
Advances and advance payments on intangible assets	-	-	-	-	-	-
TOTAL DEPRECIATION AND AMORTIZATION	**(626)**	**(47)**	**(1,268)**	**-**	**-**	**(1,941)**
Goodwill	**-**	**20,583**	**-**	**-**	**-**	**20,583**
PET technology - assets under construction	-	-	409	-	-	409
Masterbatch technology	-	9,813	(426)	-	-	9,387
Concessions, patents and similar rights	1,059	-	330	-	27	1,416
Technology license (rights reacquired)	-	12,503	(543)	-	-	11,960
Software	-	21	(11)	-	-	10
Other intangible assets in progress	27	-	4	-	(27)	4
Advances and advance payments on intangible assets	-	168	1	(168)	-	1
TOTAL NET VALUES	**1,086**	**43,089**	**(236)**	**(168)**	**-**	**43,771**

For the 2021 fiscal year, the increase in intangible assets is mainly due to the integration of Carbiolice's assets as part of its entry into the scope of consolidation. These include goodwill (€20,583 thousand), the Masterbatch technology (€9,813 thousand) and the technology license (€12,503 thousand). This is detailed in Note 3.5.

Intangible assets *(In thousands of euros)*	01/01/2020	Change in scope	Increase	Decrease	Reclassification	12/31/2020
Concessions, patents and similar rights	1,294	-	421	(52)	22	1,685
Other intangible assets in progress	22	-	27	-	(22)	27
TOTAL GROSS VALUES	**1,316**	**-**	**449**	**(52)**	**-**	**1,712**
Concessions, patents and similar rights	(458)	-	(203)	35	-	(626)
TOTAL DEPRECIATION AND AMORTIZATION	**(458)**	**-**	**(203)**	**35**	**-**	**(626)**
Concessions, patents and similar rights	836	-	218	(17)	22	1,059
Other intangible assets in progress	22	-	27	-	(22)	27
TOTAL NET VALUES	**858**	**-**	**245**	**(17)**	**-**	**1,086**

For the fiscal year ended December 31, 2020, changes in intangible assets mainly include filing fees for patents or industrial property rights.

5.2 Property, plant and equipment

Accounting principles

Property, plant and equipment are measured at acquisition cost less accumulated depreciation and accumulated impairment losses.

The gain or loss on disposal of property, plant and equipment is recognized in net income.

Depreciation is calculated on a straight-line basis over the estimated useful life.

The estimated useful lives for the current period and the comparative period are as follows:

Items	Depr./amort. period
Fixtures and fittings	7 to 10 years - straight-line
Laboratory fittings and equipment	5 to 10 years - straight-line
Office and IT hardware	3 to 5 years - straight-line
Furniture	3 to 7 years - straight-line

Depreciation methods, useful lives and residual values are reviewed at each closing date and adjusted if necessary.

Property, plant and equipment can be broken down as follows:

Property, plant and equipment *(In thousands of euros)*	12/31/2020	Change in scope	Increase	Decrease	Reclassification	12/31/2021
Buildings	-	82	-	-	-	82
Technical installations, equipment and tooling	-	3,975	119	-	-	4,094
Transport equipment	7	-	-	-	-	7
Office equipment	355	171	95	-	-	621
Other property, plant and equipment	2,041	143	2,226	(1)	6,057	10,467
Property, plant and equipment under construction	3,369	3	8,718	-	(6,057)	6,033
Advances and advance payments on property, plant and equipment	188	11	40	(199)	-	40
GROSS VALUES	**5,961**	**4,384**	**11,198**	**(199)**	**-**	**21,344**
Buildings	-	(72)	(4)	-	-	(76)
Technical installations, equipment and tooling	-	(2,820)	(118)	-	-	(2,938)
Transport equipment	(1)	-	(12)	-	-	(13)
Office equipment	(209)	(139)	(81)	-	-	(429)
Other property, plant and equipment	(958)	(59)	(405)	-	-	(1,422)
Property, plant and equipment under construction	-	-		-	-	-
Advances and advance payments on property, plant and equipment	-	-	-	-	-	-
TOTAL DEPRECIATION AND AMORTIZATION	**(1,169)**	**(3,090)**	**(620)**	**-**	**-**	**(4,878)**
Buildings	-	10	(4)	-	-	6
Technical installations, equipment and tooling	-	1,155	1	-	-	1,156
Transport equipment	6	-	(12)	-	-	(6)
Office equipment	146	32	14	-	-	192
Other property, plant and equipment	1,083	84	1,822	(1)	6,057	9,045
Property, plant and equipment under construction	3,369	3	8,718	-	(6,057)	6,033
Advances and advance payments on property, plant and equipment	188	11	40	(199)	-	40
TOTAL NET VALUES	**4,793**	**1,294**	**10,578**	**(199)**	**-**	**16,466**

For the 2021 fiscal year, investments continued with the aim of setting up and finalizing the Company's industrial demonstration plant. This demonstration plant, recognized as intangible assets in progress for the 2020 fiscal year, was commissioned on September 30, 2021.

In addition, the increase in property, plant and equipment is also due to the reversal of Carbiolice's assets as part of its consolidation (see Note 3.4).

Property, plant and equipment *(In thousands of euros)*	01/01/2020	Change in scope	Increase	Decrease	Reclassification	12/31/2020
Transport equipment	7	-	-	-	-	7
Office equipment	302	-	54	-	-	355
Other property, plant and equipment	1,718	-	323	-	-	2,041
Property, plant and equipment under construction	1,160	-	2,990	(780)	-	3,369
Advances and advance payments on property, plant and equipment	148	-	152	(112)	-	188
GROSS VALUES	**3,335**	**-**	**3,518**	**(892)**	**-**	**5,961**
Transport equipment	(1)	-	(1)	-	-	(1)
Office equipment	(157)	-	(52)	-	-	(209)
Other property, plant and equipment	(763)	-	(196)	-	-	(958)
TOTAL DEPRECIATION AND AMORTIZATION	**(920)**	**-**	**(249)**	**-**	**-**	**(1,169)**
Transport equipment	6	-	(1)	-	-	6
Office equipment	145	-	1	-	-	146
Other property, plant and equipment	956	-	127	-	-	1,083
Property, plant and equipment under construction	1,160	-	2,990	(780)	-	3,369
Advances and advance payments on property, plant and equipment	148	-	152	(112)	-	188
TOTAL NET VALUES	**2,415**	**-**	**3,269**	**(892)**	**-**	**4,793**

The main acquisitions of fixed assets during the 2020 fiscal year concern the Industrial Demonstration plant project.

5.3 Assets under construction

Accounting principles

The property, plant and equipment under construction item consists of the costs relating to certain equipment of the Company's Industrial Demonstration plant. This equipment will be reclassified to a property, plant and equipment account upon receipt of full invoices and the effective commissioning of the items.

5.4 Impairment test

Accounting principles

Goodwill

The goodwill was recognized in respect of the 2021 fiscal year as part of the takeover of Carbiolice and the purchase price allocation exercise. The 12-month period during which the amounts allocated to the identifiable assets and liabilities acquired and to goodwill are subject to change will end on June 3, 2022.

No indication of impairment was identified as part of the purchase price allocation exercise for Carbiolice, as at December 31, 2021. The business plan underlying this exercise has the following characteristics:

- analysis period: 2022 - 2034 - this period is more than 5 years, it covers the period of use of the patents relating to this disruptive technology;
- revenue growth rate: launch of activity until 2031 with strong growth then application of a growth rate of 2%;
- discount rate used: the discount rate used is 18.5%.

Other depreciable assets

Pursuant to IAS 36 - Impairment of Assets, depreciated assets are tested for impairment when, due to special events or circumstances, the recoverability of their carrying amounts is uncertain. An impairment loss is recognized to the extent of the excess of the carrying amount over the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. For non-financial assets that have suffered an impairment loss, the possible reversal of the impairment is reviewed at each annual or interim closing date.

At December 31, 2021, the valuation of amortizable intangible assets resulting from the purchase of Carbiolice was reviewed as part of the purchase price allocation exercise. No indication of impairment was identified.

5.5 Rights of use

Accounting principles

In accordance with IFRS 16, upon signing a contract, the Group determines whether it constitutes, or contains, a lease.

The contract is, or contains, a lease if it confers the right to control the use of an identified asset for a period in exchange for consideration. To assess whether a contract gives the right to control an identified asset throughout the useful life of the asset, the Group assesses whether: i) the contract involves the use of an identified asset, ii) the Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use, and iii) the Group has the right to decide on the use of the asset.

The Group recognizes a lease asset and a lease liability on the date the leased asset is made available. The asset is initially measured at cost, i.e. the initial amount of the lease liability plus any lease payments already made at the start date of the contract, any initial direct costs incurred and an estimate of the costs of dismantling and removing the underlying asset or of restoring it or the site where it is located, less any lease incentive that may be received.

The asset is then amortized on a straight-line basis from the beginning to the end of the lease, unless the lease provides for a transfer to the Group of the ownership of the underlying asset at the end of the lease or if the cost of the asset takes into account the fact that the Group will exercise a purchase option. In this case, the asset will be amortized over the useful life of the underlying asset, determined on the same basis as that of the property, plant and equipment.

In addition, the value of the asset will be regularly revised downwards in the event of losses due to impairment and will be subject to adjustments for certain revaluations of the lease liability.

The lease liability is initially measured at the present value of the lease payments not yet paid at the start date of the contract. The discount rate used corresponds to the interest rate implicit in the contract or, if it cannot be easily determined, the Group's incremental borrowing rate.

The lease payments included in the measurement of the lease liability include the following items:

- fixed rents, including fixed rents in substance;
- variable rents indexed to an index or rate, initially measured on the basis of the index or rate in question at the start date of the contract;
- amounts payable under the residual value guarantee; and
- the exercise price of a purchase option that the Group is reasonably certain to exercise, the rents paid during the renewal period if the Group is reasonably certain to exercise an extension option and termination penalties for early termination of the lease, unless the Group is reasonably certain not to terminate the lease early;
- net of incentives granted by the lessor.

The lease liability is measured at amortized cost using the effective interest rate method. It is revalued in the event of a change in future rents due to a change in index or rate, in the event of a revaluation by the Group of the amount expected under the residual value guarantee, if the Group reviews its probability of exercising an option to purchase, extend or terminate, or in the event of a revision of a fixed rent in substance.

When the lease liability is revalued, an adjustment is made to the carrying amount of the right-of-use asset or is recognized in profit or loss if the amount of the right-of-use asset has been reduced to zero.

Lastly, the Group has chosen not to recognize right-of-use assets and lease liabilities for short-term contracts with a lease term of 12 months or less, as well as leases of low value assets (less than €5,000). These rents are, therefore, recognized as expenses. They represented €131 thousand for the 2021 fiscal year and €69 thousand in 2020.

In the event of renegotiation of a lease (amount of rent and/or term) that goes beyond the initial provisions of the contract, the contract amendments generally lead the lessee to recalculate the lease liability using a revised discount in exchange for a change in the right of use.

In the course of its business, the Group leases premises, vehicles and miscellaneous equipment.

With regard to real estate leases, a nine-year lease term has been used for the 3/6/9 commercial leases, taking into account the reasonably certain nature of the exercise of the realization and renewal options.

Vehicle leases have fixed rents and terms of approximately three years. In cases where the contracts provide for a purchase option, it has been assumed that the Group would not exercise them.

Leases relate to equipment used in R&D activities. In the accounts at December 31, 2021, the main contract includes various equipment related to its pilot plant, and was signed in December 2019 for a period of five years.

The lease and lease purchase terms used correspond to the terms of the various contracts, ranging from three to nine years.

Short-term exempt contracts are mainly temporary premises. Contracts exempted for low value mainly correspond to IT equipment.

Rights of use break down as follows:

Changes in right-of-use assets *(In thousands of euros)*	**Premises**	**Technical installations, equipment & tooling**	**Vehicles**	**Total**
AS AT JANUARY 1, 2020	**1,060**	**319**	**25**	**1,404**
(-) Depreciation expense for the year	(209)	(80)	(46)	(335)
(+) Reversal of depreciation for the year	-	-	23	23
(+) Additions to "right-of-use assets"	-	93	248	342
(-) Disposals of "right-of-use assets"	-	-	(31)	(31)
AS AT DECEMBER 31, 2020	**851**	**332**	**218**	**1,402**
Change in scope	283	628	47	957
(-) Depreciation expense for the year	(486)	(255)	(121)	(862)
(+) Reversal of depreciation for the year	-	52	43	95
(+) Additions to "right-of-use assets"	5,152	187	99	5,438
(-) Disposals of "right-of-use assets"			-	-
AS AT DECEMBER 31, 2021	**5,800**	**944**	**245**	**6,989**

The corresponding liability breaks down as follows:

Change in lease liabilities *(In thousands of euros)*	**Current portion of lease liabilities**	**Non-current portion of lease liabilities**	**Total lease liabilities**
AS AT JANUARY 1, 2020	**283**	**1,161**	**1,444**
Non-monetary changes - New contracts	144	166	310
Non-monetary changes - Reclassifications and other impacts	229	(229)	-
Repayments lease liabilities	(297)	-	(297)
AS AT DECEMBER 31, 2020	**360**	**1,097**	**1,457**
Change in scope	326	658	984
Non-monetary changes - New contracts	1,409	4,116	5,525
Non-monetary changes - Reclassifications and other impacts	514	(514)	-
Repayments lease liabilities	(1,353)	-	(1,353)
AS AT DECEMBER 31, 2021	**1,256**	**5,358**	**6,613**

NOTE 6 NON-CURRENT FINANCIAL ASSETS

Financial assets break down as follows:

Financial assets *(In thousands of euros)*	12/31/2020	Change in scope	Increase	Decrease	Reclassification	12/31/2021
Financial assets	371	17	-	(1)	-	388
TOTAL GROSS VALUES	**371**	**17**	**-**	**(1)**	**-**	**388**
Financial assets	-	-	-	-	-	-
TOTAL DEPRECIATION AND AMORTIZATION	**-**	**-**	**-**	**-**	**-**	**-**
Financial assets	371	17	-	(1)	-	388
TOTAL NET VALUES	**371**	**17**	**-**	**(1)**	**-**	**388**

Financial assets *(In thousands of euros)*	01/01/2020	Change in scope	Increase	Decrease	Reclassification	12/31/2020
Financial assets	273	-	98	-	-	371
TOTAL GROSS VALUES	**273**	**-**	**98**	**-**	**-**	**371**
Financial assets	-	-	-	-	-	-
TOTAL DEPRECIATION AND AMORTIZATION	**-**	**-**	**-**	**-**	**-**	**-**
Financial assets	273	-	98	-	-	371
TOTAL NET VALUES	**273**	**-**	**98**	**-**	**-**	**371**

The Group's financial assets consist of:

- loans and receivables initially recognized at acquisition cost, then measured at amortized cost using the effective interest method;
- guarantee deposits and the liquidity contract.

Financial assets with a maturity of more than one year are classified as "non-current financial assets".

The classification and fair value of financial instruments is described in Note 10.

Liquidity contract

As part of the transactions relating to the liquidity contract that the Company has entered into with an independent financial intermediary, the cash paid to the financial intermediary and not yet used is recognized in the "Liquidity contract" account. It represented €171 thousand at December 31, 2020 and €87 thousand at December 31, 2021.

Deposits and guarantees

These represented €200 thousand at December 31, 2020 and €283 thousand at December 31, 2021.

NOTE 7 PROVISIONS

Accounting principles

A provision is recognized when the Company has a legal or constructive obligation at the closing date that results from a past event that will probably result in an outflow of resources and the amount of which can be reliably estimated.

The amount recognized as a provision corresponds to the best estimate of the expenditure required to settle the present obligation at the closing date.

Apart from provisions for pension commitments (see Note 22), no provision has been recognized.

NOTE 8 TRADE RECEIVABLES AND OTHER CURRENT ASSETS

Accounting principles

Trade receivables and other current assets break down as follows:

Trade receivables & other current assets *(In thousands of euros)*	12/31/2021	12/31/2020	01/01/2020
Trade receivables	16	155	28
Other current assets	6,148	2,201	1,158
Tax & social security receivables	*4,778*	*1,721*	*1,019*
Advance payments made on orders	*553*	*13*	*2*
Prepaid expenses	*758*	*170*	*89*
Other receivables	*60*	*297*	*48*
OTHER CURRENT ASSETS	**6,164**	**2,356**	**1,185**

(1) Trade and other receivables are initially recognized at fair value and then at amortized cost, which generally corresponds to their nominal value due to their short-term maturity.

(2) Other current assets mainly include the research tax credit (CIR) receivable (€2,985 thousand in 2021, €1,488 thousand in 2020) and the VAT receivable (€1,510 thousand in 2021, €184 thousand in 2020).

The fair value classifications of financial instruments are described in Note 10.

NOTE 9 TRADE PAYABLES AND OTHER CURRENT LIABILITIES

Accounting principles

Trade payables are initially recognized at their fair value, which generally corresponds to their nominal value.

The fair value of other current liabilities is assimilated to their value in the statement of financial position, given the very short payment terms.

Trade payables and other current liabilities *(In thousands of euros)*	12/31/2021	12/31/2020	01/01/2020
Trade payables	5,137	1,683	1,241
Other current liabilities	4,956	2,415	1,853
Social security liabilities	*1,785*	*1,041*	*572*
Tax liabilities	*274*	*104*	*177*
Debts on fixed assets and related accounts	*690*	*269*	*146*
Other liabilities	*(1)*	*1*	*2*
Deferred income	*2,209*	*1,000*	*957*
TRADE PAYABLES AND OTHER CURRENT LIABILITIES	**10,093**	**4,098**	**3,094**

Trade payables

In respect of the 2020 fiscal year, trade payables include outstanding invoices at the closing date for a total of €1,358 thousand, as well as accrued invoices related to the operating cycle (€325 thousand). For the 2021 fiscal year, trade payables include unpaid invoices at the closing date for a total amount of €4,607 thousand but also unpaid invoices related to the operating cycle (€588 thousand).

Other current liabilities at December 31, 2021

Other current liabilities concern:

- social security liabilities, including balances due to the various funds at the closing date, as well as provisions for awards and bonuses, paid leave and related social security contributions;
- tax liabilities mainly include VAT liabilities;
- deferred income consists of the following items:
  - deferred income related to subsidies for €1,146 thousand,
  - other deferred income related to re-invoicing for €176 thousand,
  - deferred income related to restatements of repayable advances and interest-free loans in accordance with IFRS 9 for €879 thousand.

The classification and fair value of financial instruments are described in Note 10.

NOTE 10 CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS

Accounting principles

There are three categories of financial instruments according to the consequences that their characteristics have on their valuation method. This classification is used to set out some of the disclosures required by IFRS 7:

- level 1 category: only quoted prices on an active market for an identical instrument and without any adjustment;
- level 2 category: fair value determined from observable data, either directly (such as a price) or indirectly (i.e. calculated on the basis of another price), but other than a price quoted on an active market falling within level 1;
- level 3 category: fair value determined on the basis of unobservable market data.

The Group's assets and liabilities are valued as follows at the end of the fiscal years presented:

	12/31/2021				
Summary of financial assets and liabilities *(In thousands of euros)*	**Total net carrying amount**	**Assets carried at amortized cost**	**Assets recognized at fair value through profit or loss**	**Liabilities carried at amortized cost**	**Fair value**
Financial assets	388	388			388
Trade receivables and related accounts	16	16			16
Other current assets	6,148	6,148			6,148
Cash and cash equivalents	104,956	104,956			104,956
TOTAL ASSETS	**111,508**	**111,508**	**-**	**-**	**111,508**
Current and non-current borrowings and financial liabilities	11,941			11,941	11,941
Non-current lease liabilities	5,358			5,358	5,358
Current borrowings and financial liabilities	1,376			1,376	1,376
Current lease liabilities	1,256			1,256	1,256
Trade payables and related accounts	5,137			5,137	5,137
Other current liabilities	4,956			4,956	4,956
TOTAL LIABILITIES AND EQUITY	**30,024**	**-**	**-**	**30,024**	**30,024**

	12/31/2020				
Summary of financial assets and liabilities *(In thousands of euros)*	Total net carrying amount	Assets carried at amortized cost	Assets recognized at fair value through profit or loss	Liabilities carried at amortized cost	Fair value
Financial assets	371	371			371
Trade receivables and related accounts	155	155			155
Other current assets	2,201	2,201			2,201
Cash and cash equivalents	29,077	29,077			29,077
TOTAL ASSETS	**31,804**	**31,804**	**-**	**-**	**31,804**
Current and non-current borrowings and financial liabilities	8,221	-		8,221	8,221
Non-current lease liabilities	1,097	-		1,097	1,097
Current borrowings and financial liabilities	1,125	-		1,125	1,125
Current lease liabilities	360	-		360	360
Trade payables and related accounts	1,683	-		1,683	1,683
Other current liabilities	2,415	-		2,415	2,415
TOTAL LIABILITIES AND EQUITY	**14,901**	**-**	**-**	**14,901**	**14,901**

NOTE 11 CASH AND CASH EQUIVALENTS

Cash and cash equivalents *(In thousands of euros)*	12/31/2021	12/31/2020	01/01/2020
Bank accounts	39,946	19,077	5,895
Term deposits	65,010	10,000	10,000
TOTAL CASH AND CASH EQUIVALENTS	**104,956**	**29,077**	**15,895**

Cash and cash equivalents consist of cash at bank, cash on hand and term deposits. They are held to meet short-term cash commitments, are readily convertible into a known amount of cash and are exposed to an insignificant risk of change in value.

For the purposes of the cash flow statement, net cash includes cash and cash equivalents as defined above.

NOTE 12 EQUITY

Accounting principles

The classification in equity depends on the specific analysis of the characteristics of each instrument issued. The Company's ordinary shares are classified as equity instruments.

Incidental costs directly attributable to the issue of shares or stock options are recognized, net of tax, as a deduction from equity.

Liquidity contract

The portion of the contract that is invested in the Company's treasury shares is recognized as a deduction from the Company's equity at the acquisition cost.

The gain or loss on the sale of these treasury shares is also recognized directly in equity.

The cash reserve related to the liquidity contract is presented in "Non-current financial assets".

Share Capital

Share Capital	12/31/2021	12/31/2020	01/01/2020
Share capital *(in thousands of euros)*	7,826	5,674	4,833
Number of ordinary shares outstanding	11,179,472	8,105,297	6,904,609
Nominal value *(in euros)*	€0.70	€0.70	€0.70

Capital transactions carried out during the fiscal year ended December 31, 2020:

During the 2020 fiscal year, 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. This capital increase was subscribed at a price of €26.25, i.e. €0.70 in nominal value and €25.55 in issue premium;
- 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. This transaction was subscribed for €35, i.e. €0.70 in nominal value and €34.3 in issue premium; 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).

Capital transactions carried out before the period and recorded during the fiscal year ended December 31, 2021:

At its meeting of January 15, 2021, the Board of Directors noted the creation of 23,125 new shares from the exercise of 23,125 BCE-2020-1, subscribed at a price of €7.75934, i.e. a nominal value of €0.70 and an issue premium of €7.05934, after the exercise of 15,000 BCE-2020-1 on December 22, 2020, 2,771 BCE-2020-1 on December 24, 2020, and 5,534 BCE-2020-1 on December 28, 2020.

Capital transactions carried out during the fiscal year ended December 31, 2021:

At its meeting of January 15, 2021, the Board of Directors noted the creation of 9,600 new shares resulting from the exercise of 9,600 BSA-2015-2 subscribed at a price of €12.4581, i.e. €0.70 in nominal value and €11.7581 in issue premium.

At its meeting on March 11, 2021, the Board of Directors noted:

- the creation of 16,000 new shares from the exercise of 16,000 BCE-2015-2, subscribed at a price of €12,4581, (€0.70 in nominal value and €11,7581 in issue premium);
- the creation of 14,375 new shares from the exercise of 14,375 BCE-2020-4, subscribed at a price of €20.0650, (€0.70 in nominal value and €19.9050 in issue premium);
- the creation of 9,600 new shares from the exercise of 9,600 BCE-2016-1, subscribed at a price of €8.2837, (€0.70 in nominal value and €7.5837 in issue premium); and
- the creation of 9,600 new shares from the exercise of 9,600 BSA-2015-3, subscribed at a price of €12.4581, (€0.70 in nominal value and €11.7581 in issue premium).

At its meeting of May 10, 2021, the Board of Directors, acting under the delegation of authority granted by the Combined Shareholders' Meeting of January 8, 2021 (Fifth Resolution), decided to increase the Company's share capital for a nominal amount of €2,100,000, from €5,715,130.40 to €7,815,130.40, through the issue with cancellation of preferential subscription rights, by way of a public offering with an irreducible priority period for the benefit of existing shareholders of 3,000,000 new ordinary shares, at a price of €38 each, i.e. a par value of €0.70 and an issue premium of €37.30. The Chief Executive Officer took note of this capital increase on May 12, 2021.

At its meeting on November 5, 2021, the Board of Directors noted:

- the creation of 5,000 new shares from the exercise of 5,000 BCE-2017-1, subscribed for €7.86 (€0.70 in par value and €7.16 in issue premium);
- the creation of 6,000 new shares from the exercise of 6,000 BCE-2013-1, subscribed for €11.2240 (€0.70 in nominal value and €10.5240 in issue premium).

At its meeting on December 16, 2021, the Board of Directors noted:

- the creation of 2,000 new shares from the exercise of 2,000 BCE-2020-7, subscribed at a price of €30.2899, (€0.70 in nominal value and €29.5899 in issue premium);

As a result, as of December 31, 2021, the share capital stood at €7,825,630.40 divided into 11,179,472 ordinary shares, each with a nominal value of €0.70, fully subscribed and fully paid up.

Share capital composition:

As at December 31, 2021, the 11,179,472 shares comprising the share capital were distributed as follows:

Shareholders	Number of shares	% holding	Number of voting rights	% of voting rights
BOLD Business Opportunities for l'Oréal Development	660,248	6%	660,248	6%
Copernicus Wealth Management S.A.(1)	658,392	6%	658,392	6%
Michelin Ventures	486,400	4%	486,400	4%
L'Occitane Group	263,157	2%	263,157	2%
Funds managed by Truffle Capital	46,511	0%	46,511	0%
Management and directors	15,904	0%	15,905	0%
Treasury shares	3,648	0%	N/A	N/A
Free float	9,045,212	81%	9,062,507	81%
TOTAL	**11,179,472**	**100%**	**11,193,120**	**100%**

(1) Shares held by funds and/or individuals with Copernicus Wealth Management S.A. 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, 2021, one of Mr. Jean-Claude Lumaret's shares, as well as 17,295 registered shares included in the free float met these criteria.

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 statement of financial position in a special "Issue premium" account to which the former and new shareholders' rights shall be applicable.

Capital issue costs are recognized in the statement of financial position, as a deduction from the issue premium.

As at December 31, 2021, the issue premiums paid after deducting capital increase costs amounted to €146,335,124.82.

Transactions *In euros*	Operation date	Issue premium	Direct costs charged	Exercise of BSA/BCE against payment[1]	Total issue premium	BSA
AS AT JANUARY 1, 2020		**33,200,865**	**(1,966,504)**	**16,210**	**31,250,572**	**23,942**
Exercise of BCE-2016-1	05/18/2020	75,646			75,646	
Exercise of BCE-2016-1	05/22/2020	1,156			1,156	
Exercise of BCE-2016-1	05/25/2020	56,702			56,702	
Exercise of BCE-2013-1	05/26/2020	111,618			111,618	
Exercise of BCE-2013-1	05/27/2020	184,717			184,717	
Exercise of BCE-2013-1	05/28/2020	19,385			19,385	
Exercise of BCE-2016-1	06/01/2020	32,420			32,420	
Exercise of BCE-2016-1	06/15/2020	39,304			39,304	
Capital increase	07/22/2020	26,280,015	(1,954,042)		24,325,972	
Expiry of BCE-2016-1	06/30/2020	-			-	
Capital increase	10/09/2020	3,430,000	(3,290)		3,426,710	
Exercise of BCE-2020-1	12/22/2020	105,890			105,890	
Exercise of BCE-2020-1	12/24/2020	19,561			19,561	
Exercise of BCE-2020-1	12/28/2020	37,796			37,796	
AS AT DECEMBER 31, 2020		**63,595,075**	**(3,923,836)**	**16,210**	**59,687,449**	**23,942**
Exercise of BSA-2015-2	01/12/2021	112,878		8,160	121,038	(8,160)
Exercise of BCE-2015-2	01/15/2021	129,339			129,339	
Exercise of BCE-2020-4	01/19/2021	286,134			286,134	
Exercise of BSA-2016-1	01/20/2021	72,804		5,664	78,468	(5,664)
Exercise of BSA-2015-3	01/25/2021	112,878		8,160	121,038	(8,160)
Exercise of BCE-2015-2	02/15/2021	58,791			58,791	
Capital increase	05/12/2021	111,900,000	(6,003,554)		105,896,446	
RAN allocation	06/30/2021	(20,260,880)			(20,260,880)	
Exercise of BCE-2017-1	10/20/2021	35,800			35,800	
Exercise of BCE-2013-1	10/22/2021	63,144			63,144	
Exercise of BCE-2020-7	12/06/2021	59,180			59,180	
Exercise of BCE-2020-7	12/08/2021	59,180			59,180	
AS AT DECEMBER 31, 2021		**156,224,321**	**(9,927,390)**	**38,194**	**146,335,125**	**1,958**

(1) The amounts of this item as at January 1, 2020 and December 31, 2020 result 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.*

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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 13), i.e. €23,942.44 as at December 31, 2020 and €1,958.44 at December 31, 2021.

Capital management

The Group's policy is to maintain a sufficient financial base to preserve the confidence of investors and creditors and to support the Company's future growth.

Following the IPO of the Company on EURONEXT GROWTH, the Company entered into a liquidity contract in order to limit the *intra day* volatility of the Company's shares.

Under this agreement, 3,648 treasury shares representing €138 thousand were recognized as a deduction from shareholders' equity at December 31, 2021 (1,600 shares representing €36 thousand were recognized at December 31, 2020).

Cash paid to the intermediary and not yet used is recognized as non-current financial assets and represented €87 thousand at December 31, 2021 (€171 thousand at December 31, 2020).

Dividends

The Group did not pay any dividends for the fiscal years presented.

NOTE 13 SHARE-BASED PAYMENTS

Accounting principles

The Company has set up several equity-settled compensation plans in the form of share subscription warrants ("BSA") and founders' warrants ("BSPCE" or "BCE") allocated to employees and directors.

In accordance with IFRS 2, the grant-date fair value of equity-settled share-based payments is recognized as an expense with a corresponding increase in equity over the vesting period of the awards.

For plans whose vesting is not linked to the achievement of a market performance condition, the valuation model used is that of Black & Scholes.

For plans whose vesting is linked to the achievement of a market performance condition, Monte Carlo simulations were carried out in order to project the Carbios share price and thus estimate the fair value of the options.

The valuation methods used to estimate the fair value of the options are described below:

- the maturity of plans with only a presence condition was estimated by tranche by considering an exercise half-life (corresponding to the mid-period between the vesting date of the tranche and the plan's end-of-life date). That of plans with performance conditions was estimated based on the most likely date of the achievement of each performance condition for the vesting date, plus the remaining half-life of the exercise;
- for plans granted prior to 2019, the expected volatility was determined on the basis of a panel of comparable listed companies in the sector, over a period equivalent to the expected duration of the option. For plans granted after 2019, the expected volatility was determined on the basis of the Carbios price history restated for values deemed not representative of future volatility.

13.1 Share subscription warrants (BSA)

The table below shows the status of the BSAs issued since the creation of the Company that were still outstanding as of December 31, 2021, as well as additional information regarding their status as of that date.

	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(1)	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 = (total number of BSA 2011-1 allocated to the beneficiary * 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 on 09/28/2012, and for the first time from 02/28/2013, calculated according to the following rule: x = (total nb. of BSAs 2012-2 allocated to beneficiary * 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 = (total nb. of BSA 2013-1 allocated to beneficiary * 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, 2021	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, 2021	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.

During the 2021 fiscal year, no share subscription warrants (BSA) were issued.

During the 2021 fiscal year, 9,600 BSA-2015-2, 9,600 BSA-2015-3 and 9,600 BSA-2016-1 were exercised. All warrants were exercised under the BSA-2015-2, BSA-2015-3 and BSA-2016-1 plans.

At December 31, 2021, there were 179,600 share subscription warrants (BSA) that could be exercised, giving entitlement to 179,600 shares.

13.2 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, 2021, as well as additional information regarding their status at that date.

	BCE 2012-1	BCE 2015-2	BCE-2017-1	BCE-2019-1	BCE-2020-1 to BCE-2020-3
Date of Shareholders' Meeting	Collective decision of the shareholders on 09/28/2012	Shareholders' Meeting of 06/24/2015	Shareholders' Meeting of 06/15/2017	Shareholders' Meeting of 06/14/2018	Shareholders' Meeting of 06/19/2019
Date of Board of Directors' meeting	-	Decision of the Board of Directors of 06/24/2015	Decision of the Board of Directors of 06/27/2017	Decision of the Board of Directors of 12/06/2018	Decision of the Board of Directors of 03/12/2020
Total number of shares that may be subscribed or purchased, of which the number that may be subscribed or purchased by:	77,386	31,000	35,000	28,000	185,000
Alain CHEVALLIER	1,548	-	-	-	-
Jean-Claude LUMARET	-	-	-	-	92,500
Martin STEPHAN	-	-	35,000	-	46,250
Ian HUDSON	-	-	-	28,000	-
Warrant exercise start date	02/01/2013	06/24/2016	06/27/2018	01/01/2020	03/12/2020
Expiration date	09/28/2022	06/24/2025	06/27/2027	01/01/2029	03/12/2030
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 = (total nb. of BCEs 2012-1 allocated to the beneficiary * nb. of months since 02/01/2012)/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 = (total nb. of BCEs 2015-2 allocated to the beneficiary * nb. of months since 06/24/2015)/48.	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 * 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 01/01/2020, and for the first time from 01/01/2020, calculated according to the following rule: x = 14,000 * (number of months since 01/01/2019)/48. For the other 14,000 warrants: possibility of exercising y warrants where y = (number of warrants not yet exercisable) * % 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 quarter 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.
Exercise price	2.25	12.4581	7.86	5.29999	7.75934
Total number of shares subscribed as at December 31, 2021	75,838	16,000	5,000	0	23,125
Cumulative number of subscription or purchase warrants canceled or null and void	0	0	0	0	0
Share subscription warrants that may be exercised as at December 31, 2021	1,548	15,000	30,000	28,000	161,875

	BCE-2020-4 to BCE-2020-6	BCE 2020-7	BCE-2021-1 to BCE-2021-15	BCE 2021-16	BCE 2021-17
Date of Shareholders' Meeting	Shareholders' Meeting of 06/18/2020	Shareholders' Meeting of 06/18/2020	Shareholders' Meeting of 06/18/2020	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 07/09/2020	Decision of the Board of Directors of 09/15/2020	Decision of the Board of Directors of 03/12/2020	Decision of the Board of Directors of 11/5/2021	Decision of the Board of Directors of 11/5/2021
Total number of shares that may be subscribed or purchased, of which the number that may be subscribed or purchased by:	115,000	100,000	85,000	36,735	6,390
Jean-Claude LUMARET	57,500	-	-	-	-
Martin STEPHAN	28,750	-	-	-	-
Emmanuel LADENT	-	-	-	36,735	-
Warrant exercise start date	07/09/2020	09/15/2020 and 09/15/2021	01/15/2022	12/01/2022	11/05/2022
Expiration date	07/09/2030	09/15/2030	1/15/2032	12/01/2032	11/05/2032
Price of subscription or purchase of warrant	Free	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 quarter 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 quarter 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 * nb. of months since 09/15/2020)/48.	Possibility of exercising a number x of warrants per full monthly period, and for the first time from January 15, 2022, calculated according to the following rule: x = total number of BCE-2021 granted to the beneficiaries * (number of months since 01/15/2021)/48.	For the first 18,367 warrants: possibility of exercising x warrants per full monthly period beginning on 12/01/2021, and for the first time from 12/01/2022, calculated according to the following rule: x = 18,367 * (number of months since 12/01/2021)/48. The remaining 18,368 warrants are subject to four performance conditions to be exercised. Each condition met gives the right to exercise 5,510, 6,429, 2,755 and 3,677 warrants, respectively. If all of the Company's shares are acquired by an industry player, accelerated vesting is provided depending on the share vesting price.	Possibility of exercising a number x of warrants per complete monthly period, and for the first time from November 5, 2022, calculated according to the following rule: X = total number of BCE-2021s granted to the beneficiary * (number of months elapsed from November 5, 2021)/48.
Exercise price	20.6050	30.2899	44.5049	37.7340	39.7863
Total number of shares subscribed as at December 31, 2021	14,375	4,000	0	0	0
Cumulative number of subscription or purchase warrants canceled or null and void	43,125	0	0	0	0
Share subscription warrants that may be exercised as at December 31, 2021	57,500	96,000	85,000	36,735	6,390

During the fiscal year 2021, BSPCE issues were carried out:

- at its meeting on January 15, 2021, 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 85,000 BSPCEs ("BCE 2021-1", "BCE 2021-2", "BCE-2021-3","BCE-2021-4", "BCE-2021-5", "BCE-2021-6", "BCE-2021-7", "BCE-2021-8", "BCE-2021-9", "BCE-2021-10", "BCE-2021-11", "BCE-2021-12", "BCE-2021-13", "BCE-2021-14" and "BCE- 2021-15") that grant the right to subscribe for 85,000 ordinary shares with a par value of €0.70 at a unit price equal to the volume-weighted average share price of the last twenty trading days preceding the warrant award date, i.e. a price equal to €44.5047;
- at its meeting of November 5, 2021, the Board of Directors, acting pursuant to a delegation of authority granted by the Combined Shareholders' Meeting of June 18, 2020 (Thirteenth Resolution), decided to issue and award 43,125 BSPCE (including 36,735 "BCE-2021-16" and 6,390 "BCE-2021-17") giving the right to subscribe to 43,125 ordinary shares with a par value of €0.70, at a unit price equal to the volume-weighted average of the last twenty trading days preceding the warrant award date, i.e. a price of €37.734 for the BCE-2021-16 and a price of €39.7863 for the BCE-2021-17.

During the 2021 fiscal year, 16,000 BCE-2015-2, 14,375 BCE-2020-4, 5,000 BCE-2017-1, 6,000 BCE-2013-1 and 4,000 BCE-2020-7 were exercised .

As of December 31, 2021, 518,048 BSPCEs remained likely to be exercised, giving entitlement to 518,048 shares.

13.3 Free share plan

A free share plan was allocated to Carbiolice employees on July 1, 2020. Under this plan, 1,864 Carbiolice shares were allocated on July 1, 2020. Following the vesting period, subject to continued service, of one year, the shares were definitively vested on July 1, 2021. These securities are subject to a one-year holding period. The fair value of the instruments at 12/31/2021 was €148 thousand.

13.4 Breakdown of expense recognized in accordance with IFRS 2 during the periods presented

	12/31/2021				12/31/2020			
(In thousands of euros) Type	Probabilized cost of the plan to date	Cumulative expense at the beginning of the period	Expense for the period	Cumulative expense to date	Probabilized cost of the plan to date	Cumulative expense at the beginning of the period	Expense for the period	Cumulative expense to date
BSA 2016-1	31	31	-	31	31	30	1	31
BCE 2015-2	175	175	-	175	175	175	-	175
BCE 2016-1	69	69	-	69	69	69	-	69
BCE-2017-1	148	147	1	148	148	135	12	147
BCE-2019-1	52	35	10	45	52	22	13	35
BCE 2020	2,312	302	810	1,113	2,619	-	303	303
BCE 2021	267	-	926	926				
AGM	148	138	11	148				
TOTAL	**3,203**	**897**	**1,759**	**2,655**	**3,094**	**431**	**329**	**759**

NOTE 14 BORROWINGS AND FINANCIAL LIABILITIES

Accounting principles

Unless otherwise indicated, borrowings and financial liabilities are recognized, after their initial recognition at fair value, at amortized cost calculated using the effective interest rate in accordance with IFRS 9.

The portion of borrowings at less than one year is presented under "Current borrowings".

Current and non-current borrowings and financial liabilities *(In thousands of euros)*	12/31/2021	12/31/2020	01/01/2020
Loans from credit institutions	5,870	3,000	3,029
conditional advances	6,071	5,221	4,430
Lease liabilities	5,358	1,097	1,161
CURRENT AND NON-CURRENT BORROWINGS AND FINANCIAL LIABILITIES	**17,298**	**9,319**	**8,620**
Loans from credit institutions	1,041	966	-
conditional advances	335	159	110
Lease liabilities	1,256	360	283
CURRENT BORROWINGS AND FINANCIAL LIABILITIES	**2,632**	**1,485**	**393**
TOTAL BORROWINGS AND FINANCIAL LIABILITIES	**19,930**	**10,803**	**9,013**

(1) Information on lease liabilities is discussed in Note 5.5 "Right of use".

The classification and fair value of financial instruments are described in Note 10.

14.1 Borrowings from credit institutions

Loans *(In thousands of euros)*	Fixed/floating rate	Nominal value	Year of maturity	12/31/2021	12/31/2020	01/01/2020
FIAD	Fixed	152	2021	-	29	29
Bpifrance Innovation loan	Fixed	1,500	2025	1,350	1,500	1,500
Bpifrance Innovation loan	Fixed	1,500	2026	1,500	1,500	1,500
State-guaranteed loan (PGE)	Fixed	1,000	2026	961	936	
Loan from TZ BPI DOS0068879/00	Fixed	500	2025	376		
Loan from TZ BPI DOS0096740/00	Fixed	250	2027	230		
Loan from TZ BPI (Region) DOS0096739/00	Fixed	250	2027	230		
CEPAL loan €177 thousand 031231E	Fixed	177	2024	123		
CEPAL loan €334 thousand 278044E	Fixed	334	2026	295		
CEPAL loan PGE €950 thousand 189838E	Fixed	950	2026	908		
BPI loan PGE €950 thousand	Fixed	950	2026	927		
TOTAL		**7,563**		**6,900**	**3,965**	**3,029**

Bpifrance Innovation loans

Two innovation loans were granted by Bpifrance in 2018 and 2019. The two loans provide for a payment deferral of two years, and annual straight-line repayment over the following five years.

They bear interest at 3.21% and 4.45% respectively and were subject to a guarantee deposit of €75 thousand each recognized in financial assets.

State-guaranteed loan (PGE)

On August 31, 2020, receipt of a loan guaranteed by the French State in the amount of €1,000 thousand for a period of 12 months. On June 26, 2021, the Company decided to extend the PGE for an additional five years.

The PGE bears interest at the rate of 0.25% and will be repaid in eight equal and consecutive half-yearly installments of principal of €125 thousand from 2023.

Interest-free loans

Subscription of three interest-free loans for a total amount of €1,000 thousand with BPI France. These loans were received in 2018 for €500 thousand and then in 2019 for €500 thousand. They entered into the scope of consolidation with the takeover of Carbiolice in June 2021.

Investment loans

Subscription of two investment loans with CEPAL for €177 thousand and €334 thousand respectively. The amounts were received in 2019 and 2020 respectively. These loans bear interest at a rate of 1%. They entered into the scope of consolidation with the takeover of Carbiolice in June 2021.

State-guaranteed loans (PGE) CEPAL and BPI (€950 thousand each)

Subscription of two State-guaranteed loans (PGE) in 2020 in the amount of €950 thousand each. The first one bears interest at the rate of 1.09% with a two-year grace period. The second bears interest at a rate of 2.09% with a two-year grace period. They entered into the scope of consolidation with the takeover of Carbiolice in June 2021.

CHANGE IN CASH FLOWS ON BORROWINGS

Loans from credit institutions	Current portion									
(In thousands of euros)	FIAD	Bpifrance Innovation loan	State-guaranteed loan (PGE)	Bpifrance Innovation loan	Bpifrance Innovation loan	Bpifrance Innovation loan	CEPAL loan	CEPAL PGE loan	Bpifrance Innovation loan	Total
AS AT JANUARY 1, 2020	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Cash flow - receipt of new debt	-	-	1,000	-	-	-	-	-	-	1,000
Cash flows - repayment of debts	-	-		-	-	-	-	-	-	-
Non-monetary changes	29	-	(64)	-			-	-	-	(35)
AS AT DECEMBER 31, 2020	**29**	**-**	**936**	**-**	**-**	**-**	**-**	**-**	**-**	**965**
Change in scope	-	-	-	99	41	41	35	132	67	483
Cash flow - receipt of new debt	-	-	-	-	-	-	-	-	-	-
Cash flows - repayment of debts	(30)	-	-	-	-	-	-	-	-	(30)
Non-monetary changes	1	300	(903)	-	-	-	-	-	-	(376)
AS AT DECEMBER 31, 2021	**(0)**	**300**	**33**	**99**	**41**	**41**	**35**	**132**	**67**	**1,041**

Loans from credit institutions	Non-current portion									
(In thousands of euros)	FIAD	Bpifrance Innovation loan	State-guaranteed loan (PGE)	Bpifrance Innovation loan	Bpifrance Innovation loan	Bpifrance Innovation loan	CEPAL loan	CEPAL PGE loan	Bpifrance Innovation loan	Total
AS AT JANUARY 1, 2020	**29**	**1,500**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3,029**
Cash flow - receipt of new debt	-	-	-	-	-	-	-	-	-	-
Cash flows - repayment of debts	-	-	-	-	-	-	-	-	-	-
Non-monetary changes	(29)	-	-	-			-	-	-	(29)
AS AT DECEMBER 31, 2020	**-**	**1,500**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3,000**
Change in scope	-	-	-	376	209	209	108	818	883	2,869
Cash flow - receipt of new debt	-	-	-	-	-	-	-	-	-	-
Cash flows - repayment of debts	-	(150)	-	(75)	-	-	(21)	-	-	(284
Non-monetary changes	-	(300)	936	(24)	(20)	(20)	-	(40)	(23)	286
AS AT DECEMBER 31, 2021	**-**	**1,050**	**936**	**277**	**189**	**189**	**87**	**778**	**860**	**5,872**

14.2 Repayable advances

Accounting principles

The Group benefits from public subsidies granted in the form of subsidies or conditional advances.

They were recognized in accordance with IAS 20 Accounting for Government subsidies. As these financial advances are granted at interest rates below the market rate, they are remeasured in accordance with IFRS 9 at amortized cost. The treatment is as follows:

- the initial difference between the advance received and its amortized cost is a subsidy recognized in the income statement in accordance with IAS 20;
- the financial cost of repayable advances calculated at the effective interest rate is then recorded in financial expenses.

If the project benefiting from the repayable advance fails, the repayable advance is generally cancelled.

Loans *(In thousands of euros)*	Fixed/floating rate	Nominal value	Year of maturity	12/31/2021	12/31/2020	01/01/2020
Repayable advance ADI BPI	/	265	2023	151	210	228
Repayable advance + Conditional advance ADEME	Fixed	1,861	2026	2,360	1,725	979
Conditional advance OSEO Thanaplast™	Fixed	3,707	2031	3,558	3,445	3,333
Repayable advance BPI €500K (DOS0060297)	/	400	2024	337		
TOTAL		**6,233**		**6,406**	**5,380**	**4,540**

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.*

As the Company's forecast is not expected to reach this threshold before 2026, no provision has been recorded to recognize the difference between the discounted liability, as provided for in the contract, and the liability actually recognized.

In addition, as soon as the reimbursement of the repayable advance has been completed in accordance with the above payment schedule, the agreement stipulates that the Company shall pay a bonus equal to 4% of revenue generated by the utilization of the products, if this exceeds a cumulative amount of €100,000 thousand. This additional payment is however subject to a time limit (applicable only for a period of five consecutive years from the date of the end of the reimbursement of the advance), and an amount cap (ceiling of €7,100 thousand).

ADEME grant: CE-PET project

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

The contract agreement stipulates that the completion of each key stage and the associated conditions provide entitlement to the following payments capped based on a maximum % of cumulative grants:

In euros	KS1 (35%)	KS2 (60%)	KS3 (80%)	KS4 (100%)	Total
Payment year	2019	2020	2021	2022	
Subsidy	361,900	258,500	206,800	206,800	1,034,000
Repayable advance	1,085,700	775,500	620,400	620,400	3,102,000
TOTAL	**1,447,600**	**1,034,000**	**827,200**	**827,200**	**4,136,000**

At December 31, 2021, the Company had completed the work for the second key stage. Since its creation, the Company has received:

In euros	1st payment	2nd payment	3rd payment	4th payment	Total
Date of payment	06/07/2019	10/21/2019	06/30/20	12/06/2021	
Subsidy	€155,100	€206,800	€258,500	€206,800	€827,200
Repayable advance	€465,300	€620,400	€775,500	€620,400	€2,481,600
TOTAL	**€620,400**	**€827,200**	**€1,034,000**	**€827,200**	**€3,308,800**

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, 2021 amounted to €6,893 thousand. This is in fact all the expenses provided for in the agreement signed with ADEME.

To date, the Company has received €827 thousand in ADEME subsidies since the start of the program (see table above). However, in the absence of certainty as to the validation of key stage 4 by end 2022, the difference, i.e. €207 thousand (€1,034 thousand - €827 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 the 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 €2,482 thousand in ADEME conditional advances (see table above).

BPI repayable advance

This repayable advance entered into the scope of consolidation with the takeover of Carbiolice in June 2021.

A repayable advance obtained from Bpifrance to finance an innovation project for a total amount of €500 thousand, of which €400 thousand paid in November 2017 and the balance of €100 thousand in October 2018. The acknowledgement of program success will make it eligible for the repayment of the full amount. With an initial repayment period of 5 years with deferral and a deferral of maturities of 6 months following the Covid-19 government provisions, the quarterly repayments began on March 31, 2019 and will end on June 30, 2024. As of December 31, 2021, the remaining amount to be repaid was €350 thousand;

This repayable advance entered into the scope of consolidation with the takeover of Carbiolice in June 2021.

LIFE aid: Life cycle of PET

On October 25, 2021, the Company obtained aid consisting exclusively of subsidies for a total amount of €3,300 thousand for the LIFE CYCLE OF PET project. The program includes the participation of DELOITTE and TECHNIP ZIMMER, whose total share represents €296 thousand. Carbios is the project coordinator.

The amount of eligible expenses amounts to €8,489 thousand and the subsidy rate is therefore 38.88%. The program starts on October 1, 2021 and ends on June 30, 2025.

The payments are planned as follows:

- 1st pre-financing of 40% within 30 days following the signature of the contract, i.e. €1,320 thousand received on December 5, 2021, of which €119 thousand goes to the partners and €1,201 thousand to Carbios;
- 2nd pre-financing of 40% provided that 100% of the pre-financing deposit previously paid has been used to cover project costs; and
- the balance of 20% at the end of the project.

Expenses incurred at December 31, 2021 were mainly estimated on the basis of the budget, i.e. €339 thousand. The corresponding theoretical grant amounts to €132 thousand (€339 thousand x 38.88%). Deferred income, equivalent to a current liability, was therefore recognized for an amount of: €1,201 thousand - €132 thousand = €1,069 thousand.

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 in the amount of €30 thousand, the repayment began on December 30, 2016 and ended in the course of 1st half-year 2021;
- 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, 2021, the remaining amount to be repaid was €155 thousand; and
- two Innovation Loans from Bpifrance for a total of €3,000 thousand at floating rates to finance the intangible expenses related to its desire to launch the industrialization process. After a period of eight quarters of deferred amortization, repayments at constant capital of €75 thousand began on September 30, 2021 for the first loan and will begin with a one-year delay for the second, i.e. a total amount remaining due of €2,850 thousand at the closing date;
- PRESERVE subsidy:
  - Aid obtained from the European Commission in the total amount of €8,000 thousand, including €331 thousand for Carbiolice, to finance the collaborative R&D project named PRESERVE,
  - the amount of eligible expenses amounts to €331 thousand and the subsidy rate granted is therefore 100%. The project began on January 1, 2021 for a period of 48 months.
  - The payments are planned as follows:
    - 85% of the net pre-financing of 48.33% (53.33% gross less 5% transferred to the European guarantee fund), i.e. €136 thousand received on February 4, 2021,
    - 15% of the net pre-financing of 48.33% (53.33% gross less 5% transferred to the European guarantee fund), i.e. €24 thousand to be received before the 18th month of the project, i.e. before June 30, 2022,
    - interim payments based on the actual progress of expenses incurred,
    - the balance and amounts withheld from the European guarantee fund at the end of the project,
  - the expenses incurred at December 31, 2021 amounted to €79 thousand, corresponding to the theoretical grant (€79 thousand x 100%). Deferred income was therefore recognized for an amount of: €136 thousand - €79 thousand = €57 thousand.
- SISTERS subsidy:
  - Aid obtained from the European Commission in the total amount of €8,340 thousand, of which €86 thousand for Carbiolice, to finance the collaborative R&D project named SISTERS,
  - the amount of eligible expenses amounts to €123 thousand and the subsidy rate granted is therefore 70%. The project began on November 1, 2021 for a period of 54 months.
  - The payments are planned as follows:
    - 50% of the net pre-financing of 48.33% (53.33% gross less 5% transferred to the European guarantee fund), i.e. €21 thousand received on October 28, 2021,
    - 50% of the net pre-financing of 48.33% (53.33% gross less 5% transferred to the European guarantee fund), i.e. €21 thousand to be received nine months after the first payment, i.e. in July 2022,
    - interim payments based on the actual progress of expenses incurred,
    - the balance and amounts withheld from the European guarantee fund at the end of the project,
  - the expenses incurred at December 31, 2021 amounted to €2 thousand, corresponding to a theoretical grant of €1 thousand (€2 thousand x 70%). Deferred income was therefore recognized for an amount of: €21 thousand - €1 thousand = €20 thousand.

CHANGE IN CASH FLOWS ON REPAYABLE ADVANCES*

Repayable advance *(In thousands of euros)*	Current portion					Non-current portion				
	Repayable advance ADI BPI	ADEME (Repayable advance + conditional advance)	Conditional advance OSEO Thanaplast™	BPI repayable advance	Total	Repayable advance ADI BPI	ADEME (Repayable advance + conditional advance)	Conditional advance OSEO Thanaplast™	BPI repayable advance	Total
AS AT JANUARY 1, 2020	**24**	**29**	**57**	**-**	**110**	**204**	**950**	**3,276**	**-**	**4,431**
Cash flow - receipt of new debt	-	-	-	-	-	-	776	-	-	776
Cash flows - repayment of debts	(24)	-	-	-	(24)	-	-	-	-	-
Non-monetary changes	64	8	1	-	73	(58)	(38)	111	-	15
AS AT DECEMBER 31, 2020	**64**	**37**	**58**	**-**	**159**	**146**	**1,688**	**3,387**	**-**	**5,221**
Change in scope	-	-	-	108	108	-	-	-	310	310
Cash flow - receipt of new debt	-	-	-	-	-	-	620	-	-	620
Cash flows - repayment of debts	-	-	-	-	-	(65)	-	-	(68)	(133)
Non-monetary changes	32	37	-	-	69	(27)	(22)	113	(13)	51
AS AT DECEMBER 31, 2021	**96**	**74**	**58**	**108**	**336**	**55**	**2,286**	**3,500**	**229**	**6,070**

NOTE 15 REVENUE

Accounting principles

The principle of IFRS 15 "Revenue from Contracts with Customers" is based on the transfer of control of goods and services to the customer.

The standard defines a general approach for revenue recognition in five stages:

- step 1: Contract identification;
- step 2: Identification of "performance obligations" within the contract. "Performance obligations" serve as a unit of account for revenue recognition;
- step 3: Evaluation of the contract price;
- step 4: Allocation of the contract price to each "performance obligation";
- step 5: Recognition of revenue when the "performance obligation" is satisfied, either on a given date or on a percentage-of-completion basis.

For the 2020 fiscal year, the revenue recorded concerns contracts for the occasional delivery of samples under contracts with Carbios' partners.

For the 2021 fiscal year, the revenue recognized concerns:

- on the one hand, feasibility studies, tests and research services with a performance obligation: revenue is recognized when the study report is submitted;
- on the other hand, deliveries of raw materials and masterbatch samples to various customers: revenue is recognized upon delivery.

The revenue recognized for the 2021 fiscal year includes the revenue of the Carbiolice entity for the period from June 4, 2021 to December 31, 2021.

NOTE 16 BREAKDOWN OF INCOME AND EXPENSES BY FUNCTION

Accounting principles

The Group presents its income statement by function in the following categories:

- research and development expenses;
- sales and marketing expenses;
- general and administrative expenses;
- other operating income and expenses.

The research tax credit and other operating subsidies are presented as a deduction from the expenses to which they are related.

In addition, the Company entered into contracts with its subsidiary Carbiolice (before the takeover and the transition to full consolidation) and industrial partners for various re-invoicing and research services. These products are analyzed as contributions to the Company's expenses. They do not fall within the definition of revenue (see Note 15) insofar as they do not involve any performance obligation. Carbios recognizes as expenses the costs that these rebillings are intended to offset. All these income items are identified in the details below under "Other rebillings".

16.1 Research and development expenses

Research and development *(In thousands of euros)*	12/31/2021	12/31/2020
Raw materials and consumables	(622)	(125)
Stored production	(220)	-
Studies and research	(1,853)	(1,081)
Subcontracting	(19)	-
Employee expenses	(5,405)	(2,697)
Maintenance and repairs	(171)	(67)
Depreciation, amortization and impairment	(2,394)	(611)
Others(1)	(1,048)	(1,117)
RESEARCH AND DEVELOPMENT EXPENSES	**(11,732)**	**(5,698)**
Research tax credit	2,642	1,488
Subsidies	573	342
Other rebillings	382	692
SUBSIDIES AND OTHER OPERATING INCOME	**3,597**	**2,522**
CAPITALIZATION OF DEVELOPMENT COSTS	**409**	**-**
RESEARCH AND DEVELOPMENT EXPENSES	**(7,727)**	**(3,176)**

(1) As of December 31, 2021, this item includes intermediary fees and fees for €249 thousand and asset disposals for €235 thousand. At December 31, 2020, this mainly concerned the scrapping of investments made on the Saint-Fons site, which were non-transferable (€780 thousand) to the new construction site of the demonstration plant located in Clermont-Ferrand. Other expenses related to this category concern miscellaneous expenses (insurance, travel expenses, etc.).

For the 2021 fiscal year, research and development costs include the costs of the Carbiolice entity from June 4, 2021.

In accordance with its objectives, the Group continued its research and development efforts on all its innovation themes and in particular on the enzymatic recycling of PET plastics and fibers. Net research and development expenses amounted to €7,727 thousand in 2021 compared to €3,176 thousand in 2020.

For the 2021 fiscal year:

- concerning Research and Development costs, the Group incurred €11,732 thousand in expenses, in line with its industrialization ambitions. The significant increase in R&D costs is mainly related to the commissioning of its industrial demonstration plant and to a lesser extent to the consolidation of Carbiolice from June 4, 2021. The main changes are due to the increase in personnel costs with a strong growth in the number of employees in the industrial demonstration plant, as well as the use of external services;
- with regard to Subsidies and other income from operations, the Group recognized €3,597 thousand to partially offset these R&D costs. This item notably includes research tax credits (CIR) of €2,265 thousand for Carbios and €721 thousand for Carbiolice for the 2021 fiscal year (compared with €1,488 thousand and €577 thousand respectively in 2020, with these amounts received in 2021);
- lastly, the Group capitalized Development costs relating to the PET enzymatic recycling project, in the amount of €409 thousand, from October 1, 2021 in accordance with the activation criteria of IAS 38.

16.2 Sales and marketing expenses

Sales and marketing expenses *(In thousands of euros)*	12/31/2021	12/31/2020
Purchases and supplies not held in inventories	(3)	-
Employee expenses	(1,489)	(1,018)
Rental expenses	(6)	-
Maintenance and repairs	(2)	-
Consulting fees	(861)	(716)
Advertising	(71)	(56)
Transport, Travel	(27)	(30)
Depreciation, amortization and impairment	(12)	-
Other rebillings	495	567
SALES AND MARKETING EXPENSES	**(1,976)**	**(1,253)**

For the 2021 fiscal year, sales and marketing expenses include the costs of the Carbiolice entity from June 4, 2021.

Sales and marketing expenses amounted to €1,976 thousand for the 2021 fiscal year compared to €1,253 thousand in 2020. This increase of €723 thousand is mainly due on the one hand to the full consolidation of Carbiolice from June 4, 2021 and on the other hand, to the strengthening of the Group's sales teams to support the acceleration of its developments.

16.3 General and administrative expenses

General and administrative expenses *(In thousands of euros)*	12/31/2021	12/31/2020
Travel expenses and missions	(141)	(32)
Fees	(1,453)	(621)
Insurance	(72)	(63)
Taxes and duties	(136)	(66)
Employee expenses	(3,603)	(837)
Depreciation, amortization and impairment	(261)	(147)
Other	(585)	(216)
GENERAL AND ADMINISTRATIVE EXPENSES	**(6,251)**	**(1,983)**

For the 2021 fiscal year, general and administrative expenses include the costs of the Carbiolice entity from June 4, 2021.

General and administrative expenses amounted to €6,251 thousand for the 2021 fiscal year compared to €1,983 thousand in 2020. This increase of €4,268 thousand is mainly due to the increase in personnel costs, due to the strong increase in the workforce during the 2021 fiscal year and to a lesser extent to consulting services.

NOTE 17 RELATED PARTIES

Executive compensation

The compensation recognized as expenses for the main executives, corresponding to the members of the Board of Directors and the Executive Management, is as follows:

Executive compensation *(In thousands of euros)*	**12/31/2021**	**12/31/2020**
Short-term employee benefits	1,656	776
Post-employment benefits	15	14
Share-based payments	270	175
TOTAL EXECUTIVE COMPENSATION	**1,940**	**965**

Compensation recognized as expenses for the Company's main executives includes their salaries and bonuses, benefits in kind and directors' fees. In addition, compensation includes post-employment benefits (Note 22) as well as share-based compensation (Note 13).

License agreement with Carbiolice

The Company entered into a patent license and know-how agreement with Carbiolice on August 30, 2016 for a period running until the expiry of the last of the patents granted, and an amendment signed on June 28, 2018.

Payment for this agreement is scheduled to take the form of an €8 million lump-sum royalty payment and variable royalties based on the revenue generated from Carbiolice's use of the licensed technology. No royalty income was recognized for the 2020 and 2021 fiscal years.

From June 4, 2021, this license agreement was reassessed and taken into account in the Group's assets (see Note 3.5).

NOTE 18 STATUTORY AUDITORS' FEES

Statutory Auditors' fees *(Amounts excl. Tax in thousands of euros)*	**12/31/2021 PWC**	**12/31/2020 PWC**
Statutory audit	43	39
Other services and due diligence directly related to the Statutory Auditors' assignment	-	-
Services other than certification of financial statements[1]	236	17
SUB-TOTAL	**279**	**55**
Other services rendered	-	-
• Tax	-	-
• Other	-	-
SUB-TOTAL	**-**	**-**
TOTAL	**279**	**55**

NOTE 19 NET FINANCIAL INCOME

Accounting principles

Financial income includes:

- expenses related to the Company's financing: interest paid and accretion of repayable advances and financial liabilities;
- income related to interest on term deposits and the capitalization contract;
- income related to repayable advances.

Net financial income *(In thousands of euros)*	**12/31/2021**	**12/31/2020**
Foreign exchange gains	0	2
Other financial income	42	25
FINANCIAL EXPENSES	**43**	**27**
Cost of borrowing	**(493)**	**(335)**
Interest expense on borrowings	-	*(116)*
Interest expense on repayable advances	*(237)*	*(172)*
Interest expense on lease liabilities IFRS 16	*(116)*	*(47)*
Interest expense on employee benefit obligations IAS 19	*(1)*	*(1)*
Other financial expenses	**(4)**	**(4)**
FINANCIAL EXPENSES	**(497)**	**(340)**
NET FINANCIAL INCOME	**(454)**	**(313)**

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.

Financial expenses come from interest expenses on loans and repayable advances.

NOTE 20 INCOME TAX

Accounting principles

Tax assets and liabilities due in respect of the fiscal year and prior years are measured at the amount expected to be recovered or paid to the tax authorities. The tax rates and tax rules applied to determine these amounts are those adopted or substantially adopted at the closing date.

The income tax expense for the fiscal year includes current tax payable and deferred tax. Tax is recognized in the income statement, unless it is related to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current taxes

Current tax is calculated on the basis of tax regulations enacted or substantively enacted at the closing date in the countries where the Company's subsidiaries operate and generate taxable profits.

Deferred taxes

Deferred taxes are recognized according to the balance sheet approach of the liability method, for all temporary differences between the carrying amount of assets and liabilities and their tax bases. The valuation of deferred tax assets and liabilities is based on the way in which the Group expects their repayment using the tax rates that have been enacted or substantively enacted at the closing date.

In accordance with IAS 12, deferred tax assets and liabilities are not discounted.

The main temporary differences are related to tax losses carried forward.

Deferred tax assets are recognized for unused tax loss carryforwards to the extent that taxable temporary differences are available, and beyond when it is probable that the Company will have future taxable profits on which these unused tax losses may be allocated. The determination of the amount of deferred tax assets that may be recognized requires Management to make estimates both on the period of consumption of tax loss carryforwards, and on the level of future taxable profits, with regard to tax management strategies.

Deferred tax liabilities are recognized for all temporary taxable differences, except to if the Group is able to control the date on which the temporary difference will reverse and it is probable that the temporary difference will not reverse in a foreseeable future.

Deferred tax liabilities recognized as part of the Carbiolice purchase price allocation exercise:

For Carbiolice, deferred tax liabilities were recognized as follows in connection with the purchase price allocation exercise:

Recognition of deferred tax liabilities *(In thousands of euros)*	12/31/2021
Tax losses	2,677
Rights of use	9
Provision - employee benefits	25
DEFERRED TAX ASSETS	**2,710**
Intangible assets	(4,404)
DEFERRED TAX LIABILITIES	**(4,404)**
DEFERRED TAX LIABILITIES RECOGNIZED	**(1,693)**

Tax rate and tax loss carryforwards

The income tax rate applicable to the Group is the rate currently in force in France, i.e. 26.5% (28% at December 31, 2020).

The Group has tax losses that can be carried forward indefinitely in France. As of December 31, 2021, they amounted to:

- €54,418 thousand for Carbios (€35,070 thousand at December 31, 2020);
- €23,057 thousand for Carbiolice.

The Company recorded tax losses in the 2021 and 2020 fiscal years. As the recoverability of these tax losses is not considered probable over the coming periods due to the uncertainties inherent to the Group's business, no deferred tax assets were recognized in this respect at December 31, 2021 and 2020.

Carbiolice also recorded tax losses in the 2021 fiscal year. As the recoverability of these tax losses is not considered probable over the coming periods due to the uncertainties inherent in the business, Carbiolice has recognized deferred tax assets up to the cap on the use of tax losses carried forward as part of the purchase price allocation exercise. At December 31, 2021, the amount of tax losses relating to unrecognized deferred tax assets amounted to €12,695 thousand.

RECONCILIATION OF THEORETICAL AND EFFECTIVE TAX

Tax proof *(In thousands of euros)*	12/31/2021	12/31/2020
INCOME BEFORE TAXES	**3,781**	**(8,273)**
Current tax rate	26.5%	28.0%
THEORETICAL TAX AT THE CURRENT RATE	**(1,002)**	**2,316**
Research tax credit (CIR)	700	417
Permanent differences	1,574	749
Non-capitalized tax loss	(6,086)	(2,875)
Deferred tax assets not capitalized	(40)	(46)
Impact of share-based payments	(466)	(92)
Impact of the equity method of Carbiolice	5,320	(469)
INCOME TAX	**-**	**-**
Effective tax rate	*0.00%*	*0.00%*

Tax credits correspond to the research tax credit (CIR), non-taxable income, recognized as a deduction from research and development costs (see Note 16.1 "Research and development expenses").

NOTE 21 EARNINGS PER SHARE

Accounting principles

Basic earnings per share are calculated by dividing the earnings attributable to equity holders of the Company's shares by the weighted average number of shares outstanding during the period.

Diluted earnings per share are determined by adjusting the income attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all potentially dilutive ordinary shares.

If an anti-dilutive effect is generated by taking into account the instruments giving entitlement to deferred capital (BSA, BSPCE) for the calculation of the diluted earnings per share, these instruments are not taken into account.

Earnings per share	12/31/2021	12/31/2020
Weighted average number of shares outstanding	10,077,677	7,414,247
Number of diluted shares	10,775,325	8,792,120
Net income for the period - attributable to shareholders of the parent company *(in thousands of euros)*	3,780	(8,273)
BASIC EARNINGS PER SHARE *(€/SHARE)*	**0.38**	**(1.12)**
DILUTED EARNINGS PER SHARE *(€/SHARE)**	**0.35**	**(1.12)**

* *For the 2020 fiscal year, diluted earnings per share are identical to basic earnings per share. Potentially dilutive shares for the 2020 fiscal year (686,823 shares - 208,400 share subscription warrants (BSA) and 478,423 BSPCE) were excluded from the calculation of diluted earnings per share, as these shares had an anti-dilutive effect due to the reported losses. On the contrary, for the 2021 fiscal year, the 697,648 potentially dilutive securities (179,600 share subscription warrants (BSA) and 518,048 BSPCE) were included in the calculation of dilutive income.*

NOTE 22 EMPLOYEE BENEFIT OBLIGATIONS

Accounting principles

Defined benefit plans

The Group's defined benefit plans correspond to retirement benefits paid to employees in France.

The Group's obligation under this plan is recognized as a liability and measured using an actuarial method that takes into account the employee turnover rate, their life expectancy, the employee progression rate and a discount rate. The calculation is based on the projected unit credit method with final salary.

The cost of services is recognized in personnel expenses and includes:

- the cost of services rendered during the period;
- the cost of past services resulting from the amendment or reduction of the plan (fully recognized in profit or loss for the period in which it occurred); and
- gains and losses resulting from liquidations.

The interest expense, corresponding to the effect of unwinding the discount on commitments, is recognized in financial expenses.

Revaluations of the liability (actuarial difference) are recognized in other items that cannot be reclassified to comprehensive income.

Defined contribution plans

The contributions to be paid to a defined contribution plan are recognized as expenses when the corresponding service is rendered. Prepaid contributions are recognized as assets to the extent that a cash repayment or a reduction in future payments is possible. This is the general social security pension scheme and supplementary schemes.

The main actuarial assumptions used to measure retirement benefits are as follows:

Actuarial assumptions	12/31/2021	12/31/2020	01/01/2020
Retirement age	63 years	67 years	67 years
Collective bargaining agreement	Chemicals: Industry		
Discount rate	1.00%	0.34%	1.00%
Mortality table	INSEE 2016-2018	INSEE 2016-2018	INSEE 2016-2018
Rate of salary increases	3.00%	2.00%	2.00%
	18 to 29 years old from 6.22% to 2.77%		
	30 to 39 years from 2.77% to 2.18%		
	40 to 49 years from 2.04% to 0.15%		
	50 to 54 years 0.1%		
	55 to 64 years old 0.05%		
Turnover rate	Over 65 years old 0%		
Carbios	45%	45%	45%
Carbiolice	40%	/	/

The provision for retirement commitments changed as follows:

(In thousands of euros)	Pension commitment
AS AT JANUARY 1, 2020	**95**
Cost of services rendered	32
Interest expense	1
Actuarial gains or losses	30
AS AT DECEMBER 31, 2020	**159**
Change in scope	53
Cost of services rendered	28
Interest expense	1
Actuarial gains or losses	36
AS AT DECEMBER 31, 2021	**278**

NOTE 23 OFF-BALANCE SHEET COMMITMENTS

23.1 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.

23.2 Other commitments

Due to the impact of IFRS 16, the off-balance sheet commitments existing at December 31, 2021 and December 31, 2020 are not considered to be significant.

5.7 STATUTORY AUDITORS' AUDIT REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF CARBIOS S.A. PREPARED IN ACCORDANCE WITH IFRS AS ADOPTED BY THE EUROPEAN UNION

Fiscal year ended December 31, 2021

To the Chairman of the Board of Directors,

In our capacity as Statutory Auditor of Carbios S.A. and in response to your request, we have audited the consolidated financial statements of Carbios S.A. for the fiscal year ended December 31, 2021, presented in accordance with IFRS as adopted in the European Union, as attached to this report.

These consolidated financial statements were prepared under the responsibility of the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with professional standards applicable in France and the professional doctrine of the Compagnie Nationale des Commissaires aux Comptes relating to this intervention; these standards require the implementation of procedures to obtain reasonable assurance that the consolidated financial statements are free from material misstatement. An audit consists of verifying, on a sample basis or by means of other selection methods, the elements justifying the amounts and information appearing in these financial statements. It also consists of assessing the accounting principles used, the significant estimates made and the overall presentation of the financial statements. We believe that the information we have collected is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the consolidated financial statements fairly present, in all material respects and in accordance with IFRS as adopted by the European Union, the assets and liabilities and financial position of the group comprising the persons and entities included in the consolidation at December 31, 2021 as well as the result of operations for the past fiscal year.

Neuilly-sur-Seine, March 31, 2022

The Statutory Auditor

PricewaterhouseCoopers Audit

Flora Camp

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6 SHARE CAPITAL AND SHAREHOLDING STRUCTURE

6.1 SHAREHOLDING STRUCTURE

6.1.1 DISTRIBUTION OF SHARE CAPITAL

6.1.1.1 Distribution of share capital over the last three fiscal years

	Capital as of 12/31/2021			Capital as of 12/31/2020			Capital as of 12/31/2019		
Shareholders	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%	0	0.00%	0.00%	407,330	5.90%	7.28%
Fonds Truffle Capital	46,511	0.42%	0.42%	162,227	2.00%	2.00%	1,263,759	18.30%	17.98%
Directors (1)	15,804	0.14 %	0.14 %	199	0.00%	0.00%	11,807	0.17%	0.19%
Copernicus Wealth Management SA (2)	658,392	5.89%	5.88%	635,392	7.84%	7.82%	620,154	8.98%	8.82%
Business Opportunities for L'Oréal Development (BOLD)	660,248	5.91%	5.90%	482,834	5.96%	5.95%	387,596	5.61%	5.51%
Michelin Ventures	486,400	4.35%	4.35%	363,410	4.48%	4.48%	310,077	4.50%	4.41%
L'Occitane Group	263,157	2.35%	2.35%	0	0.00%	0.00%	0	0.00%	0.00%
Treasury shares	3,648	0.03%	N/A	1,600	0.02%	N/A	5,830	0.08%	N/A
Free float	9,045,712	80.91%	80.89%	6,459,635	79.70%	79.75%	3,898,056	56.46%	55.80%
TOTAL	**11,179,472**	**100.0%**	**100.0%**	**8,105,297**	**100.0%**	**100.0%**	**6,904,609**	**100.0%**	**100.0%**

(1) The "directors" line of the table does not take into account the holdings of Truffle Capital, BOLD and Michelin Ventures. Specific lines will be dedicated to these directors. Truffle Capital, represented by Mr. Philippe Pouletty, BOLD, Business Opportunity for L'Oréal Development, represented by Mr. Laurent Schmitt and Michelin Ventures, represented by Mr. Nicolas Seeboth have been members of the Board of Directors since September 20, 2018, June 23, 2021 and June 23, 2021.

(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 5, 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:

	Existing share capital					Breakdown of share capital in the event of the exercise of all financial instruments giving access to the share capital				
Shareholders	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	0.42%	46,511	46,511	0.42%	46,511	0.39%	46,511	46,511	0.39%
Deinove	0	0%	0	0	0%	170,000	1.43%	170,000	170,000	1.43%
Directors(1)	6,204	0.06%	6,205	6,205	0.06%	86,727	0.73%	86,728	86,728	0.73%
Copernicus Wealth Management SA(2)	658,392	5.89%	658,392	658,392	5.88%	658,392	5.54%	658,392	658,392	5.54%
BOLD	660,248	5.90%	660,248	660,248	5.90%	660,248	5.56%	660,248	660,248	5.55%
Michelin Ventures	486,400	4.35%	486,400	486,400	4.34%	486,400	4.10%	486,400	486,400	4.09%
L'Occitane Group	263,157	2.35%	263,157	263,157	2.35%	263,157	2.22%	263,157	263,157	2.21%
Treasury shares	3,200	0.04%	3,200	0	N/A	3,200	0.03%	3,200	0	N/A
Free float	9,060,360	81.01%	9,077,364	9,077,364	81.06%	9,502,485	80.01%	9,519,486	9,519,486	80.06%
TOTAL	**11,184,472**	**100%**	**11,201,477**	**11,198,277**	**100%**	**11,877,120**	**100%**	**11,894,125**	**11,890,925**	**100%**

(1) The "directors" line of the table does not take into account holdings of BOLD or Michelin Ventures. Specific lines will be dedicated to these directors. BOLD, Business Opportunity for L'Oréal Development, represented by Mr. Laurent Schmitt and Michelin Ventures, represented by Mr. Nicolas Seeboth, have been members of the Board of Directors since June 23, 2021 and June 23, 2021 respectively.

(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;
- L'Occitane International SA (Switzerland), wholly-owned subsidiary of L'Occitane International SA (LOI) and head office of L'Occitane Group, a retailer of cosmetic well-being products based on natural and organic ingredients, which has more than 3,000 points of sale in 90 countries; and
- 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

- 513,048 BCEs. If all of these BCEs were exercised, they would give rights to 513,048 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	11,184,472	513,048	179,600	692,648
Total number of shares after exercising warrants		11,697,520	11,359,072	11,877,120
Dilution (on an undiluted basis)		4.59%	1.61%	6.19%

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 the date of this Universal Registration Document, on April 5, 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 17,004 of their actions.

As at the date of this Universal Registration Document, 17,005 Company shares carried double voting rights. These shares represent 0.15% of share capital and 0.15% 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 ten 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 Strategy 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 12/31/2021	11,179,472
Highest price over one year (in 2021)	€61.80
Lowest price over one year (in 2021)	€33.06
Year's average daily volume (in 2021)	43,446 securities
ISIN	FR0011648716
Stock market indices	Euronext Growth All-share, Euronext Growth Bpifrance Innovation, Euronext Tech Croissance, CAC PME and Enternext PEA PME 150

6.2.2 CHANGE IN SHARE PRICE SINCE JANUARY 2021

	Price per share *(in euros)*	
	Highest	**Lowest**
2021	**61.80**	**33.06**
January	56.80	39.80
February	61.80	45.10
March	49.70	39.60
April	49.50	37.32
May	43.68	33,06
June	46.30	37.00
July	44.96	38.02
August	46.38	39.00
September	45.00	39.50
October	41.96	36.44
November	40.76	34.80
December	41.00	36.00
2022	**41.96**	**27.30**
January	41.96	36.22
February	39.50	31.00
March	37.36	27.30

6.3 DIVIDEND POLICY

The Company declares that it has no dividend policy in place.

6.4 OTHER INFORMATION ON 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 €7,829,130.40 divided into 11,184,472 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.

We inform you that on December 31, 2020, the following resources were allocated to the liquidity account:

- number of shares: 3,648 securities;
- cash balance of the liquidity account: €86,895.48;
- carrying amount of the shares: €137,989.38

During the second half-year 2021, the following total was negotiated:

Purchase	32,912 shares	€1,321,047.68	700 transactions
Sale	32,559 shares	€1,309,652.30	650 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.

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
TOTAL	**1,253**	**170,000**	**6,747**	**1,600**

Holders	BCE 2012-1	BCE 2015-2	BCE-2017-1	BCE-2019-1	BCE 2020	BCE 2021
Alain MARTY		15,000			75,000	
Jean-Claude LUMARET					169,175	
Alain CHEVALLIER	1,548					
Martin STEPHAN			25,000		75,000	
Ian HUDSON				28,000		
Kader HIDRA					96,000	
Emmanuel LADENT						36,735
Other employees						91,390
TOTAL	**1,548**	**15,000**	**25,000**	**28,000**	**315,375**	**128,125**

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 692,648 shares to be issued, *i.e.* a dilution of 6.19% on an undiluted basis (amounting as at the date of this Universal Registration Document to 11,184,472 shares) and 5.83% on a diluted basis.

Details of the various allocation plans are set out in section 6.4.2 of this Universal Registration Document.

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 the 2020 fiscal year
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)	GM of June 18, 2020 Thirteenth resolution	This delegation expired on December 17, 2021.	**BSPCEs issued without consideration.The subscription price of shares on the exercise of the BSPCE**: set by the Board of Directors, it being understood that if the Company has carried out a capital increase 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: €210,000This amount will be deducted from the total authorized ceiling, set at the 15th resolution of the Shareholders' Meeting of June 18, 2020 (1)	**Meeting of the Board of Directors of January 15, 2021:** Issue of 85,000 BCE-2021 **Meeting of the Board of Directors of November 5, 2021:** Issue of 43,125 BCE-2021
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	GM of January 8, 2021 Fifth resolution	This delegation is no longer valid due to the vote of a delegation for the same purpose at the Shareholders' Meeting of February 2, 2022	At least equal to the volume-weighted average of the last five 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 (2) Nominal amount of securities representing debt: €100,000,000(3)	**Meeting of the Board of Directors of April 29, 2021:** Implementation of the delegation of authority. **Decision of the Chief Executive Officer on May 12, 2021:** The Chief Executive Officer made use of the delegation granted to him by the Board of Directors at its meeting of May 10, 2021 and noted a capital increase in the amount of €2,100,000 through the issue of 3,000,000 new Company shares
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	GM of February 2, 2022 First resolution	18 months from the GM, i.e. until August 1, 2023	-	10% of the share capital	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 the 2020 fiscal year
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	GM of February 2, 2022 Second resolution	26 months from the GM, i.e. until April 1, 2024	-	The nominal amount of capital increases is set at €3,906,000 (4) Nominal amount of securities representing debt: €223,000,000 (5)	None
Authorization to the Board of Directors, for the purpose 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 delegation of authority referred to in the previous resolution with preferential subscription rights maintained	GM of February 2, 2022 Third 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 resolution).	Same price as the initial issue	The nominal amount of capital increases is set at €3,906,000 (4) Nominal amount of securities representing debt: €223,000,000 (5)	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 without naming beneficiaries and by public offering	GM of January 8, 2021 Third resolution	26 months from the GM, i.e. until April 1, 2024	At least equal to the volume-weighted average of the last five 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 the capital increases is set at €780,000, which may be increased to €1,560,000 in the event of a priority period for shareholders (4) Nominal amount of securities representing debt: €45,000,000 (5)	None
Delegation of authority to the Board of Directors to decide to issue, with cancellation of preferential subscription rights, 296,928 share subscription warrants ("BSA") giving the right to subscribe to 296,928 new ordinary Company shares, for the benefit of the European Investment Bank	GM of February 2, 2022 Eighth Resolution	18 months from the GM, i.e. until August 1, 2023	**Issue price of the share subscription warrants (BSA):** €0.01Exercise price of the share subscription warrants (BSA):- for 50% of the share subscription warrants (BSA), €40;- for 50% of the share subsription warrants (BSA), an amount equal to the volume-weighted average of the last three trading days preceding the fifth day preceding the signature of the contract relating to the issuance of the share subscription warrants, i.e. €38.8861	Maximum nominal amount of capital increases resulting from the exercise of the share subscription warrants (BSA): €207,849.60	**Meeting of the Board of Directors of February 3, 2022:** Implementation of the delegation of authority
Authorization to the Board of Directors to reduce the Company's share capital by means of cancelling shares	GM of January 8, 2021 Eleventh resolution	18 months, effective from the GM, i.e. until July 7, 2022	-	10% of the share capital per period of 24 months	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 the 2020 fiscal year
Delegation of powers to the Board of Directors to decide on a capital increase in cash reserved for employees who are members of a company savings plan in accordance with the provisions of articles L. 225-129-6 of the French Commercial Code and L. 3332-18 et seq. of the French Labor Code, with cancellation of preferential subscription rights reserved for the benefit of Company employees	GM of January 8, 2022 Eleventh resolution	26 months from the GM, i.e. until April 1, 2025	At most equal to the average of the listed prices for the last twenty trading sessions preceding the day of the decision setting the opening date of the subscription, less a maximum discount of 30% (or 40% if the lock-up period provided for by the plan is greater than or equal to 10 years)	Nominal amount of the maximum capital increase: €5,000	None

(1) 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.

(2) 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.

(3) 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.

(4) This amount is deducted from the overall ceiling of capital increases provided for in the Twelfth Resolution of the Shareholders' Meeting of February 2, 2022, set at €3,906,000.

(5) This amount is deducted from the overall ceiling of issuances of debt securities provided for in the Twelfth Resolution of the Shareholders' Meeting of February 2, 2022, set at €223,000,000.

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
Bylaws	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
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

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
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
05/12/2021	Increase	€0.70	€37.30	3,000,000	11,164,472	€7,815,130.40
06/23/2021	RAN allocation	-	-	-	11,164,472	€7,815,130.40
11/05/2021	Increase	€0.70	€7.16	5,000	11,169,472	€7,815,130.40
11/05/2021	Increase	€0.70	€10,52	6,000	11,175,472	€7,822,830.40
12/16/2021	Increase	€0.70	€29,59	2,000	11,177,472	€7,824,230.40
04/05/2022	Increase	€0.70	€7.16	5,000	11,184,472	€7,829,130.40

6.4.2 EQUITY INVESTMENTS AND SECURITIES GIVING ACCESS TO THE SHARE CAPITAL OF EXECUTIVE CORPORATE OFFICERS AND EMPLOYEES

As of the date of this Universal Registration Document and to the best of the Company's knowledge:

- employees[(1)] do not hold any shares in the Company but hold 277,390 BSPCEs; and
- executive corporate officers held 9,600 shares in the Company and held 164,735 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 692,748 shares to be issued, *i.e.* a dilution of 6.19% on an undiluted basis (amounting as at the date of this Universal Registration Document to 11,184,472 shares) and 5.83% 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 NO. 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 below)	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(1)	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 = (total number of BSAs 2011-1 allocated to the beneficiary * 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 on 09/28/2012, and for the first time from 02/28/2013, calculated according to the following rule: x = (total nb of BSAs 2012-2 allocated to beneficiary * 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 = (total nb.of BSAs 2013-1 allocated to beneficiary * 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.

	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 JUERY	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[1]	0.85	0.85	0.59
Warrant exercise method	Possibility of exercising a number x of warrants per complete monthly period beginning on 06/5/2014, and for the first time from 06/24/2016, calculated according to the following rule: x = (total nb of BSAs 2015-2 allocated to beneficiary * nb of months since 06/5/2014)/48.	Possibility of exercising a number x of warrants per complete monthly period beginning on 10/22/2013, and for the first time from 06/24/2016, calculated according to the following rule: x = (total nb of BSAs 2015-3 allocated to beneficiary * 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 = (total nb.of BSAs 2016-1 allocated to beneficiary * 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 NO. 2021-02: HISTORY OF SHARE SUBSCRIPTION OR PURCHASE ALLOCATIONS

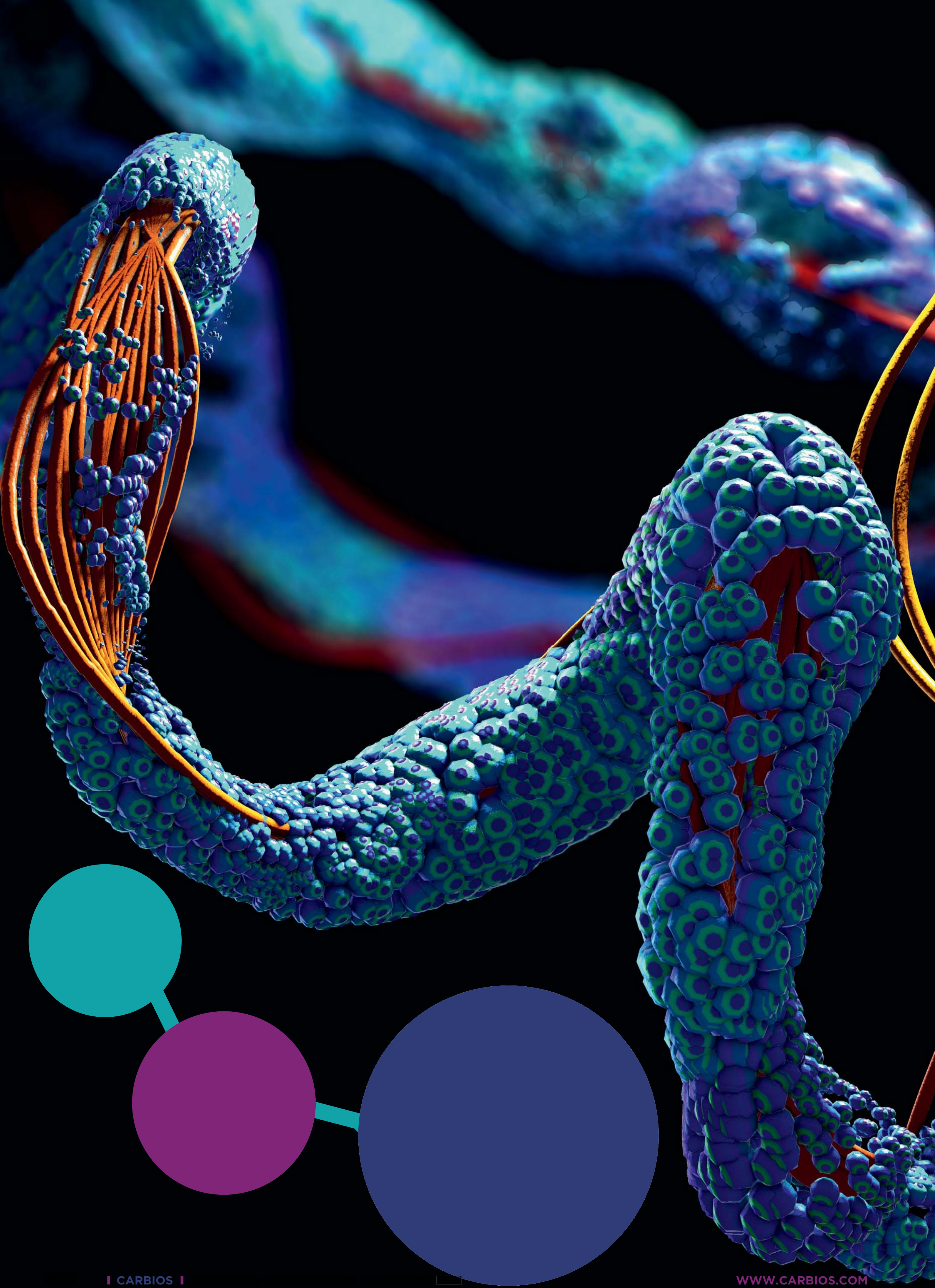
	BCE 2012-1	BCE 2013-1	BCE 2015-2	BCE 2016-1	BCE-2017-1	BCE-2019-1
Date of Shareholders' Meeting	Collective decision of the shareholders on 09/28/2012	Decision of the Shareholders' Meeting on 07/26/2013	Shareholders' Meeting of 06/24/2015	Shareholders' Meeting of 06/24/2015	Shareholders' Meeting of 06/15/2017	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 = (total nb of BCEs 2012-1 allocated to the beneficiary * 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 = (total nb of BCEs 2013-1 allocated to the beneficiary * 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 = (total nb of BCEs 2015-2021 allocated to the beneficiary * 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 * 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 * 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 * number of months since 01/01/2019)/48. For the other 14 warrants: possibility of exercising y warrants where y = (number of warrants not yet exercisable) *% determined by the performance of the Carbios share price.
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	10,000	0
Cumulative number of subscription or purchase warrants canceled or null and void	0	0	0	18,991	10,000	0
Share subscription warrants that may be exercised at the date of this Universal Registration Document	1,548	6,000	15,000	0	25,000	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	BCE-2021-16	BCE-2021-17
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 06/18/2020	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 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 01/15/2021	Decision of the Board of Directors of 11/05/2021	Decision of the Board of Directors of 11/05/2021
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	36,735	6,390
Emmanuel LADENT	-	-	-	-	36,735	-
Jean-Claude LUMARET	92,500	57,500	-	-	-	-
Martin STEPHAN	46,250	28,750	-	-	-	-
Warrant exercise startdate	03/12/2020	07/09/2020	09/15/2020 and 09/15/2021	01/15/2022	12/01/2022	11/05/2022
Expiration date	03/12/2030	07/09/2030	09/15/2030	01/15/2031	12/01/2031	11/05/2031
Price of subscription or purchase of warrant	Free	Free	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 * 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 = (total nb. of BCEs 2021-2021 allocated to the beneficiary * nb.of months since 01/15/2021)/48.	For the first 18,367 warrants: To be exercised, the remaining 18,368 warrants must satisfy four performance conditions. Each condition met gives the right to exercise 5,510 warrants, 6,429 warrants, 2,755 warrants and 3,677 warrants, respectively. If all of the Company's shares are acquired by an industry player, accelerated vesting is provided depending on the share vesting price	Possibility of exercising a number x of warrants per complete monthly period, and for the first time from November 5, 2022, calculated according to the following rule: X = total number of BCE-2021 granted to the beneficiary* (number of months elapsed from November 5, 2021)/48

	BCE-2020-1 to BCE-2020-3	BCE-2020-4 to BCE-2020-6	BCE-2020-7	BCE-2021-1 to BCE-2021-15	BCE-2021-16	BCE-2021-17
Exercise price	7.75934	20.6050	30.2899	44.5047	37.7340	39.7863
Number of shares subscribed as of the date of this Universal Registration Document	23,125	14,375	0	0	0	0
Cumulative number of subscription or purchase warrants canceled or null and void	0	43,125	0	0	0	0
Share subscription warrants that may be exercised at the date of this Universal Registration Document	161,875	57,500 (1)	100,000(1)	85,000(2)	36,735 (3)	6,390 (4)

(1) Recognition of the lapse of 43,125 BCE-2020-4 at the meeting of the Board of Directors on November 5, 2021.
(2) May be exercised starting January 15, 2022.
(3) May be exercised from December 1, 2022.
(4) May be exercised from November 5, 2022.

As at the date of this Universal Registration Document, there were 513,048 BCEs exercisable, granting rights to 513,048 shares.



7

ADDITIONAL INFORMATION

7.1 INFORMATION ABOUT THE ISSUER

7.1.1 LEGAL AND COMMERCIAL NAME

The Company's name is Carbios.

7.1.2 REGISTRATION WITH THE TRADE AND COMPANIES REGISTER AND LEI IDENTIFIER

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 Emile Duclaux – 63360 Saint-Beauzire, France.

The Company is subject to French law and governed by its bylaws as well as the laws and regulations of the French Commercial Code for commercial companies.

The telephone number of the registered office is +33 (0)4 73 86 51 76.

The Company has a website: www.carbios.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 IMPORTANT EVENTS IN THE DEVELOPMENT OF THE BUSINESS

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.

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.

September 2016: Operational launch of the Carbiolice joint venture, in partnership with Limagrain Ingrédients and the SPI fund operated by Bpifrance Investissement.

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'Oréal and the Company sign an agreement to create a Consortium to industrialize Carbios technology for enzymatic plastic recycling.

December 2017: Completion of Key Stage 5 (the final stage) of the Thanaplast™ program and receipt from Bpifrance of the final tranche of €1,021 thousand.

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.

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.

October 2020: Carbios acquires all of its 18.02% stake in Carbiolice from Limagrain Ingrédients.

November 2020: Carbios produces first clear plastic bottles from enzymatically recycled textile waste.

April 2021: Carbios announces a project to build a reference unit using its 100% PET recycling technology.

May 2021: As part of a Global Offer, Carbios carries out a capital increase of €114 million at a unit price of €38 per share.

June 2021: Carbios acquires the entire 37.29% stake in Carbiolice from the SPI fund.

September 2021: Carbios announces the operational start of its industrial demonstration plant using its C-ZYME™ enzymatic recycling technology.

November 2021: Carbios and its partners T. EN Zimmer GmbH and Deloitte obtain a grant of €3.3 million from the European Commission through the LIFE program.

December 2021: Carbios announces that it has obtained a loan of €30 million from the European Investment Bank.

February 2022: Carbios and Indorama Ventures announce their collaboration for the construction, in France, of a reference plant using Carbios' PET biorecycling technology.

April 2022: Appointment of Philippe Pouletty as Chairman of the Board of Directors of Carbios.

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 ENTRY IN THE REGISTER AND CORPORATE PURPOSE (ARTICLE 4 OF THE BYLAWS)

The purpose of the Company is, directly or indirectly, in France as well as abroad:

- the exercise of any research, development, production, marketing activity in France and abroad, relating to biotechnologies and, in particular, technologies, processes and products in the field of transformation of biomass and bioremediation;
- the exercise of any activity related to green chemistry, and in particular technologies, processes and products in the field of green chemistry;
- the acquisition, subscription, holding, management or disposal in any form whatsoever of all shares or securities in all French or foreign legal companies or entities, created or to be created, and more generally, the management of holdings in the Company's sector of activity;
- the direct or indirect holding of equity in any operations that may be related to any one of the above-mentioned purposes, or likely to promote them, by means of the creation of new companies, contributions or the subscription or purchase of securities or company rights, mergers, partnerships, equity holdings or other;
- and, more generally, any moveable or immoveable, industrial, commercial or financial transactions related, directly or indirectly, to this purpose or to any similar or connected purposes, or that may be useful for this purpose or may facilitate its realization.

7.2.2 PROVISIONS OF THE COMPANY'S BYLAWS, A CHARTER OR REGULATIONS CONCERNING MEMBERS OF THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

7.2.2.1 Board of Directors

Board of Directors (Articles 13 to 16 and 18 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 dismissal 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 fiscal year just ended and held during the year in which said director's term of office expires.

Any exiting director is eligible for reappointment provided he/she meets the conditions of this Article.

Directors may be dismissed and replaced at any time by the Ordinary Shareholders' Meeting.

Natural persons over the age of eighty-five (85) years may not be directors; when they come to exceed this age during a term in office, they shall automatically be deemed to have resigned at the next Shareholders' Meeting. Any appointment made in breach of the above provisions shall be null and void, with the exception of those which may be made on an interim basis.

Any natural person appointed as a director shall, at the time of their appointment and throughout their term of office, comply with the legal requirements concerning the number of directorships that a natural person can hold in joint stock companies with their registered office in mainland France, save as otherwise provided for by law.

A Company employee may only be appointed director if his or her employment contract corresponds to a genuine job. The number of directors tied to the Company by an employment contract may not exceed one-third of the number of directors in office.

Legal entity director (Article 14.2 of the bylaws)

Directors may be natural persons or legal entities. In the latter case, upon appointment, the legal entity is required to designate a permanent representative who is subject to the same terms and conditions and who incurs the same civil and legal liabilities as if he/she were a director in his/her own name, without prejudice to the joint and several liability of the legal entity he/she represents. The permanent representative of a legal entity appointed as director is subject to the same age conditions that apply to directors who are natural persons.

The term of office of the permanent representative appointed by the legal entity shall be the same as that of the legal entity he/she represents.

If the legal entity revokes the term of its permanent representative, it must notify the Company of this revocation without delay, by registered letter, also providing the identity of its new permanent representative. The same applies in the event of the death or resignation of the permanent representative.

Designation of the permanent representative as well as the termination of his/her term of office are subject to the same formalities of disclosure as if he/she were a director in his/her own name.

Vacancy, death, resignation (Article 14.3 of the bylaws)

In the event of vacancy due to death or resignation of one or several directors, the Board of Directors may make appointments on an interim basis between two Shareholders' Meetings.

When the number of directors has fallen below the minimum legal requirement, the remaining directors must immediately convene an Ordinary Shareholders' Meeting to make up the required number of Board members.

Temporary appointments made by the Board are subject to ratification at the first Ordinary Shareholders' Meeting thereafter. Failing ratification, resolutions adopted and acts performed by the Board at an earlier date nonetheless remain valid.

Chairman of the Board of Directors (Article 15.1 of the bylaws)

The Board of Directors elects from among its members a Chairman who is, in order for the nomination to be valid, a natural person. The Board of Directors determines his/her compensation.

The Chairman of the Board of Directors organizes and directs the Board's work, on which he/she reports to the Shareholders' Meeting. He/she oversees the proper functioning of the Company's governance bodies and ensures, in particular, that directors are capable of fulfilling their mission.

In order to exercise his/her duties, the Chairman of the Board of Directors must be less than eight-five (85) years old. Should this age limit be reached while holding such position, the Chairman of the Board of Directors shall be deemed to have automatically resigned and a new Chairman shall be appointed under the conditions provided for in this Article.

The Chairman is appointed for a term that may not exceed his/her term of office as director. He/she may be re-elected.

The Board of Directors may remove him/her at any time.

In the event of temporary impediment or the death of the Chairman, the Board of Directors may delegate the duties of Chairman to a director.

In the event of temporary impediment, this delegation is granted for a limited duration; it is renewable. In the event of death, it is valid until the election of a new Chairman.

Board of Directors' meetings (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' 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)

Organizational 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 EXISTING SHARE CLASSES (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 Notice of meeting (Article 23 of the bylaws)

Shareholders' Meetings are convened either by the Board of Directors, by the Statutory Auditors or by a representative designated by a court under terms and conditions provided for by law.

Meetings are held at the Company's registered office or at any other place designated in the notice of meeting.

When company shares are admitted for trading on a regulated market or if its shares are not all registered shares, the Company is required to publish a notice of meeting in the *Bulletin des Annonces Légales Obligatoires* (BALO) at least thirty-five (35) days before any Shareholders' Meeting.

Convocation of Shareholders' Meetings takes place by publication in a newspaper empowered to publish legal notices in the administrative district *(département)* of the Company's registered office and, furthermore, in the *Bulletin des Annonces Légales et Obligatoires* (BALO).

Nevertheless, the notices provided for in the previous subparagraph may be replaced by an invitation, at the Company's expense, in a simple letter or registered letter addressed to each shareholder. This invitation may also by 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 proxy 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 Bureau of the Meeting (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 deliberations (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 THRESHOLD CROSSINGS (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 CHANGE IN 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.

7.3 PERSON RESPONSIBLE

Person responsible

Emmanuel LADENT

Chief Executive Officer

Parc d'activités du Biopôle Clermont-Limagne

3, rue Emile Duclaux

63360 Saint-Beauzire, FRANCE

Tel: +33 (0)4 73 86 51 76

Fax: +33 (0)4 73 86 62 37

Declaration by the person responsible

I certify 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 20, 2022

Emmanuel LADENT

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 Emile Duclaux – 63360 Saint-Beauzire, France:

- the Articles of Incorporation and Company bylaws;
- all reports, letters and other documents, historical financial information, appraisals and statements made by an expert at the request of the Company, of which a portion is included or referred to in this Universal Registration Document;
- the Company's historical financial information for each of the three fiscal years prior to publication of this Universal Registration Document.

Regulated information within the meaning of the AMF General Regulation shall be available on the Company's website (www.carbios.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

Annual financial report	Chapter/section of the Universal Registration Document
Parent company financial statements	Chapter 5
Consolidated financial statements	5.6
Management report	
• 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 à 2.3 ; 5.1 ; 6.3
• Social, societal and environmental information on the Company	1.1.4 ; 2.2.4.4
Corporate governance report	
• Directors' terms of office and duties	4.1.1.1 ; 4.1.5.1 ; 4.1.5.4
• Regulated agreements	4.3
• Current delegations	6.4.1.5
Declaration of natural persons responsible for the annual financial report	7.3
Statutory Auditors' report on the parent company financial statements	5.2
Statutory Auditors' audit report on the consolidated financial statements	5.7

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7.7.2 CROSS-REFERENCE TABLE WITH THE INFORMATION REQUIRED BY ANNEXES 1 AND 2 OF 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:

Annexes 1 and 2 of Delegated Regulation (EU) No. 2019/980		Chapter/section of the Universal Registration Document
1	**Persons responsible, third-party information, experts' reports and competent authority approval**	
1.1	Identity of the person responsible	7.3
1.2	Declaration of the person responsible	7.3
1.3	Experts' declarations	N/A
1.4	Third-party information	N/A
1.5	Statement from the competent authority	Page 1 ; 7.5
2	**Statutory Auditors**	
2.1	Principal Statutory Auditors	7.4.1
2.2	Statutory Auditors that resigned or were dismissed	7.4.2
3	**Risk factors**	Chapter 3
4	**Information about the issuer**	
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	1.1.3 ; 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
5	**Business overview**	
5.1	Main activities	1.1 à 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	5.1.4 (note 2) ; 7.1.5
5.4	Strategy and objectives	1.3
5.5	Extent of dependence	3.2.1.4 ; 3.2.5
5.6	Competitive position of the issuer	1.4.4 ; 1.5.4 ; 3.2.1.3
5.7	Investments	
	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
6	**Organizational structure**	
6.1	Brief description of the Group	1.1.3 ; 1.5 ; 5.3
6.2	List of significant subsidiaries	2.2.4.3
7	**Operating and financial review**	
7.1	Financial position	2.1
	7.1.1 Changes in the issuer's results	2.1.3 ; 5.1 ; 5.6
	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 ; 5.1.4 (note 14)
	7.2.1 Key factors	2.1.1
	7.2.2 Major changes	N/A
8	**Cash and capital resources**	2.2
8.1	Information concerning the issuer's capital	2.2.1
8.2	Cash flows of the issuer	2.2.2

Annual financial report		Chapter/section of the Universal Registration Document
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
9	**Regulatory environment**	1.2.2 ; 1.2.3 ; 3.2.6
10	**Trend information**	
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
11	**Profit forecasts or estimates**	2.4
12	**Administrative, management and supervisory bodies and senior management**	
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
13	**Compensation and benefits**	
13.1	Compensation and benefits paid	4.2
13.2	Total amount set aside to provide for pension, retirement or similar benefits	5.6.5 (note 22)
14	**Functioning of the administrative and executive bodies**	
14.1	Duration of terms of office	4.1.5.1
14.2	Service contracts	4.1.5.1
14.3	Information concerning committees	4.1.5.2
14.4	Statement related to corporate governance statement	4.1.5.2.3
14.5	Implications of future changes in the composition of bodies	N/A
15	**Employees**	
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
16	**Major shareholders**	
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
17	**Related-party transactions**	4.3.1
18	**Financial information concerning the issuer's assets and liabilities, financial position and profits and losses**	
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	préambule Chapter 2 ; 5.1.4 (note 4) ; 5.6.5 (note 3)
	18.1.4 Change in accounting basis	N/A
	18.1.5 Breakdown of audited financial information	5.6
	18.1.6 Consolidated financial statements	5.6
	18.1.7 Date of most recent financial information	5.1 ; 5.6
18.2	Interim and other financial information	N/A
18.3	Audit of historical annual financial information	5.2 ; 5.7
18.4	*Pro forma* financial information	5.4
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

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19	**Additional information**	6.4
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
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7.8 GLOSSARY

- **Biodegradation**

The decomposition of materials into simple molecules (H2O, CO_2, humus) through the enzymatic action initiated by micro-organisms.

- **Bioprocess**

Production process using micro-organisms or enzymes.

- **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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