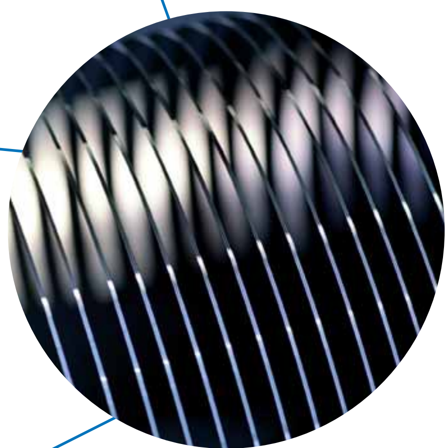
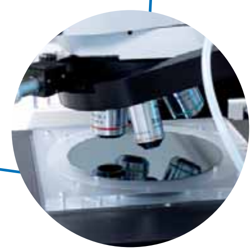
UNIVERSAL REGISTRATION DOCUMENT

2019-2020

INCLUDING INTEGRATED REPORT
& ANNUAL FINANCIAL REPORT





soitec

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The Universal Registration Document may be viewed and downloaded from **www.soitec.com**

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2019-2020

INCLUDING INTEGRATED REPORT
& ANNUAL FINANCIAL REPORT

"Soitec is a world's leading company in innovation and production of semiconductor materials. Its technologies are essential for mass adoption of the mega-trends in the semiconductor industry: 5G, artificial intelligence and energy efficiency."

This Universal Registration Document has been filed on September 2, 2020 with the Autorité des Marchés Financiers (AMF), as competent authority under Regulation (EU) 2017/1129, without prior approval pursuant to article 9 of said regulation.

The Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if completed by a securities note and, if applicable, a summary and any amendments to the Universal Registration Document. The whole is approved by the AMF in accordance with Regulation (EU) 2017/1129.

"Our strategy consists of accelerating the mobile and digital revolutions by addressing the technological and economic challenges generated by mass market electronics."

Editorial by Éric Meurice

Dear Shareholders, Ladies and Gentlemen,

There is a vision at the heart of Soitec's success: to develop, produce and market engineered substrates which improve the performance of electronic goods and enhance the energy efficiency of their components in an increasingly digital and connected world. A vision which inspires Soitec's teams every day and which is shared by all our partners.

Soitec does business with most of the world's major players in the semiconductor industry. Soitec is indeed at the very heart of an ecosystem which brings together technological and industrial alliances, public and private partnerships, cooperation with laboratories and universities, and close links with players throughout the value chain, from foundries to end customers *via* manufacturers of integrated circuits and fabless customers. To serve its large base of customers and partners, Soitec is present in all the relevant areas in the world, with large manufacturing facilities in France and Singapore and one strategic contractor in China. Soitec is also deeply-rooted in the economic fabric of the Grenoble region and is a significant contributor in the French government "Nano 2022" plan.

Soitec's governance aims to serve this vision. The Board of Directors, which I have had the honor of chairing since the start of the fiscal year 2019-2020, is committed to ensure harmonious and productive relationships with all of the company's stakeholders, and to integrate sustainability as an important objective of the company strategy and operations. Soitec's Board of Directors is rich with relevant senior expertise, significant diversity of experiences, tenures and backgrounds, to include five nationalities and with a female to total ratio above 40%. The Board also brings together a good balance of independent directors as well as representatives of our strategic shareholders, all with the shared goal of seeing Soitec prosper and contribute to value creation both in technological and economic terms.

Fiscal 2019-2020 has been another year of strong growth and record-breaking results: in three years, Soitec's sales have increased 2.5 times to reach nearly €600 million. Its net profit now stands at more than €100 million, confirming that after having returned to profitability three years ago, Soitec is now on a sustainable profitable growth trajectory, supported in particular by significant capacity increase for the production of our current product lines, new technological partnerships, the widening of our product portfolio to include new materials, acquisitions of companies complementing our know-how. The Board actively supports these ambitious developments and Soitec will certainly be benefiting from the opportunities spurred by the electronics industry in general.

ÉRIC MEURICE,
Chairman of the Board of Directors

"Fiscal 2019-2020 has been another year of strong growth and record-breaking results."

ÉRIC MEURICE,
Chairman of the Board of Directors

Interview with ***Paul Boudre***

> *"We remain very confident about our growth prospects for the next two years and beyond."*
>
> **PAUL BOUDRE,**
> Chief Executive Officer

What is the takeaway from the fiscal year 2019-2020 for Soitec?

Paul Boudre - The many actions taken in the last year are all consistent with our strategy of accelerating the mobile and digital revolutions by addressing the technological and economic challenges of mass market electronics. For example, the new organization by Business Unit which we have put in place better reflects the diversity of our product portfolio and allows us to focus more on end markets, *i.e.* smartphones, automobile, IoT, cloud and infrastructure. We have also continued investing in capacity, both in Bernin and in Singapore. Dolphin Design, acquired in August 2018, is now fully integrated. This company specializes in the design of integrated circuits and chip-based systems for low-energy applications. Dolphin Design saw strong growth and the synergies speak for themselves.

In May 2019, we completed the acquisition of EpiGaN*, leader in the supply of GaN epitaxial wafers. Here again, the integration process is going very well. Concerning R&D, the pilot line installed in a clean room at the Substrate Innovation Center set up in July 2018 with Leti (the research institute attached to the *CEA*) is now operational. Finally, we have grown our workforce significantly to support our growth. I am delighted to have had the opportunity to welcome on board so many talented individuals, and I am also very proud of how many of our staff have signed up for the employee participation program which we have put in place.

Your product portfolio is growing with new materials. Is this a shift in strategy?

PB - Since Soitec's creation in 1992, our success has been based on our patented Smart Cut™ technology enabling the large-scale production of Silicon-on-Insulator (SOI) substrates. We are now looking to extend the use of this technology to other materials.

The acquisition of Frec|n|sys in October 2017 allowed us to accelerate the development of Piezoelectric-on-Insulator (POI) substrates for radio-frequency filters. We began building a dedicated production line for these substrates in Bernin and completed our first sales of POI in late 2019. With EpiGaN, GaN epitaxial substrates enable new value-added solutions to be created for radio-frequency applications required by 5G as well as for power systems. The production line based in Hasselt, Belgium, has now received certification. Finally, we have recently partnered with Applied Materials to launch a program for the joint development of new generation silicon carbide substrates within the Substrate Innovation Center in order to meet the growing demand fueled by electric vehicles, telecommunications, and industrial applications. We are therefore today at different stages of development with each of these new materials, but they all contribute to the same goal of enhancing our portfolio of engineered substrates to meet the needs of our strategic markets.

Does this mean that Silicon-on-Insulator is no longer at the heart of your strategy?

PB - No, absolutely not. SOI remains our flagship material. For example, RF-SOI is already established as the market standard in terms of smartphone radio-frequency applications. This product grew exponentially in recent years and still has a very bright future with the arrival of 5G. The adoption of FD-SOI for low-energy applications is continuing with a wide range of opportunities both in 5G and vehicle electrification as

* *Renamed Soitec Belgium n.v. in June 2020.*

well as the use of artificial intelligence for smart objects. Our other Silicon-on-Insulator substrates, such as Power-SOI, Imager-SOI, and Photonics-SOI, complete the range and allow us to cover the growing needs of the automobile, 3D image sensor, and data center markets.

And how has the period been in financial terms?

PB - 2019-2020 saw us continue our profitable growth to reach record results. Sales were up 35% at nearly €600 million. We recorded a very strong operating performance with EBITDA margin maintained above 30%. In addition, the sharp rise in our operating cash-flow allowed us to keep a sustained level of investments in capacity while at the same time reinforcing the solidity of our balance sheet. Our level of net debt is extremely low today and we have the resources to continue our investments.

Your fiscal year ended amidst the Covid-19 crisis. What impact has this crisis had on Soitec?

PB - We have done everything possible to protect our employees, in particular, by making working from home an option for anyone whose physical presence on site was not essential. We have also been able to keep production going in our plants by taking all necessary health protection measures. We have therefore been able to provide an uninterrupted service to our customers, even though we have had to be extremely resourceful in order to ship our products on time. I would like to express my sincere gratitude to all members of our team for their quite remarkable dedication. They have also demonstrated a terrific sense of community spirit, by taking initiatives to support the communities around us during this difficult period, including by supplying gowns and masks to hospitals, producing hand sanitizer, and providing IT equipment to children in need.

Isn't the Covid-19 crisis going to impact your outlook?

PB - Despite the Covid-19 pandemic, we remain very confident about our growth prospects for the next two years and beyond. Don't forget that our sales are much more dependent on improvements in the performance of electronic components, in particular in terms of processing power, connection capacity, and energy efficiency, than on sales volumes of end products. This improvement in performance, combined with the arrival of new functionalities typical of the electronics industry, is in fact allowing us to grow the surface area in mm² of our substrates found in each end product. We will of course see the impact of the slowdown in the economy as a whole on sales of smartphones and cars this year, and this is why we are predicting stable revenue in 2020-2021. However, the strong growth which we had predicted for 2021-2022 will be there, and we anticipate revenue in the region of € 800 million. We are in fact particularly well-positioned to benefit from the opportunities generated by the mega-trends emerging in the semiconductor industry: 5G, artificial intelligence, and energy efficiency.

PAUL BOUDRE,
Chief Executive Officer

"We are in a strong position to benefit from the mega-trends in the semiconductor industry such as 5G, artificial intelligence, and energy efficiency."

PAUL BOUDRE,
Chief Executive Officer

Soitec, a global leader in the design and manufacturing of engineered substrates

Our Vision

"To be recognized as a leader in innovative semiconductor standards for products shaping the future."

Creator

of innovative semiconductor substrates

Two unique technologies

Smart Cut™ and Smart Stacking™

Multiple areas of expertise

Epitaxy, Compound materials, Piezoelectrics

serving **4 mass markets:** Smartphones, Automotive, Infrastructures for the Cloud & Mobile Telecommunications, the Internet of Things

Global headcount

Nearly **1,600** employees,

73% of whom are managers, engineers, or technicians

over 20 nationalities

Portfolio of

more than **3,300** *patents*

90%

of sales made internationally

Return to the SBF 120 in 2017

Share price over 3 years

+118%

CREATION OF INDUSTRIAL STANDARDS

for **4G** and **5G** telecommunications, the **AIoT** and **Edge Computing**, datacenter connectivity, electric and self-driving cars

Our Mission

"To design and deliver engineered semi-conductor materials to enable our customers' products shaping everyday life."

SOITEC: THE KEY DATES

1992
Creation
of a start-up

1999
Initial Public Offering (IPO)
and launch of operations
in Bernin 1, France

2015
Refocusing of the Group
on Electronics,
its core business

2017
Recovery achieved,
sustainable growth
and return to the SBF 120

2019
Revenue of
$500 million
and EBITDA above 30%

5 key dates in our international expansion

1999
First support
and representation office
opens in the United States

2004
First support
and representation
office opens in Asia
(Japan)

2017
Reopening of the Pasir
Ris production site
in Singapore

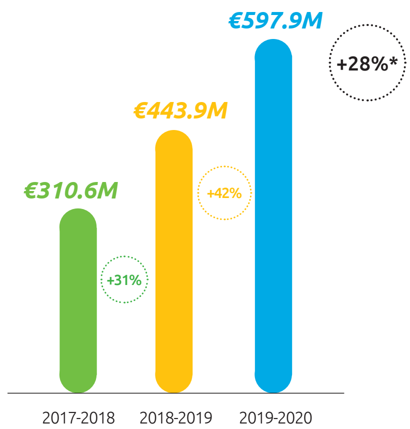
2019
China: reinforcement
of the strategic partnership
with Simgui, initiated in 2014

Direct commercial
presence in China

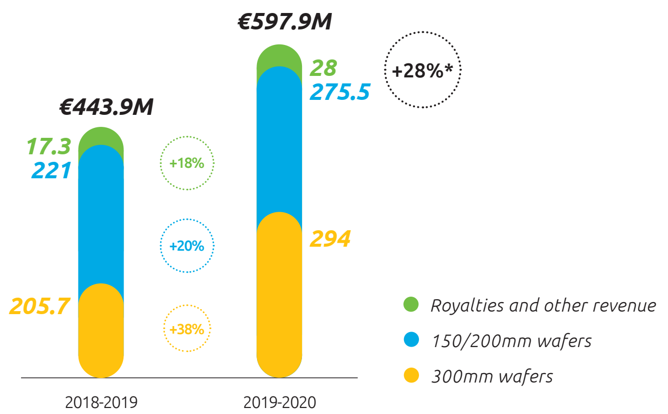
2020
Extension of the Pasir
Ris site in Singapore
to include several
executive functions

SOLID FINANCIAL PERFORMANCE

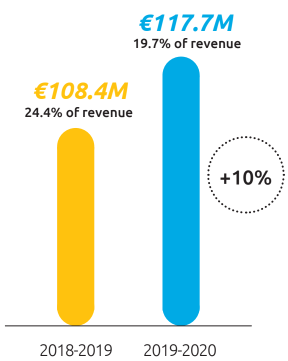
› Revenue



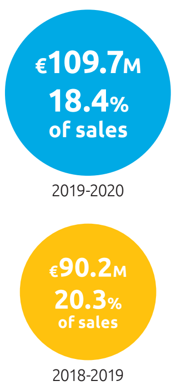
› Breakdown of revenue by wafer type



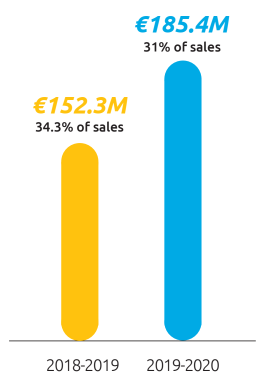
› Current operating income/(loss)



› Net profit



› EBITDA (continuing operations)



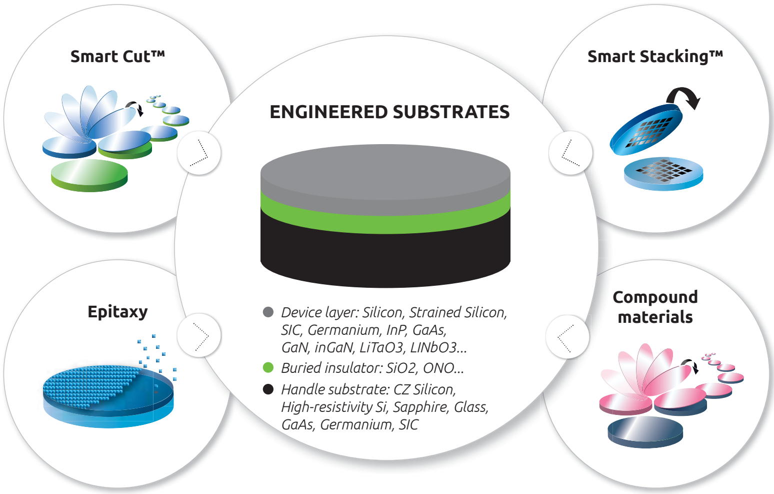
* *At constant perimeter and exchange rates.*

A PORTFOLIO OF PRODUCTS IN LINE WITH THE NEEDS OF CURRENT AND FUTURE APPLICATIONS, FOCUSED ON THE DEVELOPMENT OF 5G, ARTIFICIAL INTELLIGENCE, AND ENERGY EFFICIENCY

Soitec plays a key role in the microelectronics industry

We design and produce engineered semiconductor substrates (wafers), such as the Silicon-on-Insulator (SOI) wafer, the Piezoelectric-on-Insulator (POI) wafers, or GaN-on-Silicon (GaN) wafers, on which electronic components are engraved before the wafers are then sliced into microchips forming integrated circuits. We offer new and competitive solutions to pursue the miniaturization of chips, increase their performance and reduce their energy consumption.

Our products are used to manufacture chips that are at the heart of smartphones, tablets, smart objects, and data centers. They can also be found in cars, smart devices based on artificial intelligence (AI), medical and industrial equipment, and the list keeps getting longer and longer.



We have been in the vanguard thanks to our technological and industrial know-how which is based on two technologies: Smart Cut™ and Smart Stacking™ and on two areas of expertise: Epitaxy and Compound materials.

A product portfolio for multiple applications

FD-SOI – *For power-efficient & flexible digital computing with easy analog/RF integration.* – Processor & connectivity soc

RF-SOI – *For highly efficient mobile communication for 4G and 5G standards.* – Radio-frequency emission/reception module

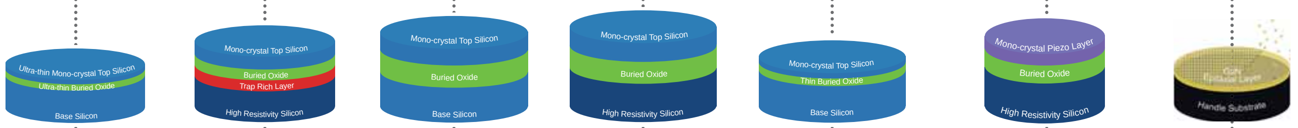
Power-SOI – *For seamless high voltage device isolation.* – Power

Photonics-SOI – *For the Integration of high-performance silicon optical components.* – Photonics

Imager-SOI – *For improved performance of image sensors operating in the infra-red spectrum.* – Image sensor

POI – *A new range of innovative substrates for use in RF filters.* – Radio-frequency filters

GaN – *For 5G radio-frequency applications and power components.* – Power

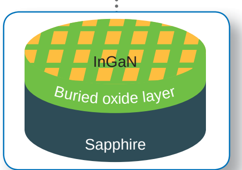


Silicon-On-Insulator products (FD-SOI, RF-SOI, Power-SOI, Photonics-SOI, Imager-SOI) · *Piezo & compound products* (POI, GaN)

New products for new applications under development

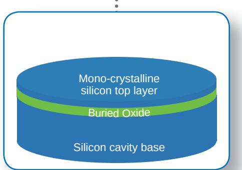
R&D

µLED
InGaNOS
LED lights in lower-power mode - RGB



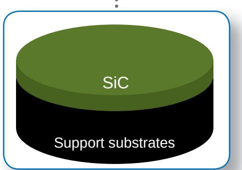
Screen – AR/VR

MEMS
Cavity-SOI
High-performance sensors



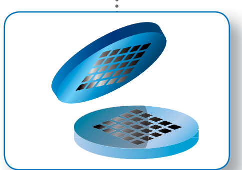
Ultrasound sensors

SiC power
Components, etc.
High-performance devices



EV - Industrial

Back-end integration
Components, etc.
High-performance devices



Chiplet, 3D integration

A SOLID MANUFACTURING BASE

Global presence

We have industrial sites, R&D centers and sales and customer services offices in Europe, the United States, and Asia, as close as possible to the hubs of our industry.

An agile and multi-site industrial tool: we have **8,800 m²** of clean rooms, located in three facilities in **France**, one in **Singapore** and one in **Belgium**. Since January 1, 2019, we strengthened the partnership signed with Simgui in **China** in 2014 for the manufacturing of 200mm SOI wafers, with Simgui focusing on production and Soitec handling worldwide sales.

Bernin is the world's largest SOI wafers industrial production site (for 200mm and 300mm wafers).

The Pasir Ris plant in Singapore is a 300mm industrial site devoted to the production of SOI products such as RF-SOI wafers and FD-SOI substrates.

***6** production lines*

ANNUAL CAPACITY

150mm wafers	200mm wafers	300mm wafers
500,000 wafers per year	**1,300,000** wafers per year	**800,000** wafers per year
Potential	**Actual**	**Actual**

* *High Volume Manufacturing.*

INCLUSION OF SUSTAINABLE DEVELOPMENT CRITERIA IN OUR STRATEGY AND EVERYDAY RELATIONSHIPS WITH OUR ECOSYSTEM

IATF	ISO 14001	ISO 50001	ISO 45001	ISO 9001
Bernin, Singapore	Bernin, Singapore planned for 2020-2021	Bernin	Bernin, Singapour planned for 2020-2021	Bernin, Frec|n|sys, Hasselt, Singapore, Dolphin Design

PEOPLE

A sharp fall in the workplace accident frequency rate. 2 points better than the improvement target for the year

Salary equality index women/men

89/100

Success of the various employee shareholding plans put in place during the year and employee savings plans rolled out at Group level

PLANET

Increased attention paid to environmental impact

› *Consumption kWh/production unit**

2018-2019	2019-2020
61.5	54.3

› *Consumption L/production unit**

2018-2019	2019-2020
810,261.7	744,455.5

* *The scope for environmental data includes Soitec's two main industrial sites: Bernin and Singapore*

ETHICAL BUSINESS

Code of good conduct training provided to employees *via* an e-learning module

+

Supplier relationship: supply from "conflict free minerals"

+

Awareness-raising among employees of digital risks

INNOVATION, SOITEC'S DNA IN A FEW FIGURES

Nearly **250 patents** filed worldwide each year

3,300 ACTIVE PATENTS

Over **200** inventors

11% of revenue dedicated to gross R&D expenses

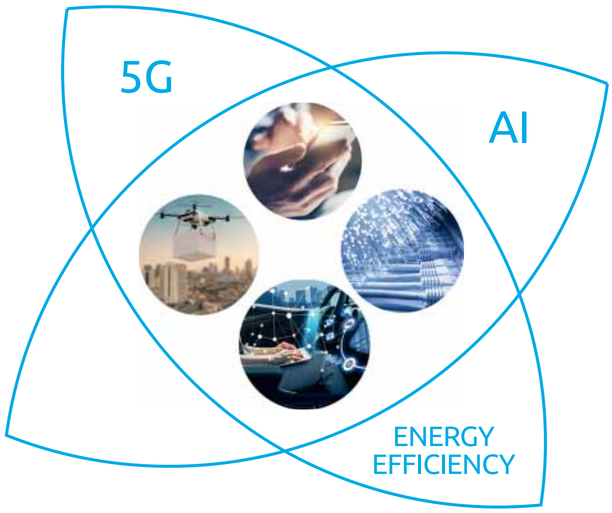
22.8% of employees work in R&D

"Soitec is in the Top 50 French patent filers and number 1 of the top 10 intermediate size companies"*

* *Ranking of the leaders in terms of patent application filings with the French National Patent Office (INPI).*

Semiconductor *market trends*

Today, the development of 5G and artificial intelligence, as well as the quest for energy efficiency, are creating new opportunities in a number of areas such as: the Internet of Things, smartphones, cloud and mobile telecommunications infrastructures, and automotive.



Growth in the semiconductor industry has been and continues to be driven by innovation

* *Green energy: electric mobility and battery less devices.*

Growth drivers

SMARTPHONES	AUTOMOBILE	CLOUD INFRASTRUCTURE	INTERNET OF THINGS - ARTIFICIAL INTELLIGENCE
4G/5G, artificial intelligence, sensors, etc.	Self-driving, electric cars connectivity, infotainment	5G, self-driving cars, connection speed, hyperscale data centers	Personal assistants, connected homes, drones, security cameras, etc.

GROWTH THAT CARRIES COMPLEX TECHNICAL CHALLENGES

The deployment of these applications, marked by particularly rapid technological changes, leads to a need for specific high-performance, low-consumption chips

Mobility, connectivity and low consumption require:

- Continued chips miniaturization
- Improved chips performance
- Reduced energy consumption
- Integration of different functions ranging from sensors to information processing and data transfer

Advanced substrates are essential to the mass deployment of 5G mobile communications for applications such as autonomous vehicles, continuous industrial connectivity and virtual reality.

- **ENERGY EFFICIENCY**
- **FORM FACTOR**
- **COMMUNICATION**
- **RELIABILITY AND SECURITY**
- **FUNCTION INTEGRATION**
- **COST FOR MASS ADOPTION**
- **BETTER SENSORS AND DISPLAYS**
- **PLATFORM ROADMAP**

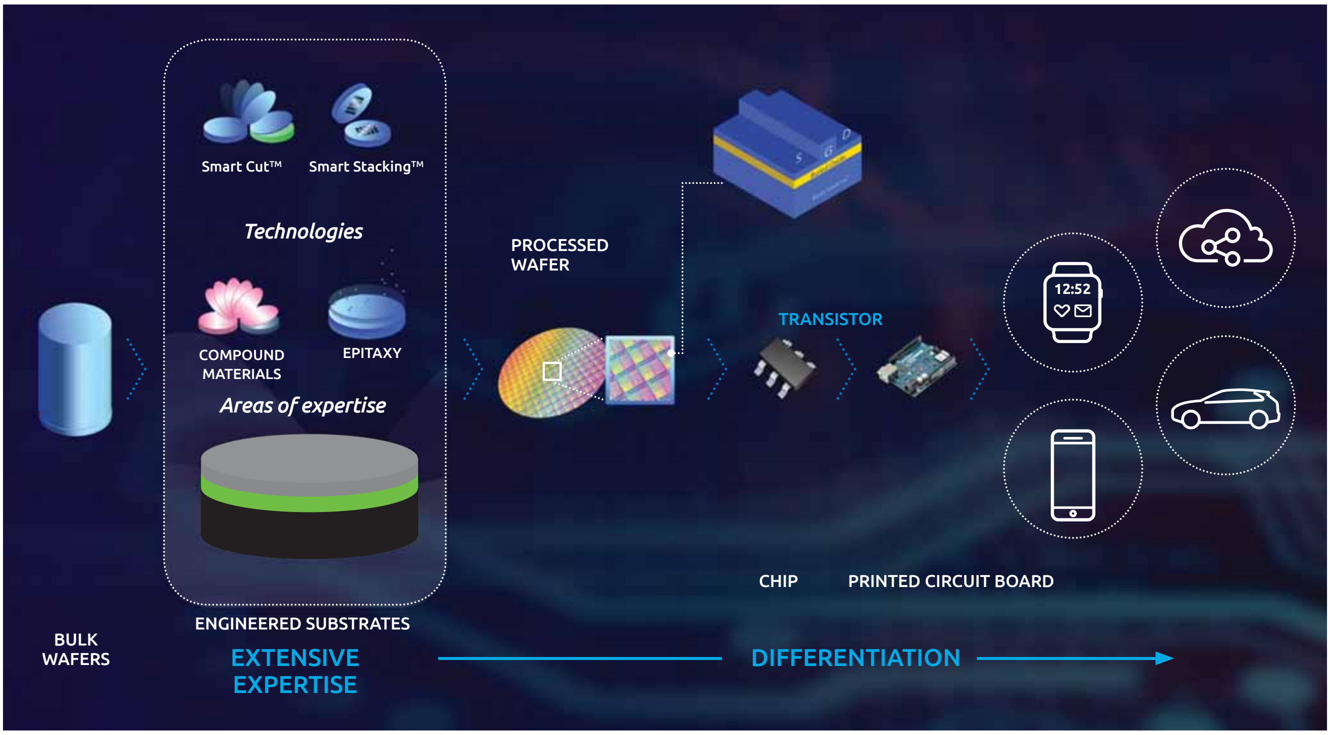
A strategic positioning in the value chain that facilitates meeting the new challenges of the electronics sector

"The value of our SOI products and other engineered substrates goes well beyond the substrate itself. Their advantages are apparent right through to the end application."

PAUL BOUDRE,
Chief Executive Officer of Soitec

We buy silicon wafers from manufacturers who have smelted, molded and cut them. We then use our highly advanced technologies (primarily the Smart Cut™ process) to insert a layer of insulating material between two layers of silicon oxide and to manufacture various types of engineered substrate wafers: Silicon-on-Insulator (SOI), Piezoelectric-on-Insulator (POI), or a pile of composite material layers. These wafers are then sold to integrated circuit manufacturers.

As the requirements of new technology companies have changed, materials specifications have become more demanding. The keywords being reliability, mobility, better connectivity and lower energy consumption, all at a competitive cost. This is where our substrates are put to work by our customers.



A UNIQUE APPROACH TO ESTABLISHING INDUSTRY STANDARDS

A policy of innovation and protection of intellectual property to establish industry standards.

Our partnership policy: the strength behind our innovation

Working with our partners from the very first stages of product development

At Soitec, we have people capable of following the value chain, who speak the same language as the design offices of our final customers and can therefore understand the needs of our customers' purchasing teams.

We develop synergies in order to remain at the cutting-edge of R&D for semiconductor materials and the technologies that accompany the digital transformation of our society (Internet of Things, connected vehicles, smart cities, etc.).

Our worldwide partnerships with laboratories and universities specializing in the semiconductor area, with manufacturers of embedded systems and foundries, as well as "fabless" customers in varied market segments (digital, radio-frequency, automobile, Internet of Things), enable us to anticipate the needs of new markets and the characteristics required for the future generations of electronic components.

We also have the support of our technological and industrial environment: our main site is located outside Grenoble, a major European microelectronics hub with numerous players in research, higher education and industry.

STRATEGIC PARTNERSHIPS WITH INDUSTRIAL LEADERS AND LABORATORIES

Focus on the Substrate Innovation Center

*In July 2018, in partnership with **Leti**, the research institute attached to the CEA (French Alternative Energies and Atomic Energy Commission), we launched the **Substrate Innovation Center**. This world-class prototype production center brings together the equipment of the two partners in order to develop new materials.*

A unique center: whereas a typical manufacturing plant has limited flexibility to test new solutions, and cannot take risks with prototyping (contamination, etc.), the Substrate Innovation Center aims to become the global assessment and substrate solution design center, in order to meet future needs. This pilot project allows Leti and Soitec to share their expertise.

At the Substrate Innovation Center, located on the Leti campus, Leti and Soitec engineers explore and develop the functionalities of engineered substrates, focusing on 4G/5G connectivity, sensors and displays, automobile, photonics, and work on artificial intelligence and edge computing.

These resources are accessible to all players operating in the semi-conductor industry value chain: foundries, fabless companies, and systems manufacturers. Interested industrial partners will also be able to assess and prototype small batches of products. The Substrate Innovation Center's first partner is Kokusai, a Japanese equipment manufacturer specializing in semi-conductors.

An intellectual property activity which allows to grant licenses to our partners

The strength of our innovation enables us to carry out sustained intellectual property activity. As a result, we have a twin-track policy for our technologies: we manufacture ourselves or grant licenses so that other players can contribute to establishing industry standards.

We have also signed licensing agreements with: Shin-Etsu Handotai in 1997 (our historical Japanese partner), SunEdison in 2013 (US company, bought by GlobalWafers in 2016), and Simgui in 2014 (our Chinese industrial partner).

TECHNOLOGY LICENSING

Focus - Partnership

We enhance the positive impact of these interactions by playing an active role in initiatives and professional groups at different levels:

- *worldwide: SEMI, which strives to bring together all players across the value chain, from the design of circuits to their production; and the SOI Industry Consortium, which has a singular role in the development of the SOI global ecosystem;*
- *in Europe: European Semiconductor Industry Association (ESIA) and AENEAS, which brings together European companies from our sector with the ECSEL innovation support fund and many EUREKA clusters focused on our industry;*
- *in France: the Minalogic innovation center and the ACSIEL electronics alliance, through which we contribute to the work of the Fédération des Industries Electriques Electroniques et de Communication (FIEEC) and the Electronics Industry Sector Strategic Committee, which was created in 2019;*
- *in Singapore: Singapore Semiconductor Industry Association (SSIA) and the French Chamber of Commercie in Singapore;*
- *in the United States: Global Semiconductor Alliance (GSA), Semiconductor Industry Association (SIA) and PowerAmerica, which we joined in 2019 and which focuses on power electronics.*

TO SUPPORT THIS STRATEGY, THE ORGANIZATION PUT IN PLACE HAS BEEN DESIGNED TO BE AS CLOSE AS POSSIBLE TO CUSTOMERS, TO INNOVATE MORE RAPIDLY AND GRASP MARKET OPPORTUNITIES MORE EFFECTIVELY.

Strong growth in customer demand, combined with the increased diversity and complexity of our markets, has led us to rethink the organization of our businesses in line with our growth targets.

Key factors

- **The *Innovation* Department centralizes R&D, from the initial idea for a new product to the implementation of a mature solution leading to a pilot product ready for marketing: this is a platform which brings together all our skills in this area.**

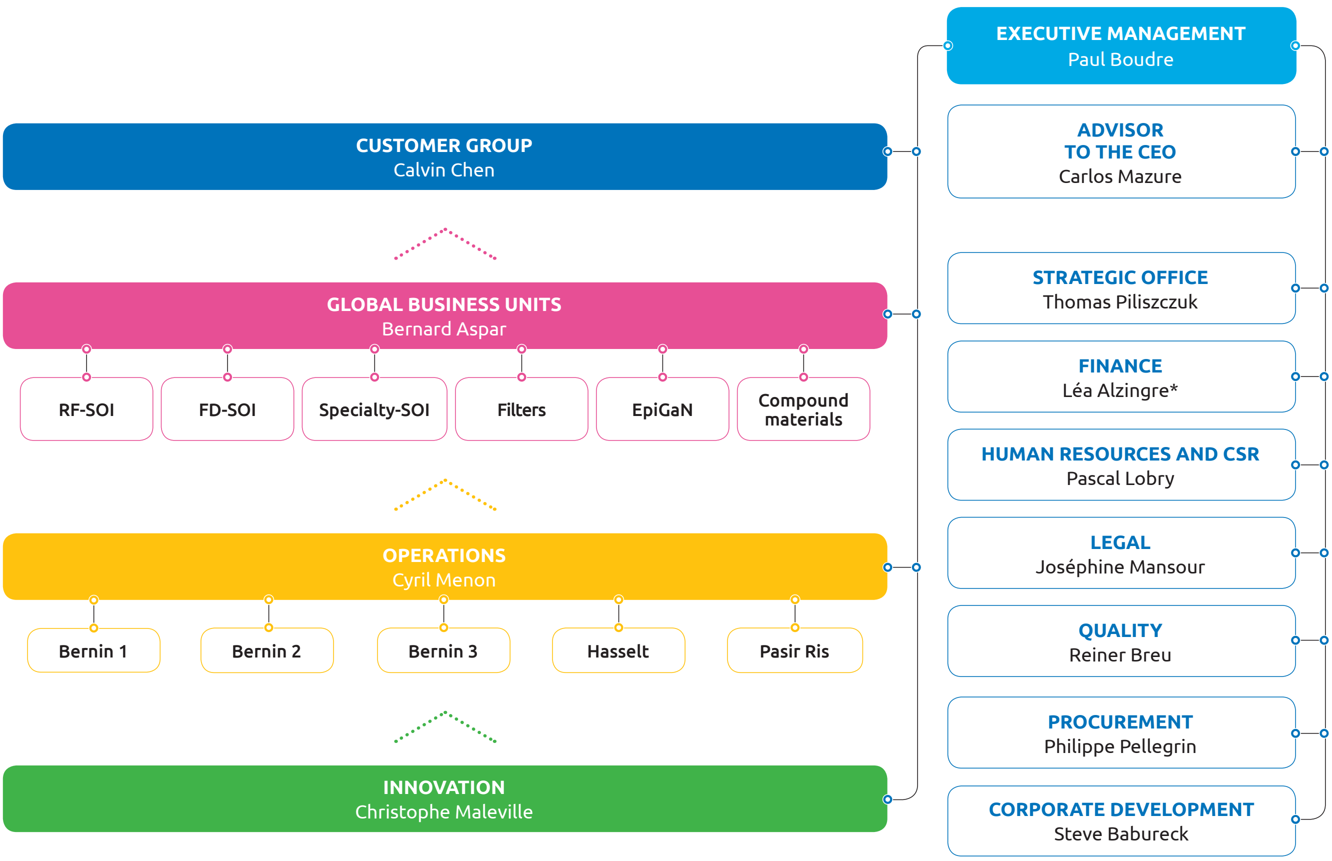
  Providing support to our 6 Business Units, the Innovation Department is also tasked with opening up new markets, in partnership with the Strategic Office.

- **The *Global Business Units* Department is responsible for product management thanks to the 6 Business Units.**

  Our Business Units are responsible for specific product lines, enabling them to be more responsive to customer requirements by providing greater value.

- **The *Strategic Office* Department is responsible for long-term strategic decisions.** Supporting the vision of our Executive Committee, the Strategic Office has a key role in defining and executing our strategic plan. Its missions include protecting and extending our core business, developing the Company in adjacent activities and steering our internal and external growth.

› Organizational structure



* *Since the publication of our annual financial report, Léa Alzingre has been appointed as Senior Director and acting Chief Financial Officer effective August 1, 2020 replacing Sebastien Rouge.*

Our business model

Our mission: to design and deliver innovative substrates to enable

CHALLENGES OF THE ELECTRONICS SECTOR

Three major trends:
5G, AI, and energy efficiency

Our resources

ECOSYSTEM BASED ON RELATIONS

- At the start of the value chain, co-development partnerships with:
  - major research centers: CEA-Leti, Fraunhofer, IME, IMEC, etc.
  - industrial entities and suppliers for greater innovation to serve our customers
- **Member of the Responsible Business Alliance**

HUMAN RESOURCES

- **Nearly 1,600 employees, 73%** of whom are managers, engineers, or technicians
- **more than 20** nationalities
- A management method focused on autonomy and individual responsibility
- A strong culture of employee health and safety

INNOVATION

- **2 unique technologies** (Smart Cut™ and Smart Stacking™) **and multiple areas of expertise** (Epitaxy, Compound Materials, Piezoelectric), serving **4 mass markets** (Smartphones, Automotive, Infrastructures for the Cloud & Mobile Telecommunications, Internet of Things)
- **11% of revenue** devoted to R&D
- In the **Top 50 French patent filers** and **at the head of the top 10 intermediate size companies**

PRODUCTION

- **6 production** lines which guarantee supply reliability and flexibility:
  - Bernin 1, 2, and 3
  - Pasir Ris
  - Shanghai (partnership with Simgui)
  - Hasselt
- **Planned extension** of the main production lines

FINANCE AND ORGANIZATION

- A strengthened balance sheet: increase in equity: **+€153 million**
- **A return to the Euronext Paris CAC Mid60 and SBF120 indexes since 2017**
- A solid shareholding structure comprised of **3 loyal strategic investors** holding approximately **29.6% of our shares**
- **A dual governance:**
  - **separation** of the duties of Chief Executive Officer and of Chairman of the Board of Directors
  - **independence of the Chairman** with regard to the AFEP-MEDEF Code
- **A Board of Directors** which **supports our strategy:**
  - **balanced and diversified:** 12 members, 5 nationalities, 41.67% independent, gender balance: 58% men - 41.67% women
  - **committed and assiduous:** 26 Committee meetings, 9 Board meetings, with an average attendance rate of 83.44% for 2019-2020

"A strategy based on disruptive innovation to offer our customers products

our customers' products shaping everyday life.

Complex technological challenges

An internationalized market, dependent on global growth

which combine performance, energy efficiency and competitiveness."

A unique innovation model for a portfolio of products which is a source of high added-value differentiation

An organization focused on clients and applications

Our value creation

ECOSYSTEM BASED ON RELATIONS

- **A duty of vigilance** applied to all major suppliers
- Compliance with the **RoHS 2** European Directive (2011/65/UE)
- A **code of good conduct updated in 2018** to comply with the "Sapin 2" law
- Close work with some fifteen key clients to ensure their integration well upstream in our innovation strategy

HUMAN RESOURCES

- **351 new employees in 2019-2020**
- **26.4 hours of training** per employee in 2019-2020
- 4 Quality of life at workplace questionnaires per year
- **Frequency Rate = 3 over 2019-2020** (1)
- Close attention paid to profile **diversity and inclusiveness in the workplace**

INNOVATION

- A portfolio of over **3,300 patents**
- More than **200 inventors**

PRODUCTION

- Technologies which have become **industry standards**, found in everyday life
- A decisive contribution to **end product performance**
- A historical geographical link to the **Grenoble-region cluster**
- IATF 16949 (2): Bernin 1&2 since 2012 - Pasir Ris scheduled for October 2019
- ISO 9001(2): Bernin 3 since 2019 - Pasir Ris since April 2019
- ISO 14001(2): Bernin since 2001 - Pasir Ris scheduled for 2020-2021
- OHSAS 18001/ ISO 45001(2): Bernin since 2010 - Pasir Ris scheduled for 2020-2021
- ISO 5001(2): Bernin since 2015
- OEA (2): Bernin since 2009

FINANCE AND ORGANIZATION

- Revenue: €**597.5 million (+35%)** of which **90%** is generated internationally
- Strong growth in profitability: €**33 million** increase in the EBITDA margin **(+22%)**
- Share valuation: **+118%** over 3 years
- **Governance** in line with **best practice** and ready to meet **tomorrow's challenges**

(1) Workplace accident frequency rate with work stoppage > 1 day

(2) IATF 16949: Quality management system applicable to the automotive system - ISO 9001: Quality management system - ISO 14001: Environmental management system - OHSAS 18001/ ISO 45001: Occupational health and safety management system - ISO 5001: Energy management system - OEA: French Authorized economic operator.

Governance designed to support strategy

Our Group's strategy is based on a corporate governance structure in line with best practice. Since July 26, 2017, the duties of Chairman of the Board of Directors and Chief Executive Officer have been separated. Éric Meurice, our Chairman elected in March 2019, is independent.

Our governance is based on our Board of Directors, its five specialist Committees and the Executive Committee led by Paul Boudre, our Chief Executive Officer.

OUR BOARD OF DIRECTORS

Our Board of Directors has been chaired by Eric Meurice since March 27, 2019.

Comprised of 12 committed and assiduous members, our Board is both diversified and balanced.

Its independence rate has increased from 33% to 41.67%*.

The changes in our Board since April 1, 2019 are presented in detail in Chapter 4 of the 2019-2020 Universal Registration Document.

Composition of the Board as at June 10, 2020 (from left to right)

Shuo Zhang
Independent Director

Éric Meurice
Independent Director, Chairman of the Board of Directors, of the Compensation Committee, and of the Strategic Committee

Laurence Delpy
Independent Director and Chairwoman of the Nomination & Governance Committee

Guillemette Picard
(Permanent representative of CEA Investissement)
Director

Thierry Sommelet
Director

Sophie Paquin
(Permanent representative of Bpifrance Participations)
Director

Kai Seikku
Director

Satoshi Onishi
Director

Paul Boudre
Chief Executive Officer and Director

Jeffrey Wang
Director

Christophe Gegout
Independent Director and Chairman of the Audit & Risks Committee

Françoise Chombar
Independent Director

* *Between June 12, 2019 and June 10, 2020.*

Board of Directors key figures 2019-2020 fiscal year

12	5	41.67%	41.67%	3 years	9	79.17%
DIRECTORS	NATIONALITIES	WOMEN	INDEPENDENT DIRECTORS	DURATION OF TERM OF OFFICE	MEETINGS	ATTENDANCE RATE

OUR FIVE COMMITTEES

Our Board of Directors is supported by the work of five committees that it has established: the Strategic Committee, the Audit and Risks Committee, the Nomination and Governance Committee, the Compensation Committee and the Restricted Strategic Matters Committee.

STRATEGIC COMMITTEE

Chairman:
ÉRIC MEURICE

Members	Number of meetings	Attendance rate	Independence rate
8	3	100%	62.50%

The **Strategic Committee** analyses our situation and growth vectors in order to submit proposals to the Board of Directors on our Group's strategy. Through its assessments and discussions, it clarifies the Group's strategic objectives submitted to the Board of Directors and assesses the validity and consequences of the most important strategic decisions submitted to the Board.

AUDIT AND RISKS COMMITTEE

Chairman:
CHRISTOPHE GEGOUT

Members	Number of meetings	Attendance rate	Independence rate
6	7	89.42%	66.67%

The **Audit and Risks Committee** assists the Board of Directors in ensuring the accuracy and fairness of our statutory and consolidated financial statements and the quality of the information provided. It is moreover closely involved in assignments related to both external and internal oversight. In this context, it meets regularly with our Statutory Auditors and our Internal Control function. Several times per fiscal year, our risk mapping is submitted to the Committee for examination.

NOMINATION AND GOVERNANCE COMMITTEE

Chairwoman:
LAURENCE DELPY

Members	Number of meetings	Attendance rate	Independence rate
7	7	78.24%	42.85%

The **Nomination and Governance Committee** is mainly involved in the reappointment or selection of new directors, and in the appointment of executive corporate officers. The Committee ensures that a succession plan is in place for the latter, and is kept informed of any changes within our Executive Committee. For each fiscal year, the Committee carries out an assessment of the Board of Directors and then analyzes the results in order to present these to our shareholders.

COMPENSATION COMMITTEE

Chairman:
ÉRIC MEURICE

Members	Number of meetings	Attendance rate	Independence rate
6	7	65.95%	50.00%

The **Compensation Committee** is, on the one hand, responsible for making recommendations regarding the compensation policies for directors and corporate executive officers. On the other hand, it leads preparatory works on allocation plans of securities giving access to our share capital, to be implemented in favor of our employees and corporate executive officers.

RESTRICTED STRATEGIC MATTERS COMMITTEE

CONVENED ON AN EXCEPTIONAL BASIS

Members	Number of meetings	Attendance rate	Independence rate
5	2	100%	80.00%

The **Restricted Strategic Matters** Committee's responsibility is to report on any planned transfer (whether by sale, license or by any other means) or any other joint venture project involving Smart Cut™, and to issue recommendations to the Board of Directors accordingly.

Number of meetings   Attendance rate   Independence rate

OUR EXECUTIVE COMMITTEE

Upon taking office in 2015, our Chief Executive Officer introduced a new internal management body: the Executive Committee or ExCom.

As the leader of this team of 11 senior managers, Paul Boudre uses the expertise of each of ExCom's members to inspire, drive, control and develop the Group's business in a collegiate manner. Their aim is to keep capturing growth in Electronics markets, and to pursue growth in profitability while at the same time aiming for sustainability in the long term.

A key player in the implementation of our business plan and the deployment of our strategic plan, our ExCom is structured on the basis of the organization put in place in fiscal year 2018-2019.

Resolutely looking to the future, this has led to the creation of interfaces enabling us to be agile and close to our markets and our clients, qualities which are vital to our ambitions for growth.

From left to right

Front row

Cyril Menon
Operations

Bernard Aspar
Global Business Units

Paul Boudre
Executive Management

Joséphine Mansour
Legal

Pascal Lobry
Human Resources and CSR

Second row

Steve Babureck
Corporate Development

Reiner Breu
Quality

Christophe Maleville
Innovation

Philippe Pellegrin
Procurement

Calvin Chen
Customer Group

Thomas Piliszczuk
Strategic Office

Léa Alzingre
Finance

Managing risks to improve performance

To meet the need to monitor and manage risks inherent to its business, our Group has set up an internal control and risk management mechanism. It is intended to provide reasonable assurance that its risks are under control. In this way, in accordance with the applicable standards and regulations, it contributes to the management of our activities, the effectiveness of our operations and the efficient use of our resources.

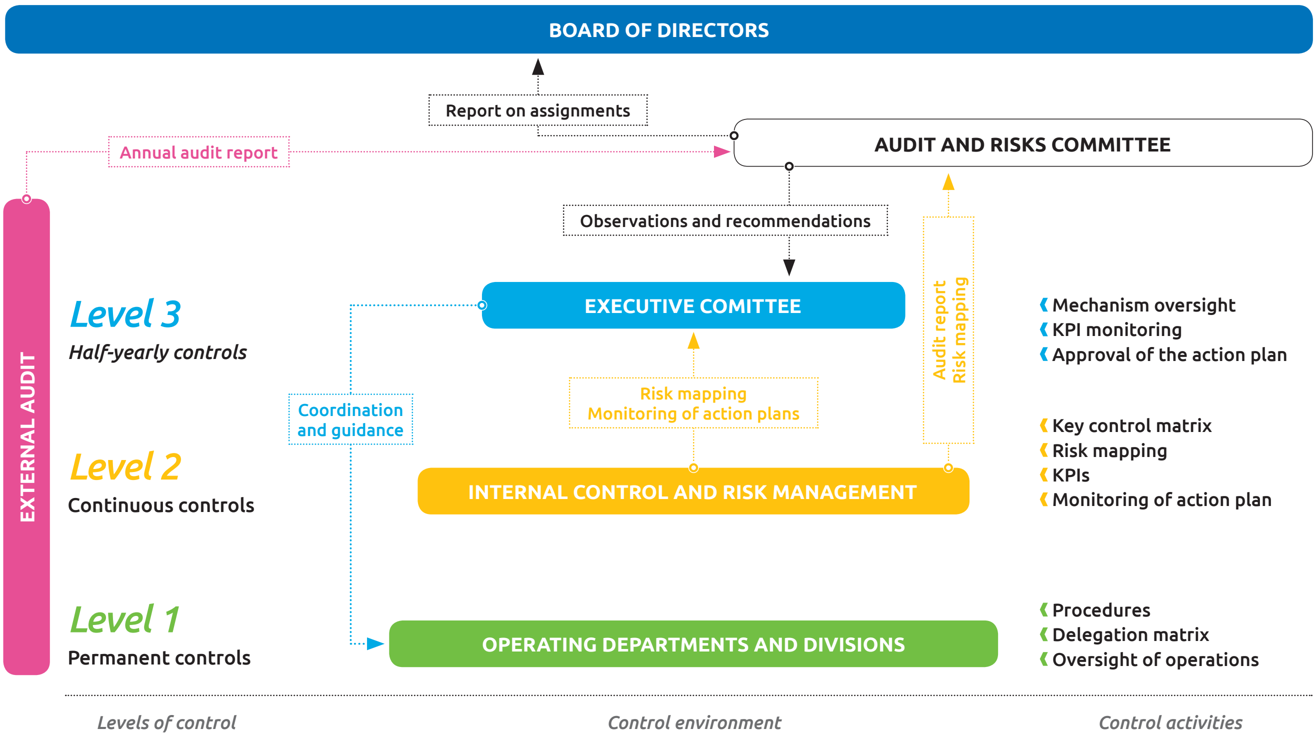
THE ORGANIZATION

Internal control is an integral part of the role of our Finance Department.

It contributes to achieving several objectives:

- the reliability and integrity of published accounting and financial information;
- the compliance with the laws and regulations to which our Company and its subsidiaries are subject to;
- the implementation of instructions and guidelines set by our Group's governing bodies;
- the proper functioning and efficiency of our internal processes;
- the prevention and management of the major risks to which the nature of our activity exposes us.

The organization of our internal control and risk management mechanism is described below:



PRESENTATION OF OUR SPECIFIC RISK FACTORS BY CATEGORY

Our risk factors presented here are detailed in Chapter 2 of the 2019-2020 Universal Registration Document.

RISKS RELATED TO THE ECOSYSTEM

1. Customer concentration
2. Markets and innovation
3. Competition
4. Geopolitics and global economy
5. Price fluctuations

TECHNOLOGICAL RISKS

6. Technological obsolescence
7. Launch of R&D projects

INDUSTRIAL RISKS

8. Production capacity
9. Supply structure with bulk suppliers
10. Limited number of suppliers of raw materials
11. Price fluctuations of raw materials
12. Production shutdown

FINANCIAL RISKS

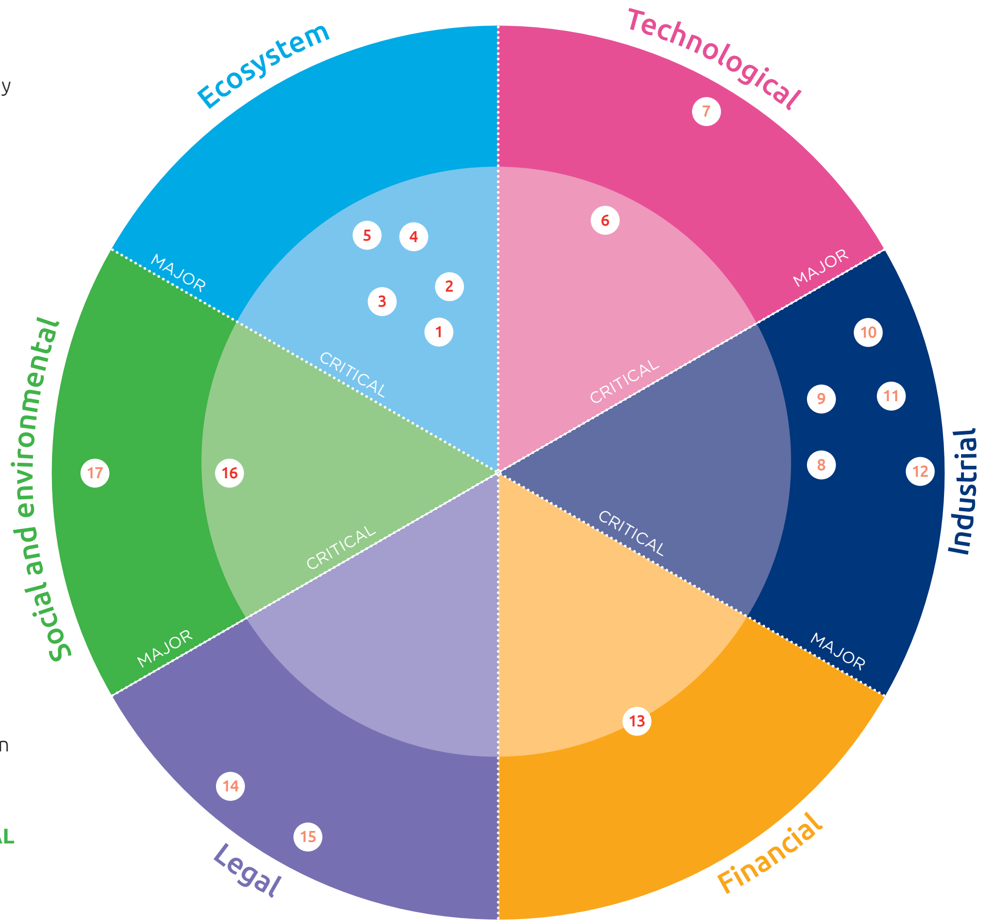
13. Exchange rates

LEGAL RISKS

14. Intellectual property protection
15. IT and data security

SOCIAL AND ENVIRONMENTAL RISKS

16. Global pandemic (Covid-19)
17. Integration of employees from acquired entities



Our risk factors related to CSR (Corporate and Social Responsibility) challenges are presented separately in Chapter 3 of this 2019-2020 Universal Registration Document, in accordance with the requirements of the statement of extra-financial performance.

For each of the six risk categories, risks are identified according to the level of criticality assessed during the risk mapping process, according to the key below.

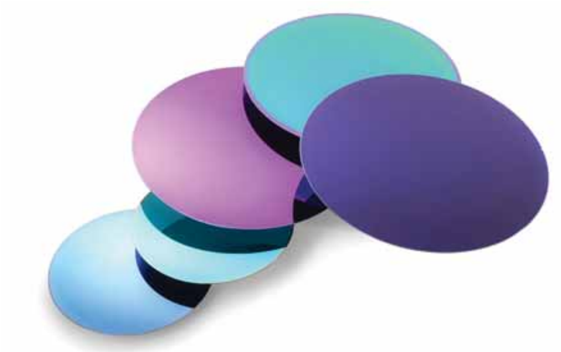
Critical > 9	Major 5 - 9
Critical risk	**Major risk**


2
Unique technologies
Multiple areas
of expertise
4
Mass markets

1. Overview of Soitec and our businesses

1.1 ABOUT SOITEC

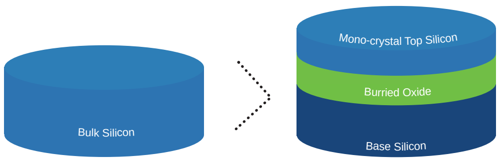
Our Company was founded 28 years ago in Grenoble's (France) high-tech innovation ecosystem. Since then, we have expanded across the globe and we have become the largest producer of Silicon-on-Insulator (SOI) wafers [1]. Currently, we are expanding our product portfolio of engineered substrates with Piezoelectric-on-Insulator (POI) and compound materials such as Gallium Nitride (GaN) and Silicon Carbide (SiC). The engineered substrates we develop and produce are used by our customers to manufacture electronic chips for smartphones, the automotive market, datacenters, the Internet of Things (IoT), as well as cloud and mobile telecommunications infrastructures. In short, they are vital components of the things you use in your daily life.



Our wafers are thin slices of semiconductor materials (less than 1mm thick)
Our innovative substrates are available in 150-mm, 200-mm and 300-mm diameter wafers.

Semiconductor materials are the foundation of electronic circuits. By offering unique and competitive solutions that reduce energy consumption and improve the performance of circuits, our engineered substrates fuel innovation in the microelectronics industry.

› *Diagramatic representation of a wafer*

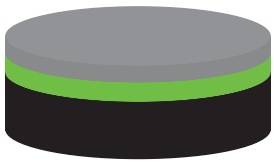


Bulk silicon wafer *Engineered silicon wafer – SOI type*

Using our advanced technologies, we create engineered substrates in our state-of-the-art wafer fabrication units (fabs). Thanks to our materials engineering expertise, we are able to assemble layers of materials (silicon or non-silicon) with different properties into one functioning body. Each material has its own specific intrinsic properties. For that reason, assembling different materials into one functioning body is a technological challenge. We then sell our engineered substrates to semiconductor foundries and Integrated Device Manufacturers (IDMs) worldwide for them to develop the most cutting-edge products.

› *Various engineered substrate options are available or may be produced*

ENGINEERED SUBSTRATES

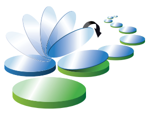


- *Device layer: Silicon, Strained Silicon, SIC, Germanium, InP, GaAs, GaN, inGaN, LiTaO3, LINbO3...*
- *Buried insulator: SiO2, ONO...*
- *Handle substrate: CZ Silicon, High-resistivity Si, Sapphire, Glass, GaAs, Germanium, SIC*

Several material & layer thickness options exist to meet industry-specific challenges with engineered substrates.

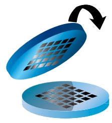
(1) *Silicon on Insulator (SOI) market – Global forecast to 2025 – Marketsandmarkets – figure 49, Page 129. Report code SE2737 – June 2020.*

Over the years, we have developed several processes to engineer substrates at atomic level precision and manufacture them in high volumes. Our toolbox of innovative semiconductor engineering solutions includes the SmartCut™ and Smart Stacking™ technologies, as well as epitaxy.



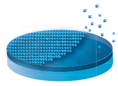
SMART CUT™

Atomic scalpel based on wafer bonding and layer splitting technologies allowing manufacturing of Silicon-On-Insulator (SOI) and compound engineered substrates.



SMART STACKING™

Unique technology for low temperature transfer of thin and uniform device layers onto other wafer substrates (partially or fully pre-processed).



EPITAXY

Film deposition technique in which a thin crystalline layer is grown onto a crystalline substrate. Combination of epitaxy process with Smart Cut™ and Smart Stacking™ technologies creates a wide variety of engineered substrates for semiconductor applications.

1.1.1 SMART CUT™ TECHNOLOGY

Our proprietary Smart Cut™ technology is the most well-known technology of our portfolio and we use it to manufacture all our products. It works like a scalpel at the atomic scale and allows the transfer of ultra-fine monocrystalline material layers from a donor substrate to a receiver substrate *via* ionic implantation and molecular adhesion. It stretches the traditional limits of depositing layers while providing total control of thickness uniformity for the various layers at the atomic mesh.

Our Smart Cut™ technology is protected by hundreds of patents and our vast industrial experience. This allows us to offer circuit manufacturers competitive and differentiated alternatives to traditional bulk silicon, and to enable performance gains, reduced energy consumption and lower manufacturing costs due to the retention of a simplified device architecture.

1.1.2 SMART STACKING™ TECHNOLOGY

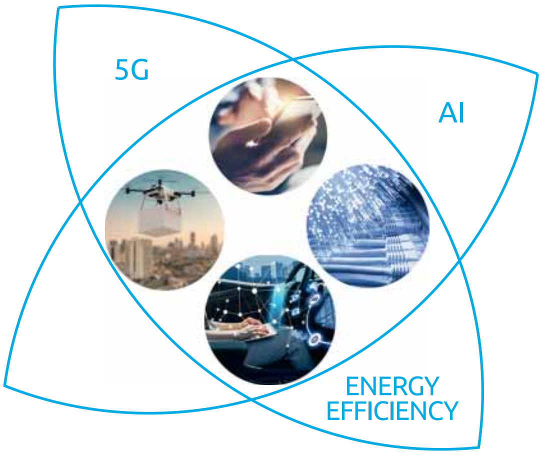
Smart Stacking™ is a process for transferring thin and uniform device layers (partially or fully pre-processed) onto other substrates. It can be used to transfer etched and partially etched wafers onto other components. For example, it can be used to manufacture silicon transistors and then transfer them onto sapphire. Finally, this technology makes it possible to use 3D stacking to create several layers of components, thereby increasing the density of the resulting device. It is compatible with a wide range of substrates and is also used for the fabrication of back-lit sensors and radio-frequency sensors.

1.1.3 EPITAXY

We are also recognized for our know-how and expertise in epitaxy – a process allowing the growth of semiconductor material layers on compound semiconductors or insulator substrates. Epitaxy is used for our SOI substrates as well as GaN and SiC.

Our mission is "to design and deliver innovative substrates to enable our customers' products shaping everyday life". To deliver on our ambition, we work with partners across the entire semiconductor ecosystem from the very early stages of product development. We already succeeded in developing an industry standard with our RF-SOI product. Today, 100% of smartphones contain our RF-SOI engineered substrate and we are working with industry leaders to define new industry standards for 5G, automotive, datacenter, cloud and mobile telecommunications infrastructures as well as IoT devices segments.

1.2 MARKETS



Today, three major trends are accelerating semiconductor innovation: 5G, Artificial Intelligence (AI) and energy efficiency. The devastating health crisis we are experiencing is highlighting the criticality of the technologies we develop.

The post-Covid-19 world and economy will have an even greater need for connectivity, new ways of interacting remotely, sensors to track our health, virtual reality and augmented reality (VR/AR).

5G is the next generation of mobile network. It has been designed to ensure superior communications reliability thanks to the following characteristics: high data throughput, very high user density, and less than 5 ms of network latency. Humans and machines alike will benefit from ubiquitous connectivity that paves the way for applications such as remote surgery and autonomous driving.

AI is increasingly being integrated in consumer systems such as smartphones and virtual personal assistants, and to some extent in the automotive segment. Specialized chips with greater processing power, higher bandwidth, faster performance and reduced latency are being developed for applications using AI.

Today, millions of smart objects are revolutionizing our lives. They collect colossal quantities of data, for which processing is increasingly based on AI. These objects need efficient energy sources in order to carry out the required tasks over longer and longer periods of time. **Energy efficiency** is a decisive factor when it comes to realizing the full potential of 5G and AI. For the same processing power, where previously cooling units large enough to fill an entire room were required, the equipment now fits in your pocket. For all these reasons, the future is very bright for energy efficient technologies such as the FD-SOI technology.

Semiconductors are the driving force behind development and deployment of 5G, AI and energy efficiency. By pushing back technological boundaries, our engineered substrates enable the deployment and adoption of 5G and AI across various application, thus accelerating our growth.

1.2.1 SMARTPHONES

Over the years, we have moved from simple text messages to photos and live video streaming on our smartphones. These new features require energy-efficient chips to both process the increasing amount of data and extend battery life. In addition, as consumers want devices they can carry in their pockets, it is essential to consider this criterion during the development stage. They also want reliable connectivity to ensure a smooth utilization. Tomorrow with 5G, increased data speed will also allow vehicle-to-vehicle communication, virtual reality, the smart home and more.

According to a report published by Navian in 2019 (1), more than 200 million 5G smartphones will be sold in 2020, representing around 15% of total sales. Navian also estimates that half of all smartphones sold between now and 2023 will be 5G phones.

Our extensive engineered substrates product portfolio meets the requirements of various products generations. The rapid development of 5G smartphones presents considerable growth potential for us considering that these new-generation smartphones translates into an overall growth of front-end modules and filters based on our engineered

(1) *RF devices/Modules for cellular 2018, 2019. Oct. 30, 2019. Navian Inc version 4. Celular terminal forecast by standard, page 43. Web link: https://www.navian.co.jp/2019/10/31/rf-devices-modules-for-cellular-2018-2019-released/*

substrates. At the same time, we are working to increase market penetration with another front-end module component: the power amplifier, which is also set to grow.

According to Yole [1], 5G is expected to trigger an 8% annual growth for the front-end module market, which will jump from $15 billion in 2018 to nearly $26 billion in 2025.

We are teaming up with international partners to develop the future standards for this segment. For example, we were the first substrate supplier to join China Mobile's 5G Innovation Center in 2019 as part of the Global TD-LTE Initiative (GTI); the leading global cooperation platform representing major mobile network operators and chip makers promoting the advancement of TD-LTE as a global 5G standard.

1.2.2 AUTOMOTIVE

The automotive sector is going through profound changes.

New mobility trends are converging with ever-improving advanced driver-assistance systems to guarantee passenger safety and protect vehicles. These innovations, which are ushering in fully autonomous vehicles of the future, are based on semiconductors—mainly sensors and controllers that are all connected to one another and with the outside world. According to NXP and Infineon (2019), the proportion of semiconductors in a level 4 or 5 autonomous vehicle will be eight times greater than in a current level 1 or 2 vehicle.

Environmental protection and the expansion of electric vehicles will be a major shift in the automotive industry in the coming decades. Power components are key when it comes to improving energy efficiency and reducing vehicle weight. According to IHS Markit [2], 10 times more battery electric vehicle (BEV) will be sold in 2030 compared to today.

Our main SOI engineered substrates are already integrated into automotive semiconductor platforms: FD-SOI (level 3+ autonomous driving, infotainment, radars), Power-SOI (in-vehicle networking, gate drivers, class D amplifiers) and RF-SOI (connectivity). Silicon carbide (SiC) will be a powerful growth driver in the coming years for the electric vehicle market as it marks a disruption in terms of energy efficiency and the miniaturization of components (weight reduction). Thus, we have kicked off a major program to develop SiC substrates based on our Smart Cut™ technology in order to offer high quality innovative products.

(1) Extract from "5G's Impact on RF Front-End Module and Connectivity for Cell phones 2019 report" from Yole (code YD19034): https://www.systemplus.fr/reverse-costing-reports/5gs-impact-on-rf-front-end-module-and-connectivity-for-cell-phones-2019/
(2) IHS Markit webinar "What's ahead for the global semiconductor market" – January 2020 – page 28. Author Kevin Anderson.

1.2.3 DATACENTERS, CLOUD AND MOBILE TELECOMMUNICATIONS INFRASTRUCTURE

With the mobility era, many services are moving to the cloud. From email and file sharing to applications such as car sharing and fitness tracking, more and more computing functions are relying on the efficiency and speed with which datacenters process data. Optical technology gives next generation datacenters the fast transmission speeds that they need [(1)].

Datacenters are a collection of thousands of server racks, all interconnected with high-data rate cables. These datacom links require optical transmission to support data rate and reduce power consumption.

Our Photonics-SOI wafers enable standard CMOS fabs to produce optical transmitter and receiver chips, that provides high-data rate [(2)]. This high-data rate makes Photonics-SOI substrates an economical solution for interconnections within datacenters, particularly 100 Gb and 400 Gb transmission systems. In addition, this solution is used for interconnection infrastructure between datacenters or for telecommunications equipment [(3)].

1.2.4 INTERNET OF THINGS (IOT)

We live in a world of data, where light, sound, temperature, location, accelerations, vibrations… in short virtually any data point is being captured by an increasing amount of devices. As intelligence is developing on the edge of the network (closer to the data generation point), these devices are becoming smarter and smarter.

Adding computing capabilities on the edge of the network calls for energy-efficient chips in order to ensure maximum battery life.

Our product portfolio is very-well suited to meet the needs of this growing market. For example, GPS chips from Sony built on our FD-SOI substrate have conquered the smartwatch sector since 2016. Other foundries, such as Renesas, have also adopted our FD-SOI technology, and this technology is now powering Casio's newest G-Shock model, which came onto the market in February 2020 and integrates new features such as heart rate monitoring [(4)].

(1) Silicon photonics technology for Next-Gen data center interconnects – Photonics Online – November 5, 2019 (Johan Bauwelinck, Gunther Roelkens, Phlippe Absil, Joris Van Campenhout) https://www.photonicsonline.com/doc/silicon-photonics-technology-for-next-gen-data-center-interconnects-0001
(2) Recent advances in silicon photonic integrated circuits (John E. Bowers, Tin Komljenovic, Michael Davenport, Jared Hulme, Alan Y. Liu, Christos T. Santis, Alexander Spott, Sudharsanan Srinivasan, Eric J. Stanton, Chong Zhang Department of Electrical and Computer Engineering, University of California, Santa Barbara, CA 93106, USA) – UCSB - Proc. of SPIE Vol. 9774 977402-1. http://optoelectronics.ece.ucsb.edu/sites/default/files/2017-06/C922.pdf*
(3) Silicon photonics ans photonics integrated circuits 2019 – Yole Développement – ref YD19015.
(4) ECI electronique - Casio choisit Renesas – 27 mars 2020 – Auteur A.Dieul - https://www.electronique-eci.com/news/casio-choisit-renesas

1.3 STRATEGY

1.3.1 IMPLEMENTING OUR VISION

Our vision is "to be recognized as a leader in innovative semiconductor standards for products shaping the future".

For almost thirty years, we have been innovating and working to define industry standards with a view to accelerate mass adoption of technological breakthroughs.

Our strategy is simple, yet robust. It consists in:

- protecting our core business (engineered substrates);
- extending our core business activities (*via* organic growth or mergers and acquisitions);
- strengthening our foothold on adjacent markets.

It is based on:

- people;
- a flexible operating model;
- a global sales and manufacturing network;
- a skilled and committed international team.

The strategy we have devised aims to profitably accelerate the adoption of our products *via* partnerships and investments in the value chain, in addition to our R&D efforts.

› ***Expanding our leadership in engineered substrates***

1.3.2 INNOVATION STRATEGY

1.3.2.1 Evolution of the microelectronics sector

A. More Moore (scaling)

Moore's law is a law in the semiconductor industry according to which the number of transistors on a chip is set to double every 18-24 months to increase its speed and power through components miniaturization.

FD-SOI offers a path for planar transistor scaling down to 7nm.

It offers outstanding low power digital performance thanks to body bias (one technology node gain in terms of energy efficiency compared to the equivalent FinFET node), and has the capability to integrate memory and advanced RF on chip and analog. Moreover, FD-SOI intrinsically offers high reliability (low soft error rate), which is particularly advantageous in automotive, industrial, and space applications.

B. Integration (2.5D and 3D stacking)

As miniaturization has become increasingly difficult and extremely costly, the microelectronics industry is now working on vertical integration. There are two approaches. The first, 3D sequential integration, involves stacking thin layers to produce different components on a single chip (memories, logics, ASICs). The second approach, known as 2.5D integration, involves vertically stacking chips and then generating the appropriate connection system between them.

With our Smart Cut™ technology, we are able to uniformly transfer thin layers, which is perfectly-suited for 3D integration. For the 2.5D approach, Smart Cut™ makes it possible to offer cheaper integrations to produce end connections.

We are involved in R&D with research laboratories working on both aforementioned groundbreaking approaches.

C. More than Moore (functional diversification)

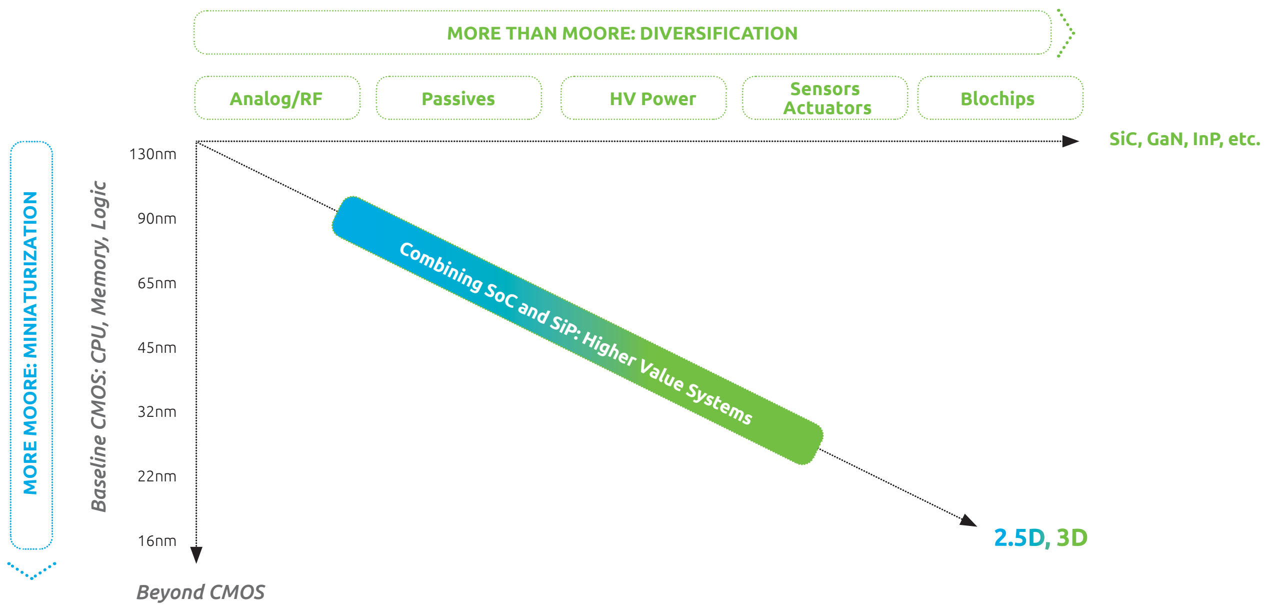
For several decades, device miniaturization and cost reduction have prevailed, in line with Moore's law. This is no longer the case today. Advanced nodes no longer generate the expected cost benefits as R&D investments in new lithography solutions and devices below 10nm nodes are soaring. In this context, the functional diversification (including the heterogeneous integration of materials such as silicon, III-V compound materials or piezoelectric materials) has become an alternative solution to improve the cost/performance ratio. Today, 5G is driving this change, aiming to offer various functionalities to consumers, wherever they may be.

To further enhance circuits functionality and manage their increasing complexity, we are developing engineered substrates capable of spanning a wide range of competencies:

- analog;
- digital;
- mixed signal (*i.e.* analog and digital circuits embedded on a single chip, enabling an interface between digital electronics and the real world).

For instance, our FD-SOI substrate is a unique silicon platform offering unrivalled integration of digital and radio-frequency functionalities, meeting the needs of the industry for reduced area, competitive cost and energy efficiency. It is very well suited for 5G and IoT applications.

› *Three main directions for innovation*



1.3.2.2 A worldwide patent portfolio to maintain our competitive advantage through differentiation

With a portfolio of over 3,300 patents worldwide, our innovation strategy is based on disruptive solutions to answer our customers' needs for high performance, energy efficiency and cost competitiveness.

It is based on:

- a team of experts;
- a close connection between R&D and product definition to develop new technological solutions;
- the development and industrialization of products with high added-value to meet market needs.

We dedicate a significant portion of our resources and revenue to developing groundbreaking manufacturing processes and improving current ones. Our strategy is in line with the industry's technological innovation.

The average age of our patents is less than five years. We file over 250 patent applications each year and have been one of France's top 50 patent filers since 2017, alongside very large industrial groups.

Our Smart Cut™ technology is protected by several hundred patents.

These patents cover extensions of this technology to new products, improvements made during certain production stages as well as cost optimization within the production process. We also file numerous patents each year on advanced and innovative substrates and other proprietary technologies.

In addition to our portfolio of patents, we license patents from our industrial and research partners, thereby strengthening the protection afforded to our key technologies. This proactive industrial property strategy is intended to protect the unique nature of our technologies, which we can then make available to our licensees in the context of technology transfers.

The licence agreements we enter into are conform with market practices: they contain trade secrets and a confidentiality clause. We receive royalty payments in return from our licensees.

1.3.3 THREE DEVELOPMENT AREAS TO PROMOTE THE ADOPTION OF OUR PRODUCTS

1.3.3.1 Strategic collaborations across the semiconductor value chain

We have established a unique competitive position in the semiconductor industry by developing partnerships throughout the value chain.

To be an active player in innovation, we collaborate with world-class research centers (including imec, Fraunhofer, CEA-Leti, SITRI, A*STAR, CEMES, etc.), universities (including Stanford, University of California–Berkeley, NUS, UCL, UT Vienna, etc.), international equipment manufacturers and innovation platforms.

We enhance the positive impact of these interactions by playing an active role in initiatives and professional groups at different levels:

- worldwide: SEMI, which strives to bring together all players across the value chain, from the design of circuits to their production; and the SOI Industry Consortium, which has a unique role in the development of the global SOI ecosystem;
- in Europe: the European Semiconductor Industry Association (ESIA) and AENEAS, which brings together the European companies of our segment with the ECSEL innovation support fund and many EUREKA clusters focused on our industry;
- in France: the Minalogic innovation center and the ACSIEL electronics alliance, through which we contribute to the work of the Fédération des Industries Électriques Électroniques et de Communication (FIEEC) and the Electronics Industry Sector Strategic Committee, which was created in 2019;
- in Singapore: Singapore Semiconductor Industry Association (SSIA) and the French Chamber of Commerce;
- in the United States: Global Semiconductor Alliance (GSA), Semiconductor Industry Association (SIA), and PowerAmerica focused on power electronics, which we joined in 2019.

We are also developing unique initiatives around the world with our partners, such as the Substrate Innovation Centre, set up in July 2018 with the CEA-Leti. The Substrate Innovation Centre is an R&D center that is open to different industry players and that aims to promote early collaboration and knowledge-sharing within the semiconductor value chain, from substrates to systems. This center is also geared to stimulate R&D related to engineered substrates, whether this applies to SOI or other materials. A dedicated pilot line is now available to produce prototypes. In July 2019, the equipment maker Kokusai Electric Corporation joined the center.

› *Working with the entire value chain to develop and manufacture the foundation of electronic circuits today and tomorrow*

1.3.3.2 Development of our core business, engineered substrates

In addition to expanding our product portfolio that strives to support our customers' technological roadmaps and market innovative solutions that will shape tomorrow's world, our strategy also includes using acquisitions to strengthen our core business, engineered substrates. As part of this strategy, in April 2018 we purchased EpiGaN n.v., a European leader in the supply of GaN epitaxial wafers, which was renamed Soitec Belgium n.v. in June 2020. The start-up was founded in 2010 as a spin-off from Imec and is recognized in the industry for its expertise in GaN technologies. Soitec Belgium n.v.'s GaN products are used primarily for the 5G RF, power electronics, and sensor markets. The total GaN technologies addressable market of GaN technologies is estimated to be between 500,000 to 1 million wafers per year within four years [(1)].

GaN technology is gaining significant traction in RF and power markets. GaN epi-wafers represent a natural strategic fit with our current portfolio of engineered substrates, extending and complementing our offering beyond silicon to create new value-added process solutions for both 5G RF and power systems.

1.3.3.3 Adjacent business development to accelerate product adoption

In addition to the growth of our core business, our strategy aims to selectively strengthen the building blocks enabling our technologies to grow. We thus acquired Frec|n|sys in October 2017 and Dolphin Design (formerly Dolphin Integration) in August 2018.

A. Frec|n|sys – Development of advanced radiofrequency (RF) filters and sensors for high-end applications

Headquartered in France, Frec|n|sys develops and conducts validation of prototype devices based on Piezoelectric-on-Insulator (POI) substrates.

Those advanced piezoelectric substrates are used today to manufacture acoustic wave devices (sensors, filters) for communication, as well as devices and systems for industrial and automotive applications.

The acquisition of Frec|n|sys enabled us to accelerate the development of advanced POI substrates for RF filters thanks to their expertise in piezoelectric substrates characterization (evaluation of the interaction between substrate and devices) and access to their prototyping line.

(1) Soitec web site - Soitec expands its engineered substrate portfolio into GaN (Gallium Nitride) with the acquisition of EpiGaN n.v. - https://www.soitec.com/en/news/press-releases/soitec-expands-its-engineered-substrate-portfolio-into-gan-with-the-acquisition-of-epigan - 2019.

B. Dolphin Design – Development of a robust intellectual property library for FD-SOI

In August 2018, our Group and MBDA announced the joint acquisition of Dolphin Integration, an industry recognized provider of semiconductor design, silicon IP and SoC (System-On-Chip) solutions for low power applications. Founded in 1985 it is headquartered in Grenoble.

The resulting ownership of the joint venture, named Dolphin Design is as follows: Soitec at 60% and MBDA at 40%. Dolphin Design took over some of Dolphin Integration's assets and liabilities and all employees.

The combination of our expertise and that of Dolphin Integration aims to increase the availability of low power IP, leveraging our unique Adaptive Body Bias (ABB) solution to accelerate adoption of chips designed on FD-SOI (please refer to our press release published on August 21, 2018 for more details on this acquisition).

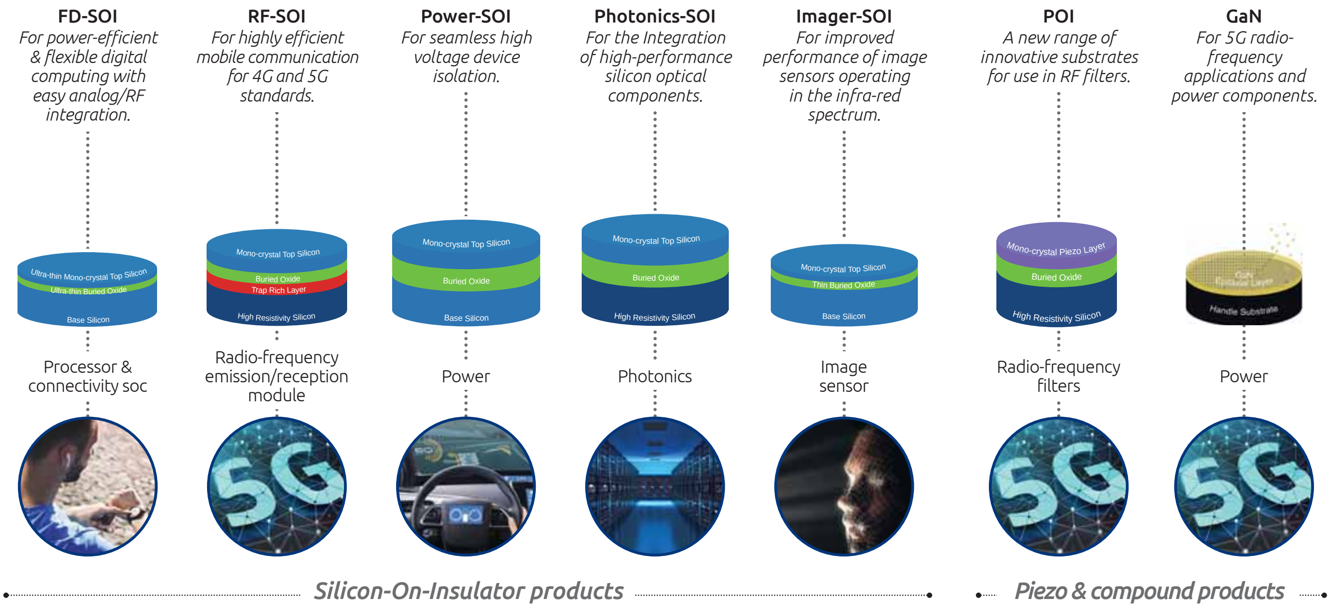
After a year spent restructuring the product offering in 2019 to target the Internet of Things, automotive, defense and aerospace markets, Dolphin Design is once again growing, and the income generated is visible in the royalties and other revenue received by Soitec.

1.4 ACTIVITIES

1.4.1 PRODUCTS

Our range of technologies (Smart Cut™, Smart Stacking™) and our material engineering expertise (silicon, compound materials, epitaxy) provide the electronics industry with new opportunities for innovation and differentiation in growing and emerging fields, while adding tremendous value to products for end consumers. Using these, we have developed a full range of engineered substrates to meet the needs of multiple segments and applications.

1.4.1.1 An extensive range of engineered substrates can be obtained from our Smart Cut™ technology



A. RF-SOI

Over the past few years, our Radio-Frequency Silicon-on-Insulator (RF-SOI) product line has become the reference technology. It is used to build many components of **smartphones'** front-end modules. RF-SOI content is increasing with each new product generation as more devices and higher performance are required in the front-end module.

Smartphones are integrating very diverse functions, including radio emission and reception, digital processing, memory, audio, battery management, camera and display. The front-end module enables RF signal transmission and reception between a cellular phone and a base station.

By enabling faster and better quality data transmission, our RF-SOI substrates are key in supporting the current 4G/LTE, LTE Advanced and LTE Advanced PRO (cellular networks standards), as well as in supporting the deployment of the new 5G network. Our RF-SOI substrate is a unique technology that can allow the integration of many components of smartphones' front-end modules, thus offering benefits both in terms of cost and area to our customers. In addition, it provides unrivaled interference isolation and signal integrity (which is key to avoid drop calls), offering very high levels of performance.

The RF-SOI product family encompasses RF enhanced Signal Integrity (RFeSI) and High Resistivity-SOI (HR-SOI) wafers with diameters of 200mm or 300mm. Wafers in 300mm offer opportunities to access the most advanced CMOS (CMOS is most deployed semiconductor processing technology to build Very Large Scale Integration circuits) production processes with the aim of improving performance and integrating more RF components. Our product portfolio and roadmap address the full spectrum of performance requirements and our substrates are compatible with the standard CMOS processes our customers use to develop chips. Key supply contracts are in place with the main foundries.

Growth drivers for RF-SOI substrates in smartphones' front-end modules (FEM) include:

- 5G telephone sub-6GHz RF FEM;
- base station 5G sub-6GHz massive MIMO (Massive Input Massive Output) RF FEM;
- 5G mmW integrated RF FEM (mobile and infrastructure);
- wifi and IoT RF FEM (Bluetooth, LTE Cat-M standard, others);
- automotive connectivity (V2X, DSRC, and others protocols) and infotainment.

On this flourishing market, it is important to be continually innovating when it comes to both technology and cost.

In 2019-2020 we completed two major innovation projects:

- a product platform geared to the most advanced products, enabling several front-end module components to be integrated onto a single chip;
- a product platform that is specially optimized to balance cost and performance and that targets the low-end smartphone market.

We have completed the manufacturing certification steps and have begun increasing volume on these two new product platforms.

B. FD-SOI

Our Fully-Depleted Silicon-on-Insulator (FD-SOI) substrate is a unique technology that can integrate multiple components onto a single silicon chip for System on Chip (SoC) circuits.

This technology, which is used in CMOS processes, can operate at very low voltage and can optimize the energy efficiency of an SoC circuit, while remaining cost-competitive. Our FD-SOI product range can be used to enhance performance in a number of applications across ***automotive, the Internet of Things (IoT), smartphones and other segments***.

The growth drivers for FD-SOI substrates include:

- SoC integrated circuits for 5G mmW (mobile and infrastructure);
- electronics for driver assistance with radar-type processor circuits;
- circuits for smart objects incorporating artificial intelligence.

In order to follow CMOS roadmap and reduce the size of transistors for technology nodes below 28nm, we are developing FD-SOI products whose monocrystalline silicon active layers (10nm) and ultrafine oxide layers (20nm) are extremely uniform. When built on FD-SOI, the transistor is naturally reducing leakage current – ultimately improving power consumption and the performance of circuits. FD-SOI technology makes it possible to manufacture high-speed and low-voltage transistors in high volume, in order to meet the needs of consumers who want intelligent devices with a long battery life, thanks to new generations of integrated circuits.

As FD-SOI is well suited to high frequencies, it is perfect for 5G applications. Soitec is a pioneer in the development of FD-SOI wafer technology [1].

In addition, during the fiscal year 2019-2020, we certified production of a new generation of FD-SOI substrates, which surpasses previous generations when it comes to its uniformity of the layers and the roughness of its surface. This innovation improves the performance and reliability of chips in existing technologies (28nm/22nm/18nm) and paves the way for more advanced nodes (12nm and up). This next generation has been approved by one of our customers and will be rolled out to other customers over the coming year.

C. Power-SOI

Our Power-SOI substrates are used in advanced Bipolar-CMOS-DMOS (BCD) [2] processes to create intelligent, energy-efficient, highly reliable power circuits primarily intended for the ***automotive, industrial and medical verticals***.

Our Power-SOI products provide excellent electrical isolation and are perfect to integrate components operating at different voltages (from a few volts to several hundred volts) while combining several functions onto a single chip, reducing chip size and improving reliability.

These substrates are ideal for applications such as transceivers (CAN/LIN standards), switch mode power supplies, brushless motor drivers, LED drivers, class D audio amplifiers, ultrasound probes, pressure sensors, gas sensors and ultrasound transducers.

In 2019-2020 we certified a 300mm platform for Power-SOI products to anticipate customers migration to 300mm to take advantage of enhanced performance and cost effectiveness.

We have also introduced a new line of very thick products that use epitaxy on top of the SOI. These products are either intended to produce microelectromechanical systems (MEMS) or to manufacture very high power circuits. Sampling Is currently underway with a set of customers.

D. Photonics-SOI

Our Photonics-SOI wafers enable standard CMOS fabs to produce high-speed optical transmitter and receiver chips, providing high-data rate and cost-effective solutions for ***datacenter*** interconnections of 100GbE (Gigabit Ethernet), 400GbE and beyond. This substrate is also a solution for other sensor and calculation applications. SOI technology offers a unique structure enabling the integration of optical devices on CMOS platforms. Photonics-SOI play a major role in devices' final optical performance, so we are continually innovating and improving their features to support the technological developments of latest-generation datacenters.

In 2019-2020 we started production on two 300mm technological platforms to meet our customers' needs. The resulting products are highly uniform with low surface roughness. Special emphasis has been placed on the replicability and quality of our manufacturing process.

The structure of our Photonics-SOI substrates can also be an excellent option to produce quantum computing devices. We have also embarked on a R&D initiative in partnership with major players in this field.

E. Imager-SOI

Our Imager-SOI substrate is specifically designed for the production of front-side imagers for near-infrared (NIR) applications including advanced 3D image sensors that are used for ***facial recognition, as well as augmented and virtual reality applications***. In 2019-2020, we focused on manufacturing excellence as our Imager-SOI is now a mature product.

(1) Minalogic web site – Soitec – Substrat FD-SOI. https://www.minalogic.com/fr/produit/substrat-fd-soi
(2) BCD is a semiconductor process used for power devices.

F. POI

The creation of the next generation of advanced 4G and 5G mobile networks involves the development of new features and technologies by operators and phone makers.

Our Piezoelectric-On-Insulator (POI) product will allow front-end module makers to better respond to the strict 4G advanced and 5G sub-6GHz requirements by improving bandwidth and coverage for smartphone users. Our POI substrates make it possible to manufacture better-performing and more integrated surface acoustic wave (SAW) filter components to meet the stringent requirements of the new network features. Those filters are then integrated in smartphones' front-end modules along with the power amplifiers, switches and antenna tuners devices that are already manufactured using our RF-SOI substrates.

Our POI products are made of a thin layer of piezo material (today Lithium Tantalate) on top of the oxide layer, and a high resistivity silicon substrate. Our POI engineered substrates enable the design of filters with high quality factor, large bandwidth, very low temperature sensitivity and low insertion loss with a simple device manufacturing technology. They also provide the capability to integrate multiple filters on the same die and address high frequencies requirements.

We anticipate a widespread adoption of POI substrates in the coming years based on the customers interest in this unique value proposition. In September 2019, we increased the production capacity of our POI substrates in order to meet the growing demand for 4G/5G RF filters.

G. GaN epitaxial wafers

The expansion of our product portfolio into Gallium Nitride (GaN) technology strengthens our position in RF and Power markets. We can thus offer our customers a unique and comprehensive product portfolio for 5G mmW base stations and smartphones. Our main achievement this year has been to transit the technology from 150mm to 200mm. This will prepare the industrial phase and the ramp to larger volumes.

1.4.1.2 Future generations of substrates in development

A. InGaNOS

InGaNOS is an innovative relaxed Indium Gallium Nitride (InGaN) engineered substrates for red-green-blue (RGB) µLEDs applications. A pixel requires three LEDs (red, green and blue) to function. Up until now, green and blue LEDs could be built on the same substrate, but with a low efficiency for the green LED. In addition, a specific material was required to build a red LED. Thanks to our materials engineering expertise, we are able to offer a unique technology targeting high efficiency red & green microLEDs, down to micrometer-scale, to ultimately produce red, green and blue µLEDs on the same wafer.

In 2019-2020 we made great progress with this technology and sampled major customers in our 150mm line. We expect feedback from this sampling in late 2020.

B. SiC

Silicon carbide (SiC) is a wide band gap (WBG) semiconductor material that improves the technologies of current semiconductors, such as Silicon Metal Oxide Semiconductor Field Effect Transistor (Si MOSFET) and insulated gate bipolar transistors (IGBT) by offering smaller losses, higher switching frequencies, a higher operating temperature, robustness in challenging environments and high breakdown voltages. Another important feature of silicon carbide is that it can be used to make much smaller components that deliver equivalent performance. This helps to free up space and reduce weight. These properties are key for the power market, specifically in our targeted field of electric vehicles and its charging infrastructure. Complicated to manufacture, SiC material is difficult to produce in high quality. It is currently only made in 100mm and 150mm formats and is expensive. By using Soitec proprietary of Smart Cut™, we propose a new type of SiC products and will be able to overcome the challenges of current supplychain. Soitec has teamed up with Applied Materials, a leader in microelectronic equipment, to develop an engineered SiC substrate. Relying on our Smart Cut™ technology to transfer high-quality thin layers, we are able to offer a higher-quality 200mm substrate. This development project is underway in France: in Bernin and at the CEA-Leti premises in Grenoble.

1.4.2 MANUFACTURING

6 production lines

ANNUAL CAPACITY

150mm wafers	200mm wafers	300mm wafers
500,000 wafers per year	**1,300,000** wafers per year	**800,000** wafers per year
Potential	**Actual**	**Actual**

* *High Volume Manufacturing.*

We have manufacturing facilities, R&D centers and offices in Europe, in the United-States and in Asia to serve our customers worldwide. Our manufacturing model is agile and scalable – tailored to support profitable growth. We focus on operational excellence and seek to create value for all our stakeholders.

We deliver highly differentiated solutions to the marketplace – pushing the limits of semiconductors to drive advances in consumer and industrial applications. Engineered substrates are growing into a multi-billion-dollar market of which we own a significant share that we will further develop in the coming years.

1.4.2.1 France

Our Bernin 1 plant (200mm wafer production) operates at its full capacity of 950,000 units per year.

Our Bernin 2 plant has also been operating at full capacity since the end of fiscal year 2019-2020, with an annual production of 650,000 wafers and 300,000 re-used units from 300mm donor wafers. We are continuing to upgrade Bernin's manufacturing infrastructure so we can be responsive to future growth challenges.

After upgrading our space, we have expanded the manufacturing potential of our POI substrate line at Bernin 3 from 400,000 to 500,000 wafers per year. The capital expenditure was approved in order to match our customers' needs, and we will install future capacity increases in successive stages.

1.4.2.2 Singapore

Since the launch of our pilot line in September 2017, a production capacity of 80,000 wafers per year has been installed and qualified for both RF-SOI and FD-SOI products. Ramp-up of our SOI products in Pasir Ris is underway and capital expenditure is budgeted in fiscal year 2020-2021 to increase capacity potential from 120,000 wafers today to 240,000 wafers per year the following year, and up to 1 million per year later on.

In addition, the value-added epitaxy process has been certified for the production of our RF-SOI substrates at Pasir Ris and Bernin 2. To meet rising demand, capacity was expanded during fiscal year 2019-2020, and additional capacity is currently being installed. Our lines run 24/7 to support the production of RF-SOI wafers at Pasir Ris and Bernin 2.

Our Singapore plant's capacity to re-use 300mm donor wafers is 300,000 units per year.

1.4.2.3 Belgium

Our Belgian site supplies Gallium Nitride on Silicon (GaN-on-S) and Gallium Nitride on Silicon Carbide (GaN-on-SiC) epitaxial wafers. Its total production capacity will increase gradually, and a major step was completed in 2019-2020 with the installation and certification of a new, latest-generation metalorganic vapour-phase epitaxy (MOCVD) industrial reactor to handle large volumes. These products are sold to integrated component or device manufacturers who build high-performance power and RF devices.

1.4.2.4 Production Partnership in China

In 2015, we entered into a partnership with Shanghai Simgui Technology Co. Ltd. (Simgui), a Chinese company, for 200mm wafer production (see our press release dated May 26, 2014). This partnership constituted an important step for us to better support our worldwide production capabilities, establish an SOI ecosystem in China and confirm the standardization of our proprietary Smart Cut™ technology across the industry.

This partnership enabled Simgui to manufacture 200mm SOI wafers using our Smart Cut™ technology and granted them the exclusive right to market, distribute and sell those 200-mm SOI wafers in China, but not anywhere else in the world.

Two years later, after Simgui's site had been qualified by leading customers, we announced the start of mass production of 200mm SOI wafers in China.

The installed capacity is now 350,000 wafers per year with a manufacturing level comparable to the Bernin 1 plant.

In 2019, we established a direct sales presence in China. For our local customers, this means that they can not only benefit from direct contact and support from our local team but also from access to our global technical expertise and network across engineered substrates to address the full range of applications for China's growing electronics markets. This sales team expanded in April 2020 with the hiring of a Shanghai-based Director of Strategic Development.

1.5 CUSTOMERS

We work closely with our customers to define product features, performance and timing of new products so that the products we develop meet our customers' needs. We also employ application engineers to assist our customers in designing, testing and qualifying system designs that incorporate our products. We believe that our commitment to customer service and design support improves our customers' time-to-market and fosters relationships that encourage customers to use the next generation of our products.

Last year we reshaped our organization to meet rapidly changing customer and market requirements and better support the long-term growth of engineered substrates.

For several years now, the breakdown of our Group's revenue from electronics has been shifting.

This is accompanying the transition of the electronics market toward mobile applications, such as telephony and the Internet of Things, and the strengthening of semiconductor content in certain areas, such as the automotive and industrial sectors.

Several of our product lines offer strong growth opportunities:

- RF-SOI products: sales of wafers for RF applications have increased from around 10% of our revenue in fiscal year 2011-2012, to nearly 47% in 2018-2019 and almost 70% in 2019-2020. These meet the increasingly complex requirements of radio-frequency functions;
- Power-SOI products: sales of wafers for analog applications in power semiconductors have also made progress. These are based on the growing need for significant reliability, energy efficiency, and a good efficiency/cost ratio for integrated issuer-receiver circuits for the automotive industry, industrial applications, and consumer goods;
- FD-SOI, Imager-SOI and Photonics-SOI products: sales of these products in 300mm have made regular progress from quarter to quarter.

In 2019-2020, sales of 200mm and 300mm reached nearly equal proportions, with sales of 300mm accounting for 52% of the Group's revenue.

The following tables can be used to assess the change in the breakdown of revenue by region, customer, and wafer size.

› *Geographic breakdown of revenue from our Electronics division*

	2019-2020	2018-2019	2017-2018
United States	20%	19%	25%
Europe	25%	44%	41%
Asia	55%	37%	33%

› *Breakdown of revenue by customer*

	2019-2020	2018-2019	2017-2018
Top five customers	64%	56%	57%
Customers 6 to 10	24%	28%	25%
Other customers/Royalties	12%	16%	18%

The top five customers represented 64% of sales during the 2019-2020 fiscal year, compared to 56% during the previous year.

Among our largest customers in fiscal year 2019-2020 were GlobalFoundries, STMicroelectronics, TowerJazz, UMC, and NXP Semiconductors.

1.6 COMPETITION

We are the leading manufacturer and supplier of SOI wafers for thin films (thin SOI as opposed to thick SOI) (1). The Group pioneered the manufacturing of SOI wafers in volume using its Smart Cut™ technology at the end of 1990's. Two production sites were built in 1999 (200mm) and 2002 (300mm) to enable the largest worldwide SOI capacity (2).

Our direct competition for these products are the two companies to which we have licensed the Smart Cut™ technology.

The Japanese company Shin-Etsu Handotai (SEH) is a major player in our ecosystem: it is both a strategic supplier and competitor, as well as a minority shareholder. These three businesses are clearly segregated and independent:

- supplier discussions occur through procurement and innovation groups following standard processes;
- SEH obtained an operating license for the Smart Cut™ technology in 1997 and renewed it in 2012. This license entitles SEH to operate the technology independently and requires no operating interaction beyond a statement of their revenue;
- participation in Board of Directors meetings is in accordance with rules on conflict of interest.

The Taiwanese company GlobalWafers also holds a Smart Cut™ SOI license and mainly produces 200mm SOI.

Based on the royalties paid by our licensees, we estimate that the market share of SOI wafers held by Soitec was 78% for 2019-2020, up around 10 percentage points from the previous year.

When it comes to gallium nitride (GaN), we are focused on RF applications. This is a fast-growing market dominated by integrated players who produce both the substrate and the chips. Soitec is leveraging the enhanced innovation in the quality of the substrates produced by its Belgian subsidiary and its extensive know-how in high-volume production to become a leader once the market matures.

When it comes to RF filters, the piezo-on-insulator (POI) product is disrupting the market. We are the only player to offer a product based on the Smart Cut™ technology, which helps to provide excellent value for the money. As we are currently in the customer adoption phase, the competition will be analyzed later.

(1) Silicon on Insulator (SOI) market – Global forecast to 2025 – Marketsandmarkets – figure 49, Page 129. Report code SE2737 – June 2020.
(2) Soitec history: https://www.soitec.com/en/company/soitec-in-brief/history

1.7 OUTLOOK

For almost three decades, we have been engineering materials at atomic levels and manufacturing them on an industrial scale to offer differentiated value to our customers. Today, our RF-SOI product can be found in every smartphone manufactured worldwide and we are working closely with market leaders on the definition of specific new standards for 5G, the automotive sector, datacenters, cloud infrastructure and mobile telecommunications as well as IoT applications.

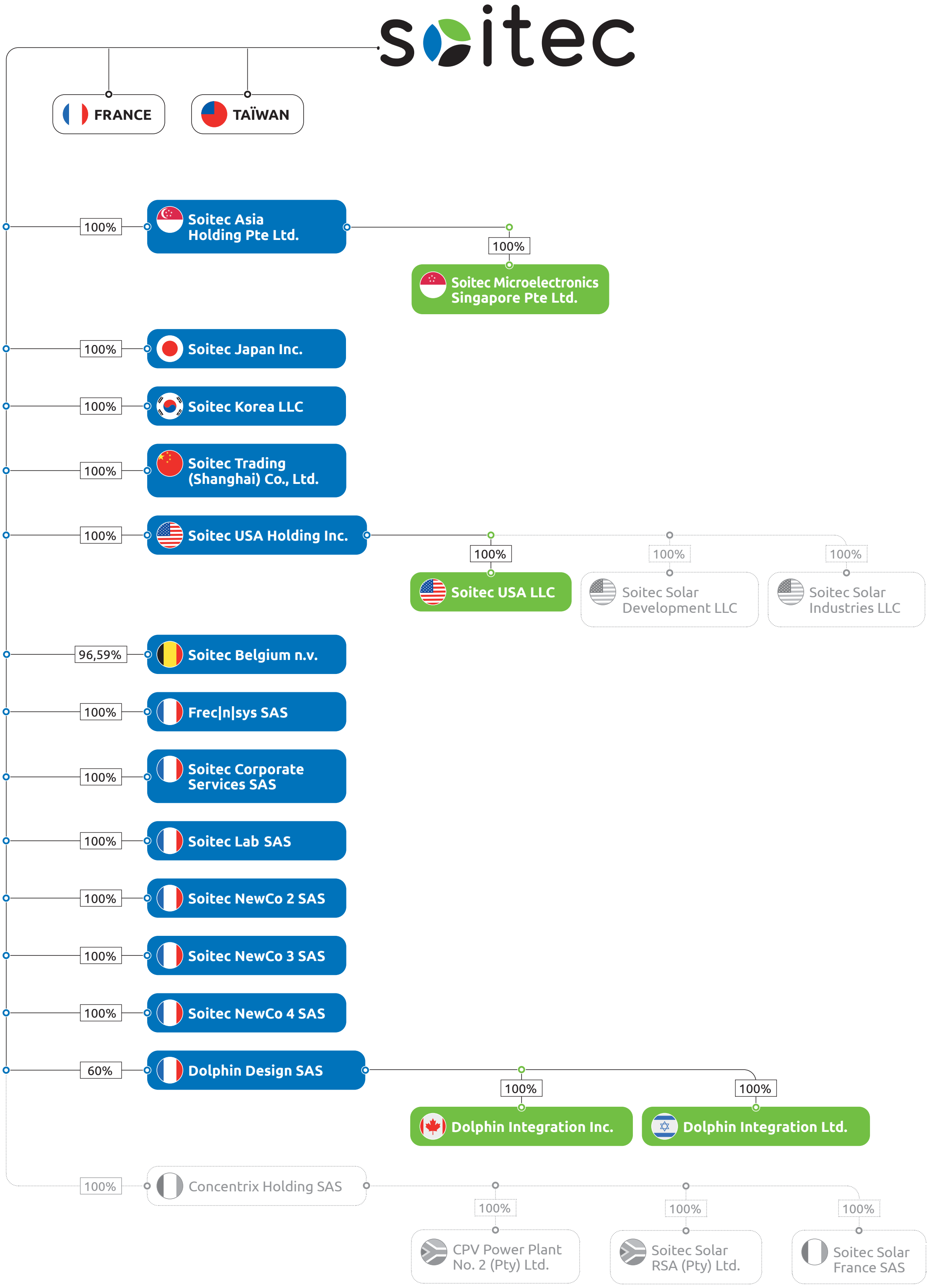
Over the course of the years, we have fulfilled our commitments and set out solid fundamentals. We have forged for ourselves a position which is unique amongst our competitors in the semiconductors value chain. We reaffirm our unwavering commitment to innovation, so as to strengthen our clients' positions amongst their competitors. The production model we put in place is agile and adjustable. It enables us to respond to the growing demand for our products, while remaining consistently compliant with the strictest possible quality standards.

In our daily lives, we are constantly surrounded by or in contact with electronic equipment which works thanks to semiconductors. We live in a world in which data is omnipresent. New technologies are necessary to collect and process this data and turn it into useful information. With our roadmap for innovation and our product portfolio, we are pushing the envelope in terms of power, performance, integration, cost, and reliability. We are contributing to the adoption of new technologies by as many people as possible and helping make new applications such as driver-less cars a reality. Our engineered substrates are rapidly becoming the solution of choice for an increasing number of industrial partners. Whether for the development of new products (SOI and beyond) or the implementation of our current products in new equipment and applications, we consider that the market for our innovative substrates will continue to grow to reach approximately 3.5 billion by 2024.

1.8 GROUP ORGANIZATIONAL STRUCTURE

The organization chart below shows our Group at the date of finalization of this Universal Registration Document.

The percentages indicated below correspond to the percentages of capital and voting rights.




3
Levels of internal control
6
Categories of risk
4
Levels of risk

2. Risk factors and internal control

2.1 INTERNAL CONTROL AND RISK MANAGEMENT

To meet the need to monitor and manage risks inherent to its business, our Group has set up an internal control and risk management mechanism.

Its objective is to provide reasonable assurance that these risks are under control.

In this way, in accordance with the applicable standards and regulations, it contributes to the management of our activities, the effectiveness of our operations and the efficient use of our resources.

2.1.1 OUR CONTROL ENVIRONMENT

2.1.1.1 Purpose and definition

Our Group's internal control environment comprises of an internal control and risk management mechanism developed on the basis of the AMF's reference framework.

This system is defined and implemented under the direction of our Group, and aims to ensure that the following objectives are met:

- the reliability and integrity of published accounting and financial information;
- the compliance with the laws and regulations to which our Company and its subsidiaries are subject to;
- the implementation of instructions and guidelines set by our Group's governing bodies; and
- the proper functioning and efficiency of its internal processes, especially those intended to safeguard its assets and holdings.

To the extent possible, our Group's goal is to ensure that the entire internal control and risk management system helps to prevent any risks facing our Group, be they operational, financial, or compliance-related in nature.

However, our Group cannot provide absolute assurance that our objectives will be achieved, and that the risks of errors or fraud have been completely controlled or eliminated.

The internal control and risk management mechanism has three components:

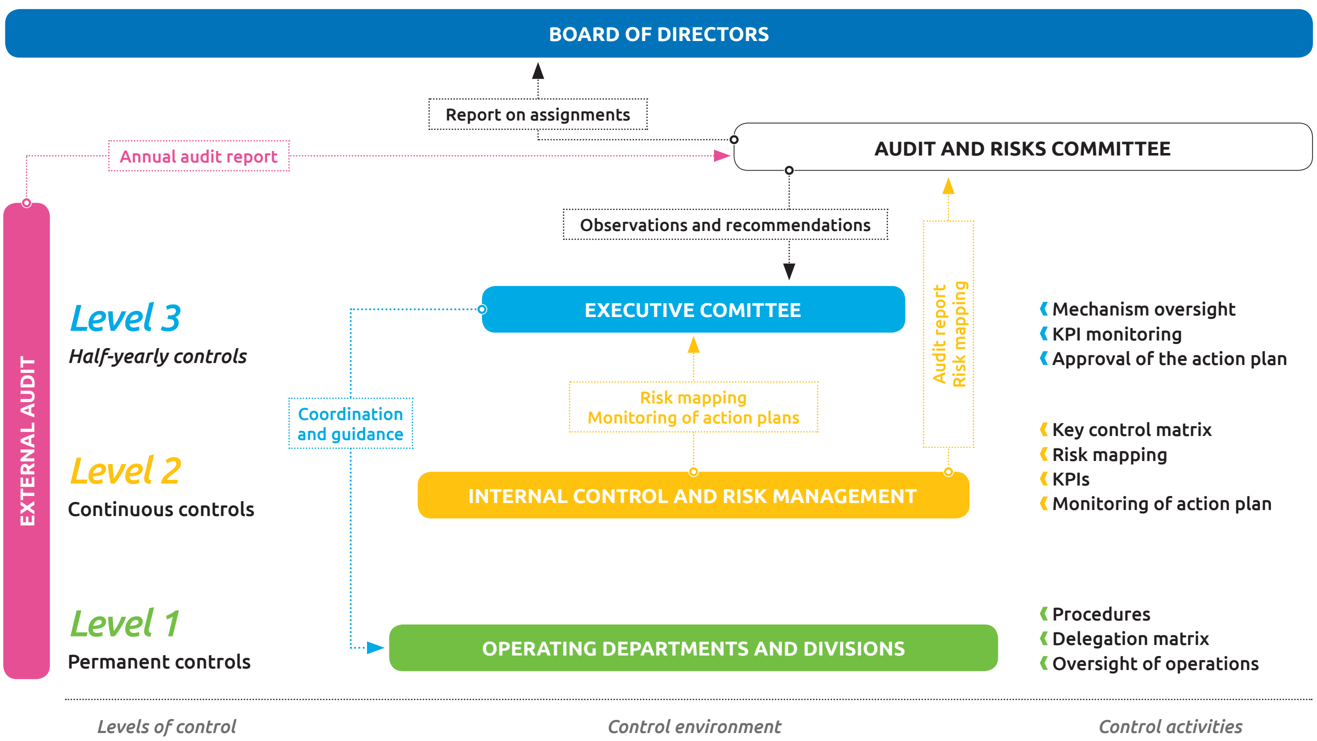
- an organizational structure that contributes to the implementation and continuous improvement of the mechanism;
- tools to help monitor and ensure that risks are under control; and
- key players who help coordinate and curb identified risks.

2.1.1.2 Internal control and risk management mechanism

The internal control and risk management mechanism comprises types of control, which can be broken down into three levels:

- level 1: permanent controls, which are ensured by our departments and operating teams;
- level 2: continuous controls, which assess the efficiency of the mechanism through our Internal Control and Risk Management Department; and
- level 3: half-yearly control carried out by the Executive Committee, involving all of our Group's departments, including the Finance Department.

The organization of the internal control and risk management mechanism is described below:



2.1.2 INTERNAL CONTROL AND RISK MANAGEMENT KEY PLAYERS

The proper functioning of the internal control and risk management mechanism (whether operational, financial or compliance-related), is at the heart of our Group's organization and its management and control activities.

Controls are carried out, for each identified process, by all of our departments and employees.

The steering of internal control mechanism falls within the remit of the Executive Committee.

The Finance Department reports to the Audit and Risks Committee and to the Board of Directors on the effectiveness of the mechanism in place.

2.1.2.1 Our Audit and Risks Committee and our Board of Directors

In accordance with the AFEP-MEDEF Corporate Governance Code for Listed Companies (the "AFEP-MEDEF Code"), the Audit and Risks Committee is involved in a number of internal control and risk management initiatives, such as:

- assessing our Group's internal control systems;
- reviewing risk mapping;
- assessing internal control and risk management action plans; and
- monitoring recommendations and their follow-up actions.

In this respect, the Audit and Risks Committee issues its opinion on the internal control organization, following a review of its work schedule. Furthermore, it ensures that an identification, quantification and prevention process for the main risks generated by our Group's activities is in place.

Should it deem it appropriate or necessary, the Audit and Risks Committee provides all useful information regarding internal control or risk management to the Board of Directors.

2.1.2.2 Our Executive Committee

The Executive Committee is our Group's management and steering body.

It is therefore responsible for overseeing our Group's internal control and risk management mechanism. To this end, it relies on the work and periodic reviews of the Finance Department, which sits on this Committee.

The Executive Committee monitors the progress of the action plan approved by the Audit and Risks Committee, and ensures the effectiveness of the internal control and risk management mechanism.

It also ensures that major issues are identified and addressed, and approves our Group's operational and strategic objectives.

Finally, it monitors the implementation of the strategy and assesses options to ensure it is effectively rolled out, in compliance with the guidance given to it by our Audit and Risks Committee and our Board of Directors.

2.1.2.3 Our Finance Department

The Finance Department is represented on the Executive Committee by the Chief Financial Officer.

The main purpose of the Finance Department is to ensure consistent information in operational terms for the Chief Executive Officer, to whom all members of the Executive Committee report directly.

Our Chief Financial Officer is tasked with centralizing and regularly presenting to the management, internal control and risk management indicators monitored by our Executive Management and our Audit and Risks Committee.

The Finance Department includes an internal control unit tasked with organizing the internal control and risk management mechanism, and which assesses and monitors its effectiveness.

As such, the internal control unit defines the procedures to apply, monitors the action plan in relation to the recommendations issued by our auditors and the guidance provided by our Audit and Risks Committee, and completes the formal risk mapping activity.

Our internal control unit reports on a regular basis to the Chief Financial Officer, who is its direct line manager.

2.1.2.4 Our Legal Department

The Legal Department is represented on the Executive Committee by our General Counsel.

The Legal Department handles matters relating to all areas of laws and regulations in the broad sense of the term.

Its mission includes in particular supervision of regulatory and compliance related matters relevant to our Group.

It also involves the handling of litigations involving our Group companies, which litigations are monitored through a litigation report updated at the end of each semester with the assistance of external counsel. The litigation report is reviewed by our Executive Committee.

The Legal Department is also responsible for defining the Group's insurance policy and for underwriting and managing all insurance policies.

The Secretary of our Board of Directors and its five Committees is the General Counsel. In this respect, she is actively involved in organizing and conducting their meetings. In particular, she ensures that matters that must be examined and/or approved, pursuant to applicable laws, regulations, the Board of Directors' internal regulations or the rules of good corporate governance (such as those of the AFEP-MEDEF Code), are effectively brought to the attention of our directors and, where applicable, submitted for their prior approval and/or subsequent ratification.

An approval matrix procedure has been established. Before a contract is signed by one or more Group company, the approval of a tracking form is required. The employee responsible for the contract, a director involved in the contract and/or the head of the relevant department beneficiary of the contract are involved. In addition, depending on the purpose, type, parties to and/or the amount of a contract, the Finance Department, the Intellectual Property Department and/or the R&D Director must validate the tracking form.

2.1.2.5 Our Human Resources and CSR Department

Our Human Resources Department, represented on our Executive Committee by the Executive Vice President, Human Resources and CSR, is in charge of policies to attract and retain talent, manage employee relations, prevent industrial and workstation accidents, and steer our Group's environmental policy. Further, it oversees safety and security, ranging from cybersecurity and personal data protection to the safety of persons and property. It is also responsible for occupational health, which is nonetheless run as an autonomous and independent unit to ensure it has the required independence to put the health of employees first.

As such, our Human Resources Department ensures compliance with rules and regulations applicable at all its locations—notably labor law, welfare and benefits, environmental law, and collective agreements struck with employee representatives—and with unilateral undertakings by our Company, such as the Code of Good Conduct that pertain to all matters within its remit and with which all employees must comply.

It formulates and implements policies to attract and retain personnel to meet the technological and business growth challenges by offering dynamic career paths, facilitating continuous learning and skills development, and offering a wide array of competitive pay packages that combine collective and individual incentives, such as unique employee shareholding plans open to a large number of staff, with a view to uniting all parties around common goals to achieve profitable growth over the short and medium term.

Last, it ensures a proper dialogue between management and employees, safeguards occupational health, promotes continual improvement in the quality of life at workplace, and foster diversity.

2.1.2.6 Our Operating Departments and our employees

Our Operating Departments are at the heart of the internal control and risk management mechanism. They are responsible for applying the policies and procedures established by our Group, in order to achieve the objectives set and ensure the effectiveness of their work.

All Group employees are first-level players in the implementation of internal control measures. Their involvement in internal control is an essential part of their work and contributes to the good level of control over our Group's activities.

Written procedures set out the controls to be carried out at critical steps in each identified process.

Our employees also contribute to the continuous improvement of the internal control mechanism by sharing anomalies or errors detected with their department or the relevant unit.

2.1.3 OUR INTERNAL CONTROL MECHANISM

2.1.3.1 Reference framework

In 2010, the AMF updated its Reference Framework document, originally published in 2007. This document forms the basis for our Group's internal control mechanism. Our Company is committed to complying with these principles when implementing its internal control mechanism.

Adopted by our Group in 2009, it applies to all entities in the consolidation scope. It has resulted in the implementation of:

- internal control procedures applicable to all entities within our Group;
- rules of access to the IT systems tailored to roles and responsibilities of our operational staff and to the principle of Segregation of duties;
- rules for supervising accounting and financial operations that are identified as critical.

By formalizing these rules, we help strengthen key controls and make the internal control process more reliable, while preventing and managing major risks to which we are exposed, given the nature of our business.

Our Company has successfully completed most of the projects it initiated, aiming to bring its internal control environment in line with that of the AMF's Reference Framework.

Our internal control procedures now reflect our Group's size and the nature of its business. They meet the requirements of our managers and shareholders.

2.1.3.2 Assessment of internal controls

The assessment of our internal control system is the subject of a specific information given to our Audit and Risks Committee, during its meeting called to review the annual financial statements.

This presentation is prepared by our internal control unit, and takes the form of a plan to monitor the actions carried out during the fiscal year. It involves identifying areas for improvement and setting objectives for the following year.

Our action plans are defined in conjunction with the internal process managers and aim to improve the internal control mechanism.

These action plans are coordinated by our internal control unit and are regularly reviewed by our Executive Committee.

Our internal control processes are reviewed by our statutory auditors as part of their audit review for certification of the annual financial statements.

2.1.3.3 The role of our statutory auditors

In the performance of their duties, our statutory auditors are required to:

- obtain an understanding of the organization and operation of our internal control processes;
- present their observations, if any, on the description of our internal control and risk management procedures for the preparation and treatment of accounting and financial information;
- certify that the other information to be included in our corporate governance report pursuant to Article L. 225-37 of the French Commercial Code has been prepared and reviewed.

2.1.4 OUR RISK MANAGEMENT

2.1.4.1 Context and risk mapping

Our Company now aims to strengthen its internal control mechanism, which has been in place for several years, by presenting a risk map to our Audit and Risks Committee once a year. The goal is to establish a more systematic monitoring tool.

This mapping provides an analysis of the risks to which our Group may be exposed, and whose occurrence could have an adverse impact on its activities, financial position or assets, or on its reputation or image.

Our Company successfully redesigned its risk mapping process in 2018. As such, it has identified and developed several scenarios covering the main risks liable to impact its activities at both Group and local level.

Our Audit and Risks Committee reviewed the risk map in June 2018. An updated version is presented every year in March to the Committee.

2.1.4.2 Methodology and assessment

Each risk is identified, analyzed and assessed using a general risk matrix.

This matrix then makes it possible to map risks by category (business, compliance, operations, R&D, finance, etc.) and by level of criticality.

There are four levels of criticality:

- critical;
- major;
- moderate; and
- low.

2.1.4.3 Method

Our risk mapping was completed with the assistance of all members of the Executive Committee. It was implemented in two stages:

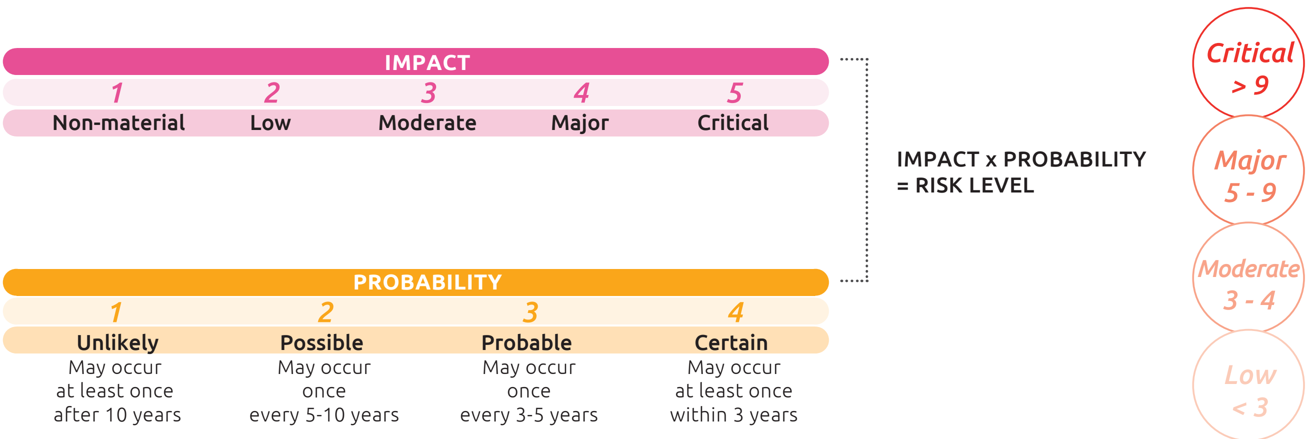
- interviews held with members of the Executive Committee, heads of subsidiaries and operating staff, supplemented by thematic questionnaires, to identify the risks specific to their business activities and the measures implemented to control or mitigate them;
- an assessment of the level of criticality of each risk based on two criteria: financial impact and probability of the risk occurring.

2.1.4.4 Risk assessment criteria

The level of criticality of a risk is assessed on the basis of two criteria:

- the calculation of the financial impact based on EBITDA or cash flow or market price on a scale from 1 (non-material) to 5 (critical);
- the estimate of risk probability or occurrence on a scale from 1 (unlikely) to 4 (certain).

The combination of these two criteria makes it possible to categorize the risks under one of the four aforementioned levels of criticality, as presented in the diagram below.



2.1.4.5 Review and regular reporting

The risk mapping is reviewed at least once a year and is based on interviews held between members of the Executive Committee and operating staff.

It may also be reviewed following an external audit or specific analysis, during which new risks are identified or existing risks are reassessed.

Regular reports are provided to the Executive Committee regarding risk mapping and an annual report is presented to the Audit and Risks Committee.

2.1.5 OUR INTERNAL CONTROL PROCEDURES AND ACCOUNTING AND FINANCIAL REPORTING

Pursuant to Article L. 225-100-1 of the French Commercial Code, our Group has presented below its internal control procedures involved in the preparation and treatment of accounting and financial information.

2.1.5.1 General principles

Our internal processes for the preparation and treatment of accounting and financial information aim to ensure:

- the compliance of published accounting and financial information with applicable rules;
- the application of instructions and guidelines set by Executive Management regarding such information;
- the reliability of the information published and used internally for coordination or verification purposes, where they contribute to the preparation of published accounting and financial information;
- the reliability of the published financial statements and of information disclosed to the market;
- the preservation of its assets and holdings;
- to the extent possible, the prevention and detection of accounting and financial fraud and unlawful acts.

Our Group relies on the Finance Department to ensure the proper preparation and treatment of accounting and financial information.

2.1.5.2 Accounting and financial organization management process

Our accounting and financial organization management process is based on a structure and documented procedures that ensure the reliability and integrity of published consolidated data.

Internal control procedures are in place, and are based on a centralized control system that gathers data from our subsidiaries.

It specifically involves principles such as the separation of tasks, the supervision of critical operations, and also contributes, amongst others, to the prevention and detection of accounting and financial fraud and unlawful acts.

A. Our Finance Department

Our Finance Department plays a key role in coordinating our Group's financial and accounting organization and, in order to successfully carry out its assignments, draws on its Consolidation, Accounting, Management control, Internal control and Communication, and Investor Relations functions.

Our Finance Department is also active at each Group subsidiary *via* an Accounting/Management control unit.

Our accounting and financial organization is integrated within the permanent control mechanism implemented by the Group. It ensures the efficiency of its organization and processes that contribute to the development and treatment of published financial data.

To this end, it implements procedures for consolidating, monitoring and managing financial information in accordance with IFRS accounting standards.

B. Our Disclosure Committee

The Disclosure Committee is an important component in our Group's internal control system.

It meets twice a year before the accounts are closed by the Board of Directors.

Key operating executives at our Company (including members of our Executive Committee) are presented with the key events and highlights during the period relating to the financial statements, the closing options adopted and the main judgments made.

The aim is to confirm the reliability and exactness of the financial information to be made available to the public, in particular:

- by confirming the Finance Department's correct understanding of operational matters;
- by verifying the exhaustiveness of the disputes or potential disputes examined;
- by reviewing any subsequent events.

These meetings are the subject of a written report, in which the key operational managers confirm that they have provided our Finance Department with all necessary information.

Our statutory auditors attend the Disclosure Committee.

C. Our Audit and Risks Committee and our Board of Directors

Our Audit and Risks Committee and our Board of Directors control and audit the process for the preparation and treatment of accounting and financial information.

Controls and verifications

Each year, the annual budget is approved by our Board of Directors, following an analysis and approval by our Audit and Risks Committee. This budget is used for the management of the economic performance of each operational unit and of our entire Group.

At each Board of Directors meeting, the Chief Financial Officer presents our Group's actual situation in comparison with the annual budget.

Closing of the financial statements

The draft half-year and annual consolidated and individual financial statements, together with the Notes, are sent to the Board of Directors and to the Audit and Risks Committee eight days before their respective meetings are called to close the financial statements.

Our Audit and Risks Committee meets prior to the Board of Directors' meeting in order to review the financial statements. The Committee members may meet with our statutory auditors or key persons in the Finance Department, without our Group's executive management being present. They may elicit their opinions on the accounting information presented, or on the effectiveness of the internal control system in place.

The financial statements, once validated by the Audit and Risks Committee, are then submitted to the Board of Directors for closing.

Furthermore, our Audit and Risks Committee studies and formulates recommendations on annual capital expenditure and exceptional expenditure. It is also in responsible for regularly reviewing our Group's main financial risks and off-balance sheet commitments.

Our Audit and Risks Committee reports on its work to the Board of Directors at least four times a year.

D. Our statutory auditors

Pursuant to French law, our Group's financial statements are audited by joint statutory auditors.

Our subsidiaries identified as material are audited (limited review for the half- year financial statements). Our other subsidiaries are reviewed on the basis of the relevant financial aggregates.

Our statutory auditors present a summary of their work to our Finance Department and to our Audit and Risks Committee at each half-year and annual closing date.

Ernst&Young and KPMG were appointed for a period of six years starting from the Shareholders' General Meeting of July 25, 2016, and ending at the close of the Shareholders' General Meeting to be called to approve the financial statements for the fiscal year ending on March 31, 2022.

2.1.5.3 Process for preparing published accounting and financial information

In accordance with European Regulation no. 1606/2002 dated July 19, 2002, since April 1, 2005 our Company publishes its consolidated financial statements in compliance with international financial reporting standards (IFRS).

A. Financial reporting

In accordance with stock market regulations, our Group strives to provide reliable and accurate information and to inform the public as soon as possible of any event likely to have a material impact on the market price of its financial instruments.

Financial information made available to the public is prepared by our Chief Financial Officer, on the basis of data prepared and verified by his team.

Before publication, this information is reviewed by certain key operational executives and by the Chief Executive Officer.

They are also subject to prior approval by the members of our Audit and Risks Committee and/or our Board of Directors. Our directors are therefore able to make comments and suggest changes prior to publication.

At each stage of the process, the accuracy, precision and consistency of the information, as well as its prudent and reliable nature, are key points that undergo a systematic check.

All of our Company's financial documents are published on its website in the "Company/Investors" section (*via* the following link: https://www.soitec.com/en/investors).

They are made available for a minimum period of five years.

B. Consolidation process

The consolidation process is a centralized process at our Group.

The Consolidation division provides subsidiaries with the accounting rules to be applied, and ensures that they are properly understood and applied.

Monthly reporting, budgets and the consolidation of accounting data are managed on a single IT system.

The objectives of the consolidation and management system in terms of control are as follows:

- to proceed with automated monitoring of the consistency of the financial data submitted by the subsidiaries;
- to process collected information faster;
- apply international accounting standards (IFRS).

Accounting principles and definitions are formalized and available to all users.

The information provided by our subsidiaries is checked by the Consolidation team at our headquarters. It conducts consistency checks and approves the items that present the greatest risks before consolidating the financial statements.

The Chief Financial Officer is provided with a detailed analysis of evolutions in results and of specific key indicators. This reporting process is structured as follows:

- preparation and approval of an annual detailed budget, which is then updated on a monthly basis;
- monthly reporting on the results, cash flow and investment;
- detailed analysis of differences;
- quarterly budgetary review during the steering and control meetings.

The results and forecasts are reviewed on a quarterly basis to ensure that the objectives are achieved.

Regular tracking of the results makes it possible to take the necessary corrective measures as needed.

C. Procedure for reporting and consolidation of data

The published consolidated financial statements are prepared by the Finance Department on the basis of the audited financial statements of the subsidiaries.

Financial statements are prepared by our subsidiaries in accordance with our Group' accounting rules and to a schedule set out and made available by our Finance Department.

The main accounting estimates and options used by our Group are stated in advance of the closing of the accounts with the statutory auditors.

D. Verification of the consolidated financial statements

Our Company's statutory auditors audit and review the annual consolidated financial statements and carry out a limited review of the half-year consolidated financial statements. Local external auditors carry out a limited review of the statements submitted by the subsidiaries, where relevant.

Our statutory auditors prepare, as part of their assignment, letters of recommendation on the procedures and financial statements which are followed up our Finance Department.

E. Management of external financial data

Our Group's financial statements are prepared using data from the accounting software package and are then incorporated in the half-year and annual reports, which are reviewed by the external auditors.

Our Group's publications relating to its financial statements are prepared on the basis of information gathered from our Finance Department and are systematically approved by our Chief Financial Officer.

They are then reviewed by the Disclosure Committee.

Our Audit and Risks Committee and our Board of Directors examine and approve these releases for publication.

2.2 RISK FACTORS

2.2.1 MANAGING THE COVID-19 PUBLIC HEALTH CRISIS

Our Group began the fiscal year 2020-2021 in a context of high economic uncertainty due to the coronavirus pandemic ("Covid-19") which started in China in December 2019 and spread globally since the end of February 2020. In the ensuing public health crisis, many countries have instituted confinement measures and placed restrictions on movement. The impact of the crisis on our business is, at this stage, hard to assess and will depend on its scale and duration as well as on the measures taken by all countries affected to combat this pandemic.

In these circumstances, our Group's top priority is the safety of its staff and partners. A number of necessary measures have been taken at all affected facilities to ensure business continuity in the best possible conditions in all countries where our Group operates. To date these measures have kept all production sites running and protected global supply chains.

Our Group is dealing with the crisis through action plans coordinated within the following crisis management units: sanitary measures, supply chain protection, employee support and information, and public relations.

Each of these specialized units reports on a regular basis to the business continuity unit, in real time to our Group's Executive Committee.

Each crisis management unit has set out Group-level policies pertaining to its remit and approved local measures adapted to the realities on the ground and the regulatory framework of every facility. Sanitary and distancing measures as well as the operational and organizational impact of the crisis are the subject of a continuous dialogue between management and employee representatives.

Meanwhile, our Group's analysts are closely tracking the semiconductor industry, studying all announcements by our customers and looking out for any changes in the composition of the ecosystem. This constant watch has enabled our Group to respond adequately and take the necessary measures to adapt our business.

This day-to-day management, coordinated at the level of our Group's various subsidiaries, makes it possible to adapt all of the measures as the health crisis evolves.

The Executive Management acknowledges the mobilization and responsiveness of all subsidiaries, sites and their employees, which reflects our Group's ability to meet these unprecedented challenges.

Soitec has updated its sales guidance for FY 22 as a result of the Covid-19 crisis (see section 5.3 *Trends and Objectives* of this Universal Registration Document). At the filing date of this Universal Registration Document, the exact extent of the impact of the crisis on our Group's 2020-2021 results cannot be assessed more precisely. In general, all of the risks identified in Chapter 2 of this Universal Registration Document must be considered in the light of the consequences of the Covid-19 pandemic and in particular regarding the "Global Pandemic" risk factor described in the following chapter.

Please refer to Chapter 3 which details the health and communication measures put in place during the Covid-19 crisis.

2.2.2 RISK MAPPING SPECIFIC TO OUR GROUP AND ITS INDUSTRY

Our Group's risk mapping prepared by the Finance Department and presented to the Audit and Risks Committee helped identify a total of 101 risks for the 2019-2020 fiscal year.

They have been classified under 4 levels of criticality: low, moderate, major and critical.

Of these 101 risks, only 10 risks have been identified as critical and 16 as major, given their potential impact and the probability of them materializing.

The risks presented in this chapter are sorted by type and criticality into a limited number of categories. These risks were chosen based on their probability of occurrence and the estimated extent of their adverse impact.

Of our 26 critical and major risks, we identified 17 specific to our Group, its industry and its business environment, which we grouped into six categories:

- Risks related to the ecosystem;
- Technological risks;
- Industrial risks;
- Financial risks;
- Legal risks;
- Social and environmental risks.

Presented below are the specific and material risks that could impact our Group's business and financial position at the date of this Universal Registration Document.

As yet unidentified risks or risks whose occurrence is considered unlikely to have an adverse impact may also exist at the filing date of this Universal Registration Document. The information below contains assumptions and estimates that by definition may turn out to be incorrect.

2.2.3 PRESENTATION OF OUR SPECIFIC RISK FACTORS BY CATEGORY

In accordance with the provisions of Article 16 of EU Regulation 2017/1129, the risk factors identified in our six risk categories are ranked in order of materiality, from the highest to the lowest risk, according to our Group's assessment as of the date of this Universal Registration Document.

In each category, the most material risks are mentioned first.

RISKS RELATED TO THE ECOSYSTEM

1. Customer concentration
2. Markets and innovation
3. Competition
4. Geopolitics and global economy
5. Price fluctuations

TECHNOLOGICAL RISKS

6. Technological obsolescence
7. Launch of R&D projects

INDUSTRIAL RISKS

8. Production capacity
9. Supply structure with bulk suppliers
10. Limited number of suppliers of raw materials
11. Price fluctuations of raw materials
12. Production shutdown

FINANCIAL RISKS

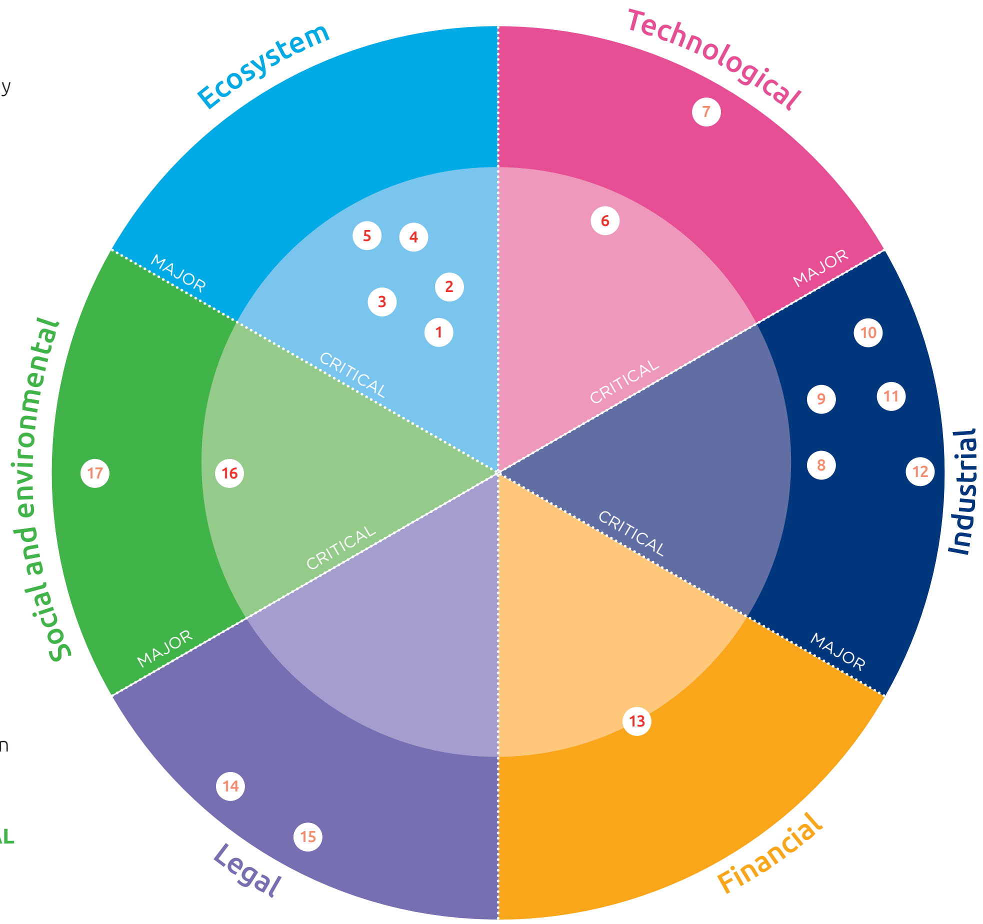
13. Exchange rates

LEGAL RISKS

14. Intellectual property protection
15. IT and data security

SOCIAL AND ENVIRONMENTAL RISKS

16. Global pandemic (Covid-19)
17. Integration of employees from acquired entities



The diagram only shows specific, material and corroborated risks for the 2019-2020 fiscal year.

Our risk factors related to CSR challenges are presented separately in the present Universal Registration Document, in accordance with the requirements of the extra-financial performance statement.

2.2.4 SUMMARY OF OUR GROUP'S SPECIFIC RISKS BY CATEGORY AND CRITICALITY

For each of the six risk categories, risks are identified according to their level of criticality as assessed during the risk mapping process, according to the key below and as described in section 2.1.4.2 *Methodology and assessment.*

In addition, within each category, the risks with highest materiality are listed first.

Critical *> 9*	*Major* *5 - 9*	*Moderate* *3 - 4*	*Low* *< 3*
Critical risk	**Major risk**	**Moderate risk**	**Low risk**

2.2.4.1 Risks related to the ecosystem

Description of the risk	Potential impacts	Main control mechanisms
Critical > 9 **Customer concentration**		

• The semiconductor industry is concentrated among a small number of foundries and customers.
• Our portfolio is dominated by five main customers (see section 1.5 *Customers* of this Universal Registration Document).
• This concentration is intensified by the technological choices of our Group's main customers, making it dependent on:
  • customer products;
  • the technological choices of our customers' customers.
	• Uneven bargaining power.
	• A significant drop in demand from our main customers leading to lower revenue and earnings.
	• Dependence on the technological choices of our customers' customers having a negative impact on our Group's business volumes.
		• Policy of product diversification and capturing different market segments: smartphone, automotive, Cloud & infrastructure, IoT in order to expand our offer and our positioning which has enabled us to reduce the customer concentration in recent years.
		• Focus our strategy to make our innovative substrates the industry standards, especially our RF-SOI technology which is gaining in popularity among our customers and is widely used in 4G and 5G smartphone components (see section 1.4.1 *Products* of this Universal Registration Document).
		• Promotion of partnerships with existing customers (collaborative program of technical data sharing, SOI consortium, etc.).

Critical > 9 **Markets and Innovation**		
• The semiconductor industry is cyclical as well as highly innovative in terms of alternatives to our Group's technology. • Adoption of a technology by the market is a long process that requires constant anticipation of the changing needs of end customers.	• Loss of market share if a technology is not adopted. • Fall in revenue if certain product lines do not meet customer expectations. • Prolonged customer approval cycle of new technology. • Lower than expected revenue.	• Increase spending on R&D by 11.2% of revenue at 03/31/2020 (see section 5.1.1.5 *R&D costs up significantly (+€12.5 million)* of this Universal Registration Document). • European Union support and financing in the context of the IPCEI program and Nano 2022 (see note 2.4. "Highlights of the year" in section 6.2.1.2 *Notes to the consolidated financial statements* as of March 31, 2020 of this Universal Registration Document). • Partnership policy with key players such as research centers, universities and major customers in the four target markets (smartphone, automotive, IoT and infrastructures for the Cloud and mobile telecommunications). • Develop research platforms in Europe, Asia and the United States. (see section 1.3.3.1 *Strategic collaborations across the semiconductor value chaine* of this Universal Registration Document). • Set up an Innovation Department and establish Business Units for each product line to be closer to the market and customers, with the support of the Strategic Office to find new markets.
Critical > 9 **Competition**		
• The semiconductor market is very competitive due to the high concentration of market participants (see section 1.6 *Competition* of this Universal Registration Document). • This situation is exacerbated by the strategy of some market participants to undertake mergers & acquisitions or form partnerships to diversify their technological range or increase their production capacity. • Silicon producers might develop integrated models enabling them to make SOI, POI, GaN and the like or alternatives to Soitec products.	• Entry into the market of new competitors or existing competitors with new technology. • Loss of market share. • Impact on our Group's business growth. • Fall in revenue.	• Regular monitoring of the overall capacity of competitors to produce SOI, POI, GaN and the like, and assess where our technology stands compared to the needs of the market. • Continue R&D efforts to be at the cutting edge of technology and bring innovative, high-performance solutions to market. • Strengthen the sales organization, ensuring the promotion of SOI products amongst end users. • Work closely with our direct customers and end users to align our products' roadmaps and best meet their needs in terms of performance, price and other criteria.
Critical > 9 **Geopolitics and global economy**		
• Our Group's business may be directly or indirectly affected by protectionist policies of the world's biggest economies, especially China, the United States and Europe: 55% of our Group's revenue came from Asia, 20% from the United States and 25% from Europe for the fiscal year 2019-2020 (see section 1.5 *Customers* of this Universal Registration Document).	• Significant increase in tariffs lowering our Group's margin on products exported to the United States. • Blocked or prohibited entry to a market (particularly in China and the United States). • Loss of market share. • Decrease in revenue and results.	• Periodic analysis carried out by a dedicated team of the current geopolitical and regulatory situation to detect any risks liable to impact our business. • Develop multiple production capacity in Europe and Asia to be able to reroute distribution. • Portfolio of products responding to demand from clients located all around the world. • Strengthen our skills in export control and analysis of the content of our products to identify the origin of the components, equipment or IP used in their manufacture.
Critical > 9 **Price fluctuations**		
• Competition between our innovative substrates and alternative products in the semiconductor market could heighten price pressure. • The prevalence of Soitec technology depends on the price-performance ratio compared with other solutions available in the market. • Silicon is expensive compared with other raw materials.	• Downward pressure on the selling prices of our products and/or erosion of our market shares. • Possible withdrawal by end users or their suppliers from projects relying on our products if the price-performance ratio is unattractive. • Decrease in revenue and results. • Lower profitability in the event of a significant increase in raw material prices.	• Setting a minimum cost in order to maintain a good margin on Soitec products. • Implement a product roadmap to continually raise the performance of our products and set them apart from our customers' standpoint. • Negotiation of long-term agreements with main customers to determine selling prices based on quantities ordered. • Implementation of a cost control program using an internally developed process dedicated to improving the use of raw materials. • Long-term partnership in terms of volume and pricing with suppliers.

2.2.4.2 Technological risks

Description of the risk	Potential impacts	Main control mechanisms
Critical > 9 **Technological obsolescence**		
• Our Group's technology or products could obsolesce with the changing needs of the market and with new competing products and/or technology that have a better price-performance ratio.	• Major impact if RF-SOI and Power-SOI become obsolete, as these technologies constitute the bulk of our Group's revenue (see Chapter 5 Comments on the fiscal year of this Universal Registration Document). • Significant impairment of obsolete inventories and production assets. • Negative impact on our Group's growth in the semiconductor market. • Decrease in revenue and results.	• Creation of a strategic unit tasked with identifying products' end of life, and determining positioning on new technologies. • Focus on bringing out new technology or next-generation RF-SOI, POI, FD-SOI, Imager-SOI, Photonics-SOI and other products (see section 1.4.1 *Products* of this Universal Registration document). • Development of new generations within each product family. • Annual review of underlying assumptions for forecasts, obsolete inventories, capitalized R&D costs and impairment of long-term assets. • Continued analysis of the market to identify new applications offered as well as customer strategies in order to anticipate technological changes.
Major 5 - 9 **Launch of R&D projects**		
• Investment decisions on R&D projects are made at a very early stage and without any certainty as to the project's outcome or the business opportunity. • If a competing technology becomes available before a project is completed and/or at a lower price, it could make that R&D project worthless. • R&D spending amounted to 11.2% of revenue at 03/31/2020 (see section 5.1.1.5 *R&D costs up significantly (+€12.5 million)* of this Universal Registration Document).	• Some R&D spending not yielding the expected return on investment. • Delay in bringing new products to market. • Drop in or lower than expected revenue and lower earnings.	• Study the market and monitor technology more closely to spot opportunities and semiconductor market trends. • Initiate and monitor R&D projects that are consistent with defined strategic objectives, target prices and business opportunities. • Market analysis to ensure similar technology is not available at a lower price. • Form partnerships with research centers and set up innovation platforms in Europe, Asia and the United States to unlock synergies and reduce costs (see section 1.3.3.1 *Strategic collaborations across the semiconductor value chain* of this Universal Registration Document).

2.2.4.3 Industrial risks

Description of the risk	Potential impacts	Main control mechanisms
Production capacity		
• Our Group's production capacity (see section 1.4.2 *Manufacturing* of this Universal Registration Document) could fail to keep up with a strong and short term increase in demand. • If production lines reach full capacity, it could result in extensive delays in the manufacture of new products such as POI and GaN.	• Dissatisfaction of customers which results in Soitec's technology not being adopted. • Loss of market share. • Drop or delay in revenues and negative impact on results. • Delays in the qualification of new products.	• Anticipation of the necessary capacities *via* a reliable mid- and long-term planning process. • Increased production capacity at the Bernin and Singapore facilities (see section 1.4 *Activities* and note 2.4. *Highlights of the year* in section 6.2.1.1 *Notes to the consolidated financial statements as of March 31, 2020* of this Universal Registration Document). • Maximization of a production unit's capacity (resources and layout). • Development of production capacities through licensing or subcontracting agreements with several key players. • Expansion of production capacity through the partnership with Shanghai Simgui Co. Ltd. (see section 1.4.2.4 *Production in China* of this Universal Registration Document).
Supply structure with bulk suppliers		
• Supply from bulk suppliers is governed by long-term agreements containing take or pay clauses, which are not linked to customer contracts with equivalent characteristics (commitment term, technology covered by the contract, volumes).	• Possible discrepancy between bulk volumes that Soitec has agreed to purchase and customer orders. • Increase in expenses and profit and loss (P&L) statement imbalance.	• The Procurement Department is studying ways to promote greater flexibility in its contracts with bulk suppliers to be able to increase or decrease its bulk purchases and thus stabilize costs and maintain spare capacity. • Inclusion of clauses in new bulk supply contracts making it possible to change the technology covered by the agreement, in order to redeploy supplied bulk to another technology in line with Soitec's requirements.
Limited number of suppliers of raw materials		
• The limited number of bulk suppliers in the market could lead to a shortfall in our Group's requirements.	• Inability of our Group to procure enough silicon to meet customer demand. • Lower productivity and production delays. • Loss of market share. • Decrease in revenue and results.	• Pursue a policy of multi-sourcing critical or strategic components. • In-house development of alternative sourcing to mitigate risk and create leverage over suppliers. • Implementation of a business continuity plan covering tier 2 or tier 3 to ensure diversification of our suppliers' own sources, multi-sourcing for large volumes, SMI (supplier managed inventory) method, long-term agreements with suppliers, revised each year.
Price fluctuations of raw materials		
• The cyclical nature of the semiconductor industry, which consumes large amounts of silicon, can lead to strong pressure on procurement markets and lead to rising prices.	• Probability of a significant increase in the price of silicon. • Decrease in profitability.	• Agreements with the main silicon suppliers, who undertake to allocate capacity slots to Soitec and negotiate market shares. • Approve new suppliers to diversify supply source and keep purchase prices under control. • Pass on higher silicon prices to customers through changes in selling prices of Soitec products.
Production shutdown		
• Our Group has a limited number of production facilities of varying capacity: ◦ Bernin 1, 2 & 3 in France; ◦ Hasselt in Belgium; ◦ Pasir Ris in Singapore (see section 1.4.2 *Manufacturing* of this Universal Registration Document). ◦ In China through the partnership with Shanghai Simgui Co. Ltd.	• Difficulties in meeting customer demand in the event of prolonged downtime at one of the production sites. • High cost (restart payroll expenses during production shutdown, etc.). • Customer dissatisfaction. • Loss of market share. • Loss of income. • Decrease in revenue and results. • Impacts on Soitec's reputation.	• Put in place a business continuity plan with different crisis scenarios: ◦ internal operations plan including trainings to safeguard safety, employee health and the integrity of manufacturing infrastructure; ◦ operational exercise every year; ◦ identification of "critical" operations and supply and customer deliveries securing. • Implementation of prevention and protection measures. • Spread production lines across two separate facilities for lower impact and greater flexibility in delivery. • "Operating losses" insurance partially covering the risk of production shutdown.

2.2.4.4 Financial risks

Description of the risk	Potential impacts	Main control mechanisms
Critical > 9 **Exchange rates**		
• Our Group's transactions are mostly in US dollars, so an unfavorable EUR/USD exchange rate could have a significant impact, especially on revenue which is mostly (90% approximately) in US dollars.	• Impact on the gross margin. • Currency translation risk in our Group's consolidated financial statements. • Currency translation losses and impact on our Group's equity. • Adverse exchange rate fluctuations: a decrease in revenue is not offset by an equivalent decrease in euro-denominated expenses.	• Mitigation in exposure to other foreign currency fluctuations by balancing costs and revenues. • Regular review of net foreign exchange risk exposure, to decide whether to use forward purchases/sales or options to minimize the EUR/USD foreign exchange position (see note 5.4 in section 6.2.1.2 *Notes to the consolidated financial statements as of March 31, 2020* of this Universal Registration Document). • Financing in local currencies in order to maximize risk hedging (see note 5.4 in section 6.2.1.2 *Notes to the consolidated financial statements as of March 31, 2020* of this Universal Registration Document).

2.2.4.5 Legal risks

Description of the risk	Potential impacts	Main control mechanisms
Major 5 - 9 **Intellectual property protection**		

• Protecting intellectual property is of great importance to our Group in light of the potential risk of patent infringement.
• Our Group must also prevent loss of benefits from employee inventions and avert leaks of know-how (See section 1.3.2.2 *A worldwide patent portfolio* of this Universal Registration Document).
	• Loss of Soitec's competitive advantage.
	• Loss of development opportunities.
	• Adverse impacts on the financial position.
		• Policy to safeguard our Group's intellectual property rights:
		  • protection of our Group's main technological innovations by filing patents (see section 1.3.2 Innovation strategy of this Universal Registration Document);
		  • apply to have key patents extended abroad;
		  • protection of manufacturing methods; technological enhancements, trademarks, etc. (see section 1.3.2 Innovation strategy of this Universal Registration Document);
		  • check intellectual property clauses in contracts with suppliers, partners and customers.
		• Preserve in-house knowledge and retain employee-inventors through specific HR tools such as incentive compensation, retention plans, non-disclosure and non-compete clauses.

Major 5 - 9 **IT and data security**		
• Our Group's IT infrastructure is part of and heavily depends on a rapidly changing digital environment. • Endogenous factors, such as information system failures and data losses, or exogenous factors, such cyberattacks and computer viruses, could lead to major breakdowns, including a shutdown of our activities.	• Loss or theft of confidential and sensitive data. • Cyber-attacks and capture of sensitive data for unauthorized use or attempted scams. • Damage to the reputation and image of our Group.	• Group-wide information security policy defining all information protection measures, both technical (passwords, data and service encryption, antivirus, firewall) and behavioral (classification, awareness). • Work closely with government security agencies in charge of computer and data security (*e.g.* the DGSI and ANSSi in France). • Regularly assess risks and action plans to eliminate or contain any vulnerabilities detected. • Information provided to "at-risk" employees (best practices in terms of business trips and focus on at-risk countries).

2.2.4.6 Social and environmental risks

Description of the risk	Potential impacts	Main control mechanisms
Critical > 9 **Global pandemic (Covid-19)**		
• To manage the health risks posed by the pandemic, our Group and its subsidiaries have reorganized facilities and slowed production in Asia, France and Belgium. • As a result of the health risks, facilities may close temporarily, employees may be exposed to infection, many employees may stay at home or exercise their right to not work if they consider themselves in danger, and our Group or its representatives may be held liable.	• Loss of production at facilities affected by the pandemic. • General slowdown in the global economy and possible impact on customer orders (see section 5.3.1. *Trends and objectives* of this Universal Registration Document). • Bankruptcy of partners or third parties. • Declining stock markets and falling Soitec share price. • Loss of income and reputational damage.	• Business continuity plan (BCP) containing appropriate responses to various scenarios and crisis levels to (i) protect the health and safety of employees, (ii) maintain and/or resume trading in the best possible conditions, and (iii) strengthen the resilience of our Group, its subsidiaries and its production facilities. • Communicate with employees (see G Management of the Covid-19 crisis at Soitec of section 3.4.2.1 *Prevention, the keystone of Soitec's Health and Safety policy* of this Universal Registration Document) and with customers, suppliers and subcontractors to ensure flexibility and responsiveness. • Monitor country-specific public health regulations and measures. • Safeguard sources of liquidity (see section 5.1.3.2 *Sources of financing* of this Universal Registration Document).
Major 5 - 9 **Integration of employees from acquired entities**		
• As part of its growth strategy (see section 1.3. *Strategy* of this Universal Registration Document), our Group may acquire or make equity investments in other companies with a different corporate structure and/or culture (for exemple Dolphin Integration in August 2018 and Frec|n|sys in October 2017, see section 1.3.3.3 *Adjacent business development to accelerate product adoption* of this Universal Registration Document), which may lead to integration difficulties.	• Inability of new managers and employees to fit our Group's strategy and culture. • Loss of key staff or specialists. • Failure to achieve synergy and business growth targets.	• Integration plan defined in the process of acquiring companies and equity investments. • Organization of dedicated cross-functional teams to support the integration process and monitor the objectives set.

2

2.3 INSURANCE AND RISK HEDGING

2.3.1 OVERVIEW OF OUR INSURANCE POLICY

In addition to the prevention and protection measures deployed, our Company has a comprehensive insurance program, notably providing coverage for:

- risks of property damage and loss of business;
- risks related to the transport of goods;
- risks related to environmental damage;
- risks of the financial consequences of civil liability which could be incurred due to its operation or due to the movement of its products around the world.

Other insurance policies are taken out for smaller risks.

Wherever necessary, our insurance policies are supplemented by insurance taken out by or on behalf of our Group's subsidiaries, in order to cover risks generated by their particular business activities. For example, third party liability insurance covering aeronautical products was taken out by our subsidiary Dolphin Design.

Our Group's policy relating to risk management and insurance aims to:

- spread the risk over different first-tier insurance companies;
- take out Group insurance policies to ensure consistency between the risks transferred and the insurance cover purchased, and to improve economies of scale;
- take into account the specific characteristics of our Group's businesses;
- put in place deductibles adapted to the size and capacity of each insured entity.

2.3.2 DESCRIPTION OF OUR INSURANCE POLICIES

Policy type	Purpose of policy and scope of application
Damage to Goods and Operating Losses	Assets and operating losses are covered by "All risks except" type policies. These policies are adapted to our various Group's production sites and involve regular inspections by our insurers' appraisers, in order to adjust the amounts of the coverage and excesses in relation to the reality of risks. The combined deductibles "property damage" and "loss of business" are adjusted to each site, and operating losses are usually insured for periods of eighteen months. This program integrates the "additional operating costs" guarantee and a guarantee of "deficiency of suppliers and/or clients."
Transporting merchandise	The policy relating to our Group's risk management and insurance has resulted in insurance policies that cover its goods across the entire logistics chain, from suppliers to customers.
Civil liability for environmental harm	The "Civil liability for damage to the environment" guarantee covers our Bernin production site in France. It covers the financial impact on our Company of personal injury, damage to property and consequential damage caused to third parties, in the event of pollution or harm to the environment caused by our activities.
Civil liability	"Civil Liability" insurance is intended to cover the liability of our Group both during the operation of the business, and after delivery of products, or in relation to defending criminal proceedings and appeals. This insurance is taken out for all production and distribution sites with the same insurance companies. These policies take into account the specific characteristics of each production site as well as the risks relating to different geographic areas where the products are delivered.
Civil liability of senior executives and corporate officers	"Directors and officers (D&O)" policy aims to cover all senior executives and corporate officers of our Company and of its subsidiaries against the financial consequences of third party civil liability incurred due to mismanagement or professional misconduct while carrying out their duties.
Fraud and malicious acts insurance	"Fraud and malicious acts" insurance aims to cover financial damage of our Company and its subsidiaries resulting from a fraudulent act (such as abuse of trust, fraud, forgery and use of forged documents, counterfeiting or falsification of checks or theft) or acts of hostility (such as introducing a computer virus) committed by their agents or by third parties, as well as any expenditure that could be incurred from this. In addition, various cyber liability insurance products were benchmarked with the aim of purchasing an insurance policy to cover the Company and its subsidiaries against financial, legal and reputational risks resulting from cyberattacks.

351
new employees at March 31, 2020

Increased attention paid to environmental impact

Awareness-raising for employees in relation to the Code of good conduct

3. Corporate and Social Responsibility

CEO'S VISION

"I am personally very proud to lead a company made up of women and men who remain committed under all circumstances, ready to meet all challenges and help each other out."

Soitec is continuing to grow and most of our products are now accepted as standards in many electronics markets. Thanks to the profound transformation launched 5 years ago, we have turned Soitec around and are now seeing the Company flourish. We have made it a point of honor to demonstrate, quarter after quarter, without exception, our ability to respect our commitments and, most often, even exceed these to see a return to sustainable and profitable growth.

This change has been supported by each and every person in this company: women and men who, thanks to their commitment, their energy, and their creativity, have enabled Soitec to reach the position it has achieved today.

It is also thanks to their commitment that we are making progress and innovating in areas of sustainable development. It is key for me to be able to offer our current employees and those who are to join us in the future, an environment which is healthy and safe and in which it is a pleasure to work. It is vital for me to understand, limit, and assess our impact and preserve our environment. Finally, it is vital for me to set an example in terms of compliance with regulations, both domestic and international, and to guarantee our stakeholders reliability and ethics.

We have recently acquired several subsidiaries. Involving them in our commitments is a priority and these extra-financial challenges will, I hope, over the coming years be approached with the same degree of enthusiasm in each one of our entities.

Please read this chapter to get to the very heart of Soitec, to understand the progress which we have made this year and the priorities we defined in terms of social responsibility.

From a social point of view first of all, we are making quality of life at workplace a goal in itself, as this is the basis for commitments of any kind and a keystone of our success. We measure, assess, and, above all, allow employees to get involved in this subject and become its main stakeholders. In another area, we have this year signed a significant number of collective agreements with our social partners, evidencing a high-quality and constructive social dialog between the two sides. This year, we have also reiterated our desire to involve employees in performance-related challenges. In addition to the renewed employee savings plans and profit-sharing, we have again offered innovative shareholding mechanisms, open to all, which have been a great success. Finally, in terms of safety and prevention, I am proud to see how this challenge has been taken seriously and applied throughout the Company, leading us to a level of excellence.

From an environmental point of view, our commitment has not faltered, quite the contrary. We have drawn up a Carbon Footprint for our Group which will lead to concrete action plans. We are raising awareness and providing information to our employees on a range of different subjects with constantly updated focuses. This year, biodiversity has been at the very heart of our concerns.

Finally, from a societal perspective, we have continued to roll out our Code of Good Conduct, in particular within our subsidiaries, and we have made commitments in our local areas through a range of initiatives. I would like to highlight here the commitment shown by two of our employees with regard to a humanitarian aid project which they set up themselves in order to provide schooling to children from indigenous communities in Argentina, by launching a truly substantial program for the refurbishment of their school. Soitec is delighted to be able to support them in this investment.

However, this year and recent months in particular have been profoundly marked by the impact of the Covid-19 pandemic on our organizations and our work. The crisis linked to the coronavirus which is having an impact on all of us on a global scale has completely disrupted our organization, our daily routine, our ecosystem, forcing us to adapt every day. Protecting the health and safety of our employees had to remain the number one priority. Very rapidly, and ahead of the decisions made by governments, we implemented a tight organization structure in order to ensure that our employees were working in a protected workspace. Our teams remained ready for action against the background of this upsetting and constantly evolving situation. I would like to express my most sincere thanks to them for this and I know that I can count on them and their commitment during these troubled times. I am personally very proud to lead a company made up of women and men who remain committed under all circumstances, ready to meet all challenges and help each other out.

I hope that you will enjoy reading this document as it reflects the commitments made by us all and will help you unlock the reasons for our success.

Paul Boudre

BUSINESS MODEL

Our mission: to design and deliver innovative substrates to enable

CHALLENGES OF THE ELECTRONICS SECTOR

Three major trends:
5G, AI, and energy efficiency

Our resources

ECOSYSTEM BASED ON RELATIONS

- At the start of the value chain, co-development partnerships with:
  - major research centers: CEA-Leti, Fraunhofer, IME, IMEC, etc.
  - industrial entities and suppliers for greater innovation to serve our customers
- **Member of the Responsible Business Alliance**

HUMAN RESOURCES

- **Nearly 1,600 employees, 73%** of whom are managers, engineers, or technicians
- **more than 20** nationalities
- A management method focused on autonomy and individual responsibility
- A strong culture of employee health and safety

INNOVATION

- **2 unique technologies** (Smart Cut™ and Smart Stacking™) **and multiple areas of expertise** (Epitaxy, Compound Materials, Piezoelectric), serving **4 mass markets** (Smartphones, Automotive, Infrastructures for the Cloud & Mobile Telecommunications, Internet of Things)
- **11% of revenue** devoted to R&D
- In the **Top 50 French patent filers** and **at the head of the top 10 intermediate size companies**

PRODUCTION

- **6 production** lines which guarantee supply reliability and flexibility:
  - Bernin 1, 2, and 3
  - Pasir Ris
  - Shanghai (partnership with Simgui)
  - Hasselt
- **Planned extension** of the main production lines

FINANCE AND ORGANIZATION

- A strengthened balance sheet: increase in equity: **+€153 million**
- **A return to the Euronext Paris CAC Mid60 and SBF120 indexes since 2017**
- A solid shareholding structure comprised of **3 loyal strategic investors** holding approximately **29.6% of our shares**
- **A dual governance:**
  - **separation** of the duties of Chief Executive Officer and of Chairman of the Board of Directors
  - **independence of the Chairman** with regard to the AFEP-MEDEF Code
- **A Board of Directors** which **supports our strategy:**
  - **balanced and diversified:** 12 members, 5 nationalities, 41.67% independent, gender balance: 58% men - 41.67% women
  - **committed and assiduous:** 26 Committee meetings, 9 Board meetings, with an average attendance rate of 83.44% for 2019-2020

" A strategy based on disruptive innovation to offer our customers products

our customers' products shaping everyday life.

Complex technological challenges

An internationalized market, dependent on global growth

which combine performance, energy efficiency and competitiveness."

A unique innovation model for a portfolio of products which is a source of high added-value differentiation

An organization focused on clients and applications

Our value creation

ECOSYSTEM BASED ON RELATIONS

- **A duty of vigilance** applied to all major suppliers
- Compliance with the **RoHS 2** European Directive (2011/65/UE)
- A **code of good conduct updated in 2018** to comply with the «Sapin 2» law
- Close work with some fifteen key clients to ensure their integration well upstream in our innovation strategy

HUMAN RESOURCES

- **351 new employees in 2019-2020**
- **26.4 hours of training** per employee in 2019-2020
- 4 Quality of life at workplace questionnaires per year
- **Frequency Rate = 3 over 2019-2020** (1)
- Close attention paid to profile **diversity and inclusiveness in the workplace**

INNOVATION

- A portfolio of over **3,300 patents**
- More than **200 inventors**

PRODUCTION

- Technologies which have become **industry standards**, found in everyday life
- A decisive contribution to **end product performance**
- A historical geographical link to the **Grenoble-region cluster**
- IATF 16949 (2): Bernin 1&2 since 2012 - Pasir Ris scheduled for October 2019
- ISO 9001(2): Bernin 3 since 2019 - Pasir Ris since April 2019
- ISO 14001(2): Bernin since 2001 - Pasir Ris scheduled for 2020-2021
- OHSAS 18001/ ISO 45001(2): Bernin since 2010 - Pasir Ris scheduled for 2020-2021
- ISO 5001(2): Bernin since 2015
- OEA (2): Bernin since 2009

FINANCE AND ORGANIZATION

- Revenue: **€597.5 million (+35%)** of which **90%** is generated internationally
- Strong growth in profitability: €**33 million** increase in the EBITDA margin **(+22%)**
- Share valuation: **+118%** over 3 years
- **Governance** in line with **best practice** and ready to meet **tomorrow's challenges**

(1) Workplace accident frequency rate with work stoppage > 1 day

(2) IATF 16949: Quality management system applicable to the automotive system - ISO 9001: Quality management system - ISO 14001: Environmental management system - OHSAS 18001/ ISO 45001: Occupational health and safety management system - ISO 5001: Energy management system - OEA: French Authorized economic operator.

METHODOLOGY USED TO CREATE THE BUSINESS MODEL

The business model was established in this format for the first time in early 2019.

Various interviews were carried out by the firm Labrador, involving various divisions and departments within the Company:

- human resources;
- HSE;
- legal;
- industrial operations;
- strategic programs;
- innovation.

The model was then validated by Soitec's Executive Committee.

It is reviewed and updated each year.

3.1 CSR POLICY AT SOITEC

Our Group fully incorporates its CSR strategy into all of its activities. All decisions and processes are guided by this commitment to a fairer and more sustainable world. Soitec's CSR strategy is traditionally based on the three pillars of sustainable development: ***People***, ***Planet*** and ***Ethical Business***.

PEOPLE

2019-2020 was marked by strong growth with unprecedented revenue levels. Our Group has taken great care to involve its employees in the challenges linked to growth, in particular *via* creative and motivational tools for employee shareholding open at all levels. From a social point of view, particular attention has been paid to quality of life at the workplace; Soitec has taken great care to involve nearly all of its entities in this process. In terms of safety, the highly significant reduction in the workplace accident frequency rate over the course of the year is the reward for the many efforts made in this area.

PLANET

Our Group's sites, both industrial and commercial, are mainly located in attractive regions of the world: in the Grésivaudan valley, one of the most beautiful areas in France, for our registered office and industrial site in Bernin, or, for example, in Singapore. Our Group therefore pays particularly close attention to the environmental impact of its business activities and, each year, ensures that improvements are made to its facilities and processes in order to better take into account the impact of its business in terms of climate change. A Group Carbon footprint has been carried-out this year and will be followed by a concrete action plan to limit and control these impacts even better. A large number of awareness-raising activities have been carried out involving employees who are already well aware of these challenges, on topics that are constantly being updated. Finally, 2019-2020 has brought biodiversity to the center of our concerns.

ETHICAL BUSINESS

The products developed by our Group are at the heart of the changes to daily life on the planet in the medium-term, and this raises our awareness of a complex ecosystem, involving a large number of clients, a position which is a long way upstream in the value chain, comprised of state-of-the-art products made using rare resources. In its interactions, Soitec strives to act globally in accordance with demanding social and ethical principles. Each year, Soitec's rules on business ethics become ever stricter. Soitec is also sensitive to the ecosystem in which it is developing. It strives to put down deep roots and develop in those local areas in which it operates. In 2019-2020, many actions were taken in accordance with these principles.

3.1.1 GOVERNANCE

CSR is part of the Human Resources Department. Its activities are steered by the various operational entities which create, implement, and assess the policies, objectives, and results:

- the Human Resources Department;
- the HSE Department;
- the sites' managements;
- the Occupational Health Department;
- the Finance Department;
- the Quality Department;
- the Facilities Department;
- the Procurement Department.

Major decisions are discussed by the Executive Committee and in the quarterly reviews of our Company's policies.

3.1.2 STANDARDS AND REFERENCE FRAMEWORKS

Our Group defines its CSR policy in line with the standards and benchmarks which it has adopted or to which it refers and which impose a strict and verifiable framework with regard to our Company's corporate, environmental, and social practices:

- ISO 14001, environmental management standard;
- ISO 45001, occupational health and safety standard;
- ISO 50001, energy management standard;
- ISO 27000, information security management standard;
- IATF, quality management standard in the automobile industry;
- authorization as an approved economic operator (AEO);
- ISO 26000, establishing guidelines related to corporate social responsibility;
- Convention of the International Labor Organization (ILO);
- Universal Declaration of Human Rights;
- United Nations Convention against Corruption;
- OECD Guidelines for Multinational Companies, adopted on May 25, 2011;
- the Carbon Disclosure Project;
- the Code of Conduct of the Responsible Business Alliance (RBA).

All of these in line with our Group's internal policies and regulations:

- the internal regulation, updated on February 8, 2017, applicable to Soitec and all internal rules applicable to each of its subsidiaries;
- the Soitec Code of Good Conduct, validated by the Board of Directors on January 30, 2018, attached to the internal regulation;
- the IT system resources use charter dated February 26, 2015;
- the Gifts and Invitations Policy dated April 20, 2018;
- the Bernin Health and Safety and Environmental Regulations dated September 14, 2016, attached to the internal regulation;
- the Bernin Safety Commitment dated September 2019;
- the Bernin Environmental Commitment dated September 2019;
- the Bernin Energy Commitment dated September 2019.

Our Group is also contributing to the sustainable development goals set by the United Nations Organization in September 2015, to respond to the global challenges we face, in particular, those linked to poverty, inequality, climate, environmental damage, prosperity, peace, and justice. Soitec is focusing its attention of 10 of the 17 major sustainable development goals identified by the United Nations Organization:

- **Goal no. 5: Gender equality**
- **Goal no. 7: Affordable and clean energy**
- **Goal no. 9: Industry, innovation and infrastructure**
- **Goal no. 10: Reduced inequalities**
- **Goal no. 11: Sustainable cities and communities**
- **Goal no. 12: Responsible consumption and production**
- **Goal no. 13: Climate action**
- **Goal no. 14: Life below water**
- **Goal no. 15: Life on land**
- **Goal no. 16: Peace, justice, and strong institutions**

3.2 KEY STAGES IN SOITEC'S CORPORATE COMMITMENTS

Soitec's corporate responsibility has for many years been of key importance to our Group. Very early on, commitments were made in terms of societal, social, and environmental responsibility.

1992
- Creation of Soitec

1999
- 1st quality certification obtained (ISO 9001)

2000
- Signature of a 1st agreement to promote the employment of the disabled

2001
- 1st environmental certification obtained (ISO 14001)

SEPTEMBER 28, 2001
- Signature of an initial employee profit-sharing scheme

JUNE 12, 2007
- Signature of an initial agreement on gender equality in the workplace

2007
- Introduction of the "Safe" program

2008
- Signature of an initial GPEC (Forward looking Management of Careers and Skills) agreement

2009
- Creation of a sustainable development program
- Green Partner Signature

2010
- 1st OHSAS 18001 certification
- Signature of a first Safety Commitment for the Bernin site

2012
- EICC membership (now, RBA)
- Signature of an initial Code of Conduct

2015
- 1st ISO 50001 certification
- Signature of the first Energy Commitment for the Bernin site

2017
- Signature of the first Environment Commitment for the Bernin site

2018
- Signature of an agreement for an inclusive company at every age
- Launch of the first quality of life at workplace questionnaire

2018-2020
- Free share allocation plans for employees and payment of profit-sharing for the first time

2019
- Signature of an agreement on labor union rights and employee-employer dialog
- 1st ISO 45001 certification obtained
- First joint investment in preferred shares plan

2020
- First discounted offering reserved for employees in our Company Savings Plan

3.3 STATEMENT OF EXTRA-FINANCIAL PERFORMANCE

3.3.1 PRESENTATION OF THE APPROACH

In the context of the implementation of the European Directive on extra-financial reporting, an analysis was carried out in 2018-2019 aimed at identifying the priority corporate social responsibility (CSR) issues for our business.

This year, with the goal of continuous improvement inspired by the spirit of the Directive, a risk-based approach has been adopted. This approach has been led on a cooperative basis, under the leadership of the Human Resources and CSR Department, in collaboration with the Human Resources, Health, Safety and Environment, Ergonomics, Procurement, Finance, Quality, and Legal Departments, the Occupational Health team, and with the help of external consultants, with inclusion of the various stakeholders within our Company. These risks were approved by the Soitec Executive Committee.

For each of these risks, indicators have been defined and are now the subject of regular reports.

This analysis of the risks specific to CSR matters has been completed in addition to the global risk analysis located in the "Risk Factors" chapter of this document.

3.3.2 PRESENTATION OF EXTRA-FINANCIAL RISKS

3.3.2.1 Risk identification

	Extra-financial risks	Extra-financial stake/reasonable care
PEOPLE	Workplace accidents and occupational health Pandemic risk	Guaranteeing that the health and safety of employees are protected and constantly working to reinforce risk prevention by taking their permanent development into account
	Lack of satisfaction linked to certain aspects of life at workplace: relationship or organizational difficulties, working conditions, workload, work/life balance, and fall in degree of commitment	Implementing the conditions necessary to guarantee employee well-being and carry out regular surveys to assess satisfaction and trust levels, while identifying areas for improvement
	Discrimination and harassment	Promoting inclusivity
	Mismatch between needs and our Company's human resources to meet the objectives of the strategic plan	Developing attractive talent management Developing the skills and talents of each employee, plan ahead and boost career development
	Inadequate, unsuccessful, confrontational social dialog	Promoting social dialog which is healthy, constructive, and innovative, and provide social partners with even greater resources for the performance of their duties
PLANET	Access to resources restricted or interrupted	Reducing and optimizing the use of natural resources
	Risks related to climate change in the event of the occurrence of exceptional climate events	Regulating impacts on climate change
	Environmental impacts linked to the functioning or malfunctioning of industrial sites	Limiting pollution, in particular emissions and waste Maintaining a healthy and balanced ecosystem in which Soitec acts to protect biodiversity
ETHICAL BUSINESS	Legal and regulatory non-compliance	Acting globally in accordance with high social and ethical standards
	Insufficient contribution by our Group to the development of the local areas in which it operates	Making a commitment in the local area and its communities
	Non-compliance with the GDPR Digital risks	Guaranteeing data protection for all processing and guaranteeing cybersecurity

3.3.2.1 Results

The table below sets out the objectives and results for each challenge, in response to the risks identified above. Certain objectives already have specific indicators. For others, improvement processes are underway to ensure that this will be the case in future years.

Regarding corporate and social risks, the scope of consolidation is that of our Group, *i.e.* it includes all Soitec entities, representing 100% of the workforce. Exceptions may have been agreed for certain indicators, either because the consolidation of data is not possible due to specific practices or regulatory environments, or due to cultural aspects which vary between the different entities, or because the data are not yet available due to the recent completion of acquisitions.

Regarding environmental risks, the consolidation scope includes only the two main industrial sites, *i.e.* the Bernin site and the Singapore site. Due to the nature of their business, it was irrelevant to include other entities which have an only very limited environmental impact. This scope covers 86% of the workforce.

	Extra-financial risk	Extra-financial stake/reasonable care
PEOPLE	Workplace accidents and occupational health	Guaranteeing that the health and safety of employees is protected and constantly working to reinforce risk prevention by taking their permanent development into account
	Pandemic risk	
	Dissatisfaction linked to certain aspects of working life: relationship or organizational difficulties, working conditions, workload, work/life balance, and fall in degree of commitment	Implementing the conditions necessary to guarantee employee well-being and carry out regular surveys to assess satisfaction and trust levels, while identifying areas for improvement
	Discrimination	Promoting inclusivity
	Mismatch between needs and our Company's human resources to meet the objectives of the strategic plan	Developing attractive talent management Developping the skills and talents of each employee, plan ahead and boost career development
	Inadequate, unsuccessful social dialog	Promoting social dialog which is healthy, constructive, and innovative, and provide social partners with even greater resources for the performance of their duties
PLANET	Access to resources restricted or interrupted	Reducing and optimizing the use of natural resources
	Risks related to climate change in the event of the occurrence of exceptional climate events	Regulating impacts on climate change
	Environmental impacts linked to the functioning or malfunctioning of industrial sites	Limiting pollution, in particular emissions and waste
		Maintaining a healthy and balanced ecosystem in which Soitec acts to protect biodiversity
ETHICAL BUSINESS	Legal and regulatory non-compliance	Acting globally in accordance with high social and ethical standards
	Insufficient contribution by our Group to the development of the local areas in which it operates	Committing in the local areas or to communities
	Non-compliance with the GDPR	Guaranteeing data protection for all processing and guaranteeing cybersecurity
	Digital risks	

In addition to the risks listed above, other activities are managed with particularly close attention to CSR, in particular in relation to:

- employee shareholding;
- responsible procurement policy;
- consumer health and safety;
- sustainable forms of transport; and
- anti-corruption.

Performance indicator	Fiscal year objective	Results and policy	Scope
Workplace accident frequency rate	FR Bernin = 5	Group FR = 3 Bernin FR = 3.6	Group
Workplace accident severity rate	-	GR = 0.05	Group
Number of safety tours	-	663 "Safe" program R!Go program Mutual aid culture program	Industrial sites
Absenteeism linked to Covid-19 Change in number of contact cases having occurred on site	-	Covid-19 measures put in place	Group
Satisfaction levels according to the quarterly quality of life at workplace questionnaire	-	67.12%	Group (excluding Dolphin Design)
Rate of participation in questionnaires	85%	86%	
Number of actions completed during the year	100	154	
Pay equality index	-	89/100 79/100	Bernin Dolphin Design
Rate of employment of disabled workers	6%	6.19%	Bernin
		Mutual aid culture program	Bernin
Promotion rate	-	16%	Group
Number of hours of training/employee/year	-	26.4	Group
Number of collective agreements signed	-	7 agreements signed	Bernin Dolphin Design
L/wafer	Curve trajectory must remain negative	-8%	Bernin + Singapore
KWh per plaque	Curve trajectory must remain negative	-12%	Bernin + Singapore
Group scope 1, 2, 3 Carbon footprint		180,000 t CO_2 e	Group (excluding Dolphin Design, Frec|n|sys, Soitec Belgium n.v.)
Number of exceedances of regulatory thresholds relating to water and atmospheric discharges	Compliance with regulatory thresholds	Aqueous discharges: compliance with regulatory thresholds Atmospheric emissions: 1 exceedance recorded in the quarterly readings, however the annual average measurements are below the regulatory thresholds.	Bernin + Singapore
Percentage of NHW recovered/year	50%	52% Replacement of printers Elimination of plastic cups from the entire site (fabs and offices)	Bernin
-	-	Setup of beehives on Soitec sites	Bernin + Singapore
Number of employees who completed the Code of Good Conduct online course	-	77% Responsible Business Alliance (RBA) ROHs REACH AEO Conflict Minerals Regulation	Group (excluding Dolphin Design)
-	-	Support for the humanitarian association *Les Écoles de NOA* Schoolchildren involved in a bee-keeping project. Inn.OTech Solidarity shown through actions in the context of the Covid-19 crisis	Group
State of progress made in the action plan presented to the Audit Committee	-	Awareness-raising program on the protection of information	Group

3.4 PEOPLE

3.4.1 OVERVIEW OF THE SOITEC COMMUNITY

› *Change in Group headcounts*

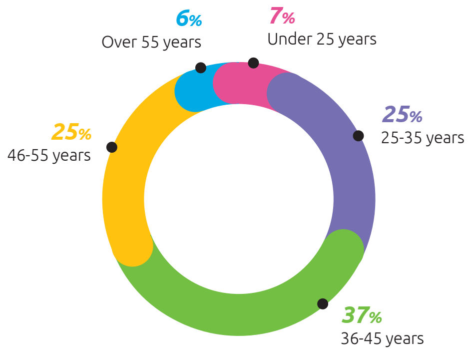
CHANGE IN GROUP EMPLOYEE NUMBERS*

1,566
2019-2020

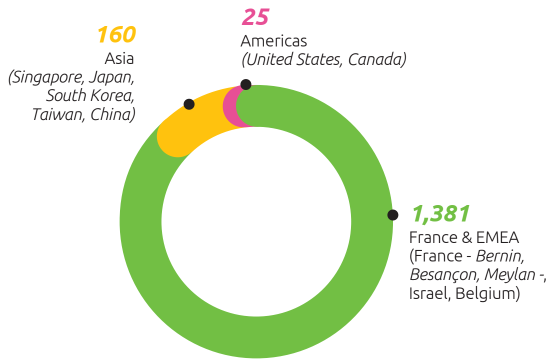
1,430
2018-2019

* *Data as of March 31.*

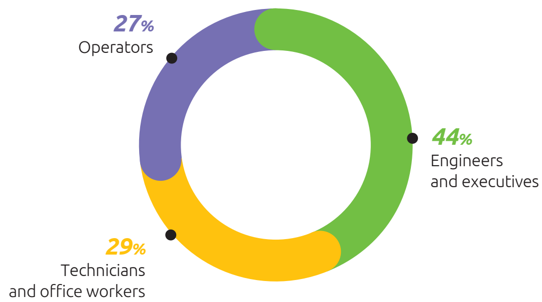
› *Employee distribution by age* (as %)



› *Division of employees by entity*



› *Distribution of employees by socio-professional category* (as a %)



3.4.2 GUARANTEEING THAT THE HEALTH AND SAFETY OF EMPLOYEES ARE PROTECTED AND CONSTANTLY WORKING TO REINFORCE RISK PREVENTION

At Soitec, health, hygiene, and safety requirements are the focus of the combined efforts made by all those involved, with the support of the Health, Safety and Environment (HSE) and Human Resources Departments, the Occupational Health service, Executive Management, Site Management, and the employee representative bodies, particularly the Social and Economic Committee (SEC) and its commissions going forward.

Our Group's ambition is to achieve zero accidents by increasing preventive measures and ensuring that all are committed to an ambitious safety culture that is shared by all.

In 2019, because of its recent acquisitions and the strengthening of its international presence, Soitec decided to extend the scope of its HSE Department by scaling this up to Group level in order to pool expertise and resources and bring its ambitions into line across all Group sites. Additional assignments have been defined and new resources allocated, due to become fully operational during 2020-2021.

Our Group is aiming for a degree of excellence which can be achieved both *via* effective management and *via* permanent improvement of performance. The Bernin site's health and safety management system has been certified for many years now. In November 2019, the site successfully renewed its ISO 45001 certification with no major points of non-compliance. The next goal is to obtain certification for our Group's 2nd largest industrial site, Pasir Ris, in Singapore, in February 2021.

Our Group's action is based on the deeply held conviction, well supported by the facts, that all accidents can and must be avoided through the appropriate behavior and organization. Its action guided by the following principles:

- there can be no accommodation or concessions when it comes to safety;
- each individual is responsible for his or her own safety, for the safety of colleagues, and of those around them.

A Safety Commitment was signed by the management of the Bernin site for the 2019-2020 fiscal year, with the following objectives:

- seeking to achieve "Zero Accidents";
- planning to prevent occupational health issues and psycho-social risks;
- eliminating danger and reducing risks at the workstation;
- planning for major crises.

3.4.2.1 Prevention, the keystone of Soitec's Health and Safety policy

The actions described below are aimed at improving prevention in terms of occupational health and safety, and at contributing to the development of quality of life at workplace and, with this, the prevention of psycho-social risks.

A. Continuation of the Safe program to maintain safety performance at a high level

Since April 2007, a safety management program called "Safe" has been in place, with the objective of ensuring sustained safety performance equal to the standards of the profession.

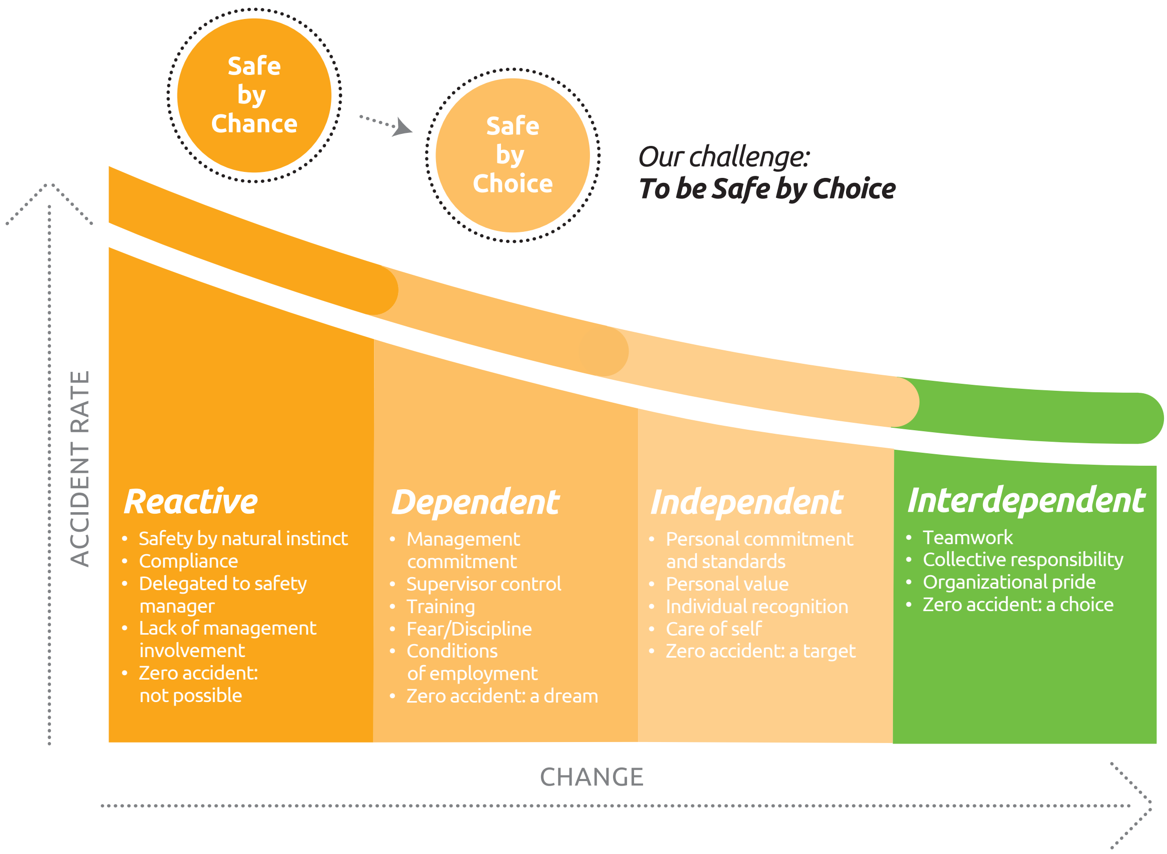
1. Increased awareness

During 2019-2020, 15 "Safe" sessions enabled training to be provided to 159 employees and 13 managers. Following on from these training sessions, visits were carried out to observe actual practices (known as "safety tours") led by managers within their respective departments, in order to hold discussions with their employees in relation to specific working situations, enabling good practices to be identified and at-risk activities to be corrected.

During 2019-2020, 663 safety tours were therefore completed on a Group-wide level, a figure which is up by 10% in comparison to the 2018-2019 fiscal year.

2. Sharing the safety culture

The "Safe" program has set itself the objective of achieving a cultural transformation centered on improving behavior in terms of safety at work. The aim is the achievement, over the long term, of a level of maturity in terms of safety culture based on inter-reliance and shared vigilance, described below by the Bradley curve, the benchmark on this subject.



The program consists of 3 stages:

- an initial audit aimed at assessing the level of maturity of each site in terms of safety culture;
- an analysis and consultation phase allows the key actions to be taken to be identified;
- a roll-out phase.

Launched on the Singapore site in December 2019, this program will be extended to all Group sites during the 2020-2021 fiscal year.

3. Developing a culture of mutual aid

In the context of the "Safe" program, kindness, mutual aid and a collective spirit within teams, natural discipline, and taking responsibility are all priorities where social and safety challenges are concerned. The aim is therefore to act on the indirect causes of accidents in the workplace.

A specific program has been developed with psychologists on this aspect.

B. Ergonomics, to prevent occupational health issues and reduce the risk linked to the role

1. R!Go, a project for the prevention of occupational health issues

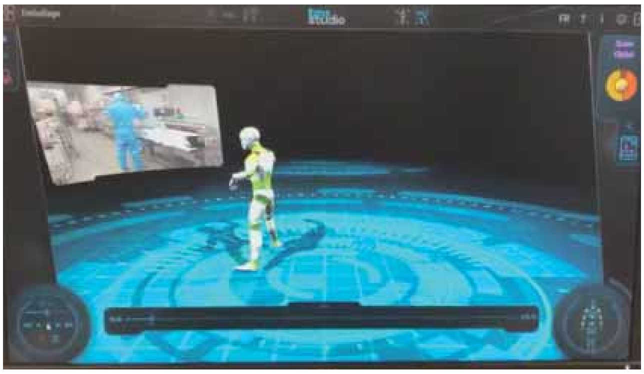
In 2019-2020, Soitec continued with its R!Go program launched at the Bernin sites and developed this further in the following areas:

- the implementation of a management system;
- improvements to the risk assessment tools and method used;
- organization at work to reduce the average ergonomic load;
- training and support for employees on site.

The workstation warm-up and stretching sessions for clean room staff that were introduced two years ago have been extended to new production areas.

Also, this year saw progress made in the assessment methods used, validated by the workplace physician and CARSAT thanks to an innovative method: the use of smartsuits has enabled the constraints incurred by the body of workers in the clean room environment during a given activity to be visualized in real time and will help identify the areas of the body to focus on in preventative actions.

These tools are also shortly to be used in training in order to make ergonomic risks visible.



In parallel, a group project has been launched to work on the automation of certain manual tasks. After compiling a list of needs with the production, maintenance, and facilities teams, several projects have been selected on the basis of potential benefits both in terms of safety and in productivity. These projects are currently underway and should reach their conclusion during the 2020-2021 fiscal year.

2. New office layouts

At the Dolphin Design site in Meylan, the move which was completed in early 2019 to bring all employees together on one more functional and welcoming site offered an opportunity to replace office furniture to obtain improved workstation ergonomics and to install WiFi to enable mobility within the premises.

C. Improving human reliability

Based on the observation that 80% (1) of cases of human error involve experienced professionals performing repetitive tasks, our Group has implemented a measure aimed at improving human reliability. This takes the form of training on "User Practice" intended to raise awareness regarding human error and to teach 6 specific techniques:

- the pre-job briefing: to prepare on an individual and collective basis for the task in hand and guarantee the result expected by planning in advance for all possible problems and their solutions;
- the minute's pause: a way of preventing haste and hurry by taking a "periscope" view of the environment;
- cross-checking: having an independent colleague check a specific task or action prior to taking the action;
- secured communication: in order to guarantee the verbal transmission of information which is clear, complete, and targeted;
- self-checking: identifying in the procedures with a finger the action to be taken and reading out loud the name of the action, then identifying with a ringer the equipment to be used and reading the label out loud before completing the action;
- the debriefing: obtaining feedback on the experience after the action and mental closure on one task before moving on to the next.

The benefit to the employee consists of optimizing his or her mental or cognitive resources, experiencing less stress at work, stepping back from his or her activities (re-assessing the "urgent nature"), doing something right first time and being certain of this, and of being less tired after work.

This step which was successfully introduced in 2018-2019 to a pilot group was then extended in 2019-2020 to the entire Facilities and Maintenance teams with the involvement of co-contractors, *via* the training of in-house points of contact and the creation of site schools. Reliability practices during technical shutdowns or other worksites have thus been trialed.

D. Planning for major risks

1. Emergency drills

Emergency drills are organized on a regular basis across our Group's industrial sites to test the organization defined at Soitec in the event of an incident.

(1) Estimate by the trainer, on the basis of the loyalty practices implemented, in particular, in the nuclear industry.

Over the past year:

- an "Internal Operation Plan" or IOP exercise under real-life conditions was organized at the Bernin site, with the participation of the Isère fire and rescue department, in September 2019.

  The aim of this exercise was to test Soitec's internal organization in terms of the response to a major incident, as well as the effectiveness of the collaboration with external emergency services. A complex and ambitious scenario was put forward by the fire and rescue department.

  The exercise involved some thirty firefighters, in particular from the local unit specialized in technological risks, as well as some thirty employees and partners.

  The effectiveness of the emergency procedures at Soitec and, in particular, the timing of response of the crisis team was emphasized by the fire and rescue department at the end of the exercise. This test also provided an opportunity to identify areas for improvement which were then covered by specific action plans;
- two emergency and evacuation drills were also completed at the Singapore site in September and December 2019.

2. Reinforcing the on-call system to make this more robust

An emergency management system is in place across our Group's industrial sites. In Bernin, a reinforced safety on-call system was introduced in 2019. New members joined the team to increase the number of individuals qualified for these on-call duties by 33%. Combining heightened security and quality of life at workplace, the aim is to guarantee that a team is at all times in a position to provide expertise and experience if required, without having to call out the same individuals too frequently. To do these, members completed specific training programs and took part in exercises both on site and at the crisis team premises. The number of people involved should increase further over the coming months.

3. A preliminary analysis of risks relating to epitaxy equipment

Following on from the risk analysis completed in 2018-2019, work has been carried out to improve safety: conduits for the removal of waste products from epitaxy equipment on the Bernin site have been reconfigured to make them independent from the other waste removal systems and to avoid any risk. Safety chains have been modified in order to guarantee redundancy and independence in case of emergency.

E. Feedback from the employees, valuable for incident management

The involvement of employees and their commitment is a decisive factor in improving HSE performance. Our Group currently has a range of tools which can be used by employees to report problems or suggest improvements. These systems for escalation allow incidents and "near misses" to be handled before these can have serious consequences for employees.

In 2019-2020, 58 "near misses" were declared by employees at the Bernin site. These were systematically analyzed and allowed preventative actions or improvements in working conditions to be identified.

F. Increasing awareness of public health issues among employees

This year, the occupational health team based at the Bernin site continued its cycle of lectures on public health topics by encouraging presentations by local specialists who work with our Company from time to time throughout the year.

- lecture on "DYS" issues: dyslexia, dysphasia, dyscalculia, dyspraxia, with the participation of the association APEDYS;
- lecture on organ and tissue donation by the medical team from the organ and tissue donation department at Grenoble teaching University hospital;
- lecture on cardio-respiratory accidents and the "SauvLife" application by Professor Debaty, head of department and emergency medicine practitioner with "SAMU 38".

In addition, practical workshops on what to do when someone has a heart attack and using a defibrillator were offered to employees from the Bernin site and information leaflets were produced by the occupational health team.

Foot reflexology sessions continued this year at a rate of two days per month, between April and June 2019, and workshops offering an introduction to Tuina massage techniques were also offered.

These actions strengthen empowerment among employees in relation to health issues, while offering access to a range of alternative medicine techniques which contribute to quality of life at the site.

3

G. Management of the Covid-19 crisis at Soitec

Since the start of the pandemic in January 2020, Soitec has organized so as to assess the impacts of this crisis on its sites and business; first of all, in Asia, then in the rest of the world.

A gradual response plan was prepared, comprised of 4 levels based on the activity of the virus. The plan has been implemented across our Group's different sites, based on the changes to the level of risk.

In the context of Soitec's business continuity plan, crisis management teams were set up, focusing both on health and communication issues and on production, accompanied by a network of local crisis management teams.

The action plan has been coordinated by the Corporate crisis management team whose daily meetings have enabled the way in which the public health situation has developed to be monitored in real time, and allowed rules on prevention and protection to be updated constantly and deployed in advance, and the actions defined to be monitored.

Soitec made significant resources and means available in order to monitor and plan for this crisis early on, and then put adequate measures in place to protect the health and safety of its employees and subcontractors.

To date, business has continued across all of our Group's sites, in the strictest possible accordance with stringent health measures.

1. On-site preventive measures

As far back as in January 2020, the initial measures were put in place within our Group, in particular in terms of limiting travel to high-risk areas. These measures were systematically adapted within each entity based on the situation in the country in question. Most often, Soitec has acted in advance, with greater prudence that the rules implemented by government.

Starting from mid-March, as the spread of the virus intensified in particular in Europe, measures were widely reinforced both for employees and external companies, including in particular: the widespread use of teleworking for all activities other than clean room activities, the strict application of protective measures, the introduction of rules on movement within the site, the re-organization of workspaces, breaks and meal options to guarantee a distance of at least 1 meter between individuals, the generalized use of masks, increased disinfection of all shared areas and the provision of cleaning kits for individual workspaces, temperature checks upon entering the site, a ban on meetings involving more than 2 individuals, segregation into half teams to avoid mixing between groups, the installation of a large number of hydroalcoholic sanitizer stations, etc.

To support the acceptance of these new rules, more notices have been displayed across the sites and managers have been made aware of the measures taken. Pages have been added to the intranet with links to a large number of resources and details concerning each rule, and a special Covid-19 booklet has been published and distributed to all employees.

2. Management of individuals presenting with symptoms

A protocol has been put in place for the management of individuals presenting with symptoms of Covid-19 and contact tracing has systematically been carried out. Case reviews attended by the HR Department and the occupational health team were organized daily, with, as a precaution, the systematic removal of relevant individuals for a period of 25 days during which their workstation has been maintained.

3. Close medical supervision

During this period, the medical team presence on site has more than doubled.

In Bernin, all employees who show symptoms have been monitored remotely each week by the healthcare team.

This team has also taken part in daily crisis team meetings.

4. Support with teleworking

Specific support has been put in place so as to provide the best possible support to employees working remotely, for whom this method of working, usually chosen, has now become mandatory, with the constraints that this may have generated both in terms of equipment and balancing personal and professional duties.

Newsletters have been sent out to employees. Help has been offered with organizing an ergonomic workspace. A remote management guide has been circulated to managers.

To ensure the best possible management of the psycho-social risks potentially linked to the current situation, a member of the Working Life and Social Relations commission attached to the HSE has joined the daily health crisis team meetings.

5. Two support teams

AN HR HOTLINE

Acutely aware of the difficult working conditions having to be faced by employees and the large number of questions and uncertainties which have been created by the situation, our Group has set up a telephone hotline for employees open during hours compatible with all teams and staffed, at the request of the elected employee representatives, by an HR partner or HR manager.

PSYCHOLOGICAL SUPPORT TEAM

In addition, to support all employees experiencing difficulties, either working remotely or on site, a psychological support team, led by professional psychologists and coaches, has also been set up. Upstream, a webinar was offered to managers in order to give them all of the tools necessary to manage this highly unusual situation and to support them in their role with regard to employees in this specific context.

6. Industrial relations

Faced with the Covid-19 pandemic, the representatives of the Bernin Social and Economic Committee (SEC) have been rapidly and very regularly informed about the changing situation and the prevention measures put in place. They have been involved in defining and overseeing the development of these prevention measures through the appointment of one representative of the Health, Safety and Working Conditions commission (CSST) to the health crisis team set up in late February 2020.

The representative from this commission has therefore taken part in 14 [(1)] meetings of the health crisis team and 5 extraordinary meetings of the SEC have taken place in March 2020 alone.

For Dolphin Design, an even closer dialog was introduced with a special Covid-19 daily meeting involving the head of the Human Resources Department and the secretary of the SEC, to monitor actions and escalate any issues encountered in the field.

7. Communication with employees

To support employees during this period, close, very frequent, corporate or establishment-based communication has been introduced. Its purpose was to provide information on the health, economic and social situation of the business, to promote any new measures, to support those working remotely, to circulate advice, etc.

At Dolphin Design, a weekly questionnaire has been rolled out in order to survey employees on subjects such as the ease of keeping in touch with your team, the possibility of working despite the mandatory teleworking, the option of arranging your workstation, the amount of information received regarding the current system and the level of morale. The results have enabled internal communication methods to be adapted and individual problems to be escalated and therefore dealt with.

(1) Indicator provided for the reference period covered by this registration document, i.e. the fiscal period 2019-2020. Meetings continued after March 31, 2020.

3.4.2.2 Seeking to achieve "Zero Accidents"

A. Monitoring frequency rate and severity rate

The frequency rate (FR) and severity rate (SR) are tracked and released to employees on a monthly basis. They are calculated on a rolling year basis, to monitor changes over time. Improvement of the frequency rate is a criterion which is taken into account for the variable part of the compensation paid to managers.

Group frequency rate 2019-2020 **= 3**, i.e. **-43%**

On a Group scale, the workplace accident frequency rate has fallen significantly over the year, down from 5.26 at the start of the period to 3.0 at the end of the fiscal year. This decrease comes against a background of an increase in business.

Regarding the annual severity rate, it has fallen from 0.19 to 0.05.

Concerning the Bernin site, a considerable improvement in performance has been recorded with a significant drop in the frequency rate which fell from 6.6 at the start of the period to 3.6 at the end of the fiscal year, and a severity rate which fell from 0.23 to 0.07. This fall exceeds the progress target for the year which corresponded to a frequency rate of 5 for the fiscal year. Our Company has therefore returned to 2017 levels which places Soitec at a very high level in comparison with other companies in the sector: for an equivalent level of business, the frequency rate is 6 in the sector and the severity rate is 0.3, according to the latest statistics published by the French public health insurance body Assurance Maladie (for 2018).

This exceptional result is the fruit of multiple actions:

- a highly proactive approach to the monitoring of safety training: so-called critical training courses are listed and a goal of 0% late attendance has been set;
- the eradication of significant residual risks with, once again, a more proactive approach to the monitoring of actions resulting from the risk analysis;
- targeted actions on the risks relating to chemicals, considered as high:
  - a tool to help with decision-making when choosing personal protective equipment, for all facilities and maintenance staff concerned by action which involves any kind of risk from chemicals. This is a matrix which has been prepared according to the hazardous nature of the substance, the number of barriers in place, and specific work situations. It simultaneously both provides clear instructions and asks employees to think about their analysis of the risks before taking any action, helping them take genuine responsibility for their safety,
  - online training modules have been improved and "site" training sessions put in place.

For all accidents leading to lost time, any other significant accident or accident narrowly avoided, a systematic analysis is carried out using the 8D methodology and causes tree, *via* a working group, in the presence of the victim if possible, of a representative of the CSSCT, of the occupational health team, and the HSE Department.

This is led by the manager and is aimed at:

- precisely identifying the root causes of accidents;
- determining and implementing preventive and corrective actions;
- maintaining traceability of all of these events and monitoring improvements of the system;
- providing feedback to staff regarding these accidents.

The analysis report is then sent to the CSSCT (defined above), the occupational health team, the victim, and his or her management. A summary is then circulated to all employees *via* the monthly "Safe" bulletin to provide information on the feedback obtained.

Concerning external contractors working on site, analyses of accidents (involving 8D analyses for lost-time accidents) are systematically requested from the companies concerned *via* their clients.

A report on all lost-time accidents, or of all other significant accidents or near misses, is made by a working group with the participation of Soitec's client, the manager of the subcontracting company, the HSE Department, and a representative of the CSSCT.

B. Analysis of accident type and care provided

A triennial analysis of accidents and the care provided was completed on the Bernin site in December 2019 in order to identify accident types as well as recurrent causes. This study focused in particular on identifying key causes related to human factors. This analysis reveals that most accidents and need for care are linked to individual issues, ergonomics, risk identification, or other human factors. This analysis will be used as a support in the preparation of the 2020-2021 prevention program.

C. Two commission created within the SEC to better address subjects related to health and safety in the workplace

At the Bernin site, during the negotiations on the creation and functioning of the SEC management and labor unions expressed a joint wish to strengthen the role and involvement of employee representatives with regard to the prevention of industrial accidents and the reduction of risk at the workstation. This wish led to the doubling of the number of elected employee representatives working on issues relating to health and safety, and their specialization *via* two separate commissions:

- the *Life at Work and Industrial Relations* commission (VTRS), which handles situations involving psychosocial risks and the monitoring of the Quality of Life at Work;
- the *Health and Safety and Working Conditions* commission (CSSCT), which focuses on safety in the workplace and industrial safety. The 6 elected members of the CSSCT can therefore devote themselves fully to carrying out surveys on the subject of accidents in the workplace, analyzing professional risk, monitoring safety indicators, the conduct of quarterly inspections relating to health and safety and working conditions, and proposing preventive measures.

3.4.3 ESTABLISHING THE CONDITIONS NECESSARY FOR THE WELL-BEING OF EMPLOYEES IN THE WORKPLACE

Over several years, our Group has placed well-being in the workplace and the continuous improvement of working conditions at the heart of its social policy, convinced that the quality of life at workplace has a direct impact on the quality of the work itself. This is an ongoing concern and an area for priority action. For each employee, working within our Group must be a pathway to professional and personal development, while being in keeping with a good work-life balance. For several years now, all our employees have been provided with the means of expressing themselves and taking action to identify areas for improving the workplace environment and organization. In 2019, a company-level agreement was signed with labor unions on quality of life at workplace. Everyone has a role in preventing risks and introducing conditions which guarantee well-being in the workplace, and everyone has its own point of view and means of taking action.

3.4.3.1 Quality of life at workplace

A. The quality of life at workplace approach involves everyone

A tool for the steering of quality of life at workplace was created in 2018 and is today used in all Group sites. This involves a questionnaire completed periodically aimed at measuring and monitoring the way in which employees perceive their working conditions. The latter are invited to answer anonymously some twenty questions drawn up collectively with the help of volunteer employees and relating to autonomy, the quality of relations with management, colleagues, cooperation between departments, the working environment, workload, work-life balance, and also communication.

The response rate, which has remained high over time (86% this year) shows that our Group's employees are interested in the collective approach which has been established. The answers given mean that weak signals can be detected and, therefore, a response provided more rapidly to avoid situations getting worse. Moreover, the issues which are clearly identifiable enable corrective action or improvements. The answers given to the questions are analyzed collectively, at debriefing meetings led by managers: the aim is to discuss areas for improvement and identify specific actions to be taken. Our Group wants to make quality of life at workplace a key focus for team management. The challenge is to get employees themselves involved in and committed to improving the quality of life at workplace within their own teams.

Around one hundred examples of concrete and achievable actions have therefore been identified by the teams after each questionnaire. Work has also been carried out to provide support for managers in monitoring the state of progress of the action plans. This year, to achieve this, a cooperative platform was set up *via* "Wedo", an internal task management tool. Managers and employees are now able to create and easily update their QWL action lists.

Satisfaction in relation to the quality of life at workplace: **67.12/100**, i.e. **+2.5%**

Over the 2019-2020 fiscal year, 4 quality of life at workplace questionnaires were sent out to our Group's employees, thereby reaching over 1,200 individuals. While the number of completed questionnaires returned increased over the period by 84%, by rolling it out to almost all Group entities with a wide range of cultures, the level of quality of life at workplace at Soitec remained the same and even saw a slight improvement with a score of 67.12 out of 100 (compared to 65.5 for the previous period).

In total, 301 actions for improvement were identified, 51% of which were completed before the end of the fiscal year.

301 actions for improvement identified and **51%** completed

B. Teleworking, appreciated and easy to access

Teleworking is standard practice within our Group. Concerning the Bernin site which has the largest workforce, an agreement was signed with the social partners in 2018 in order to establish the methods to be used.

This year, prior to the specific context of the confinement from the Covid-19 pandemic, no less than 169 employees had been working remotely on a more or less regular basis. The success of this method of working can be measured by the renewal of 120 teleworking contract amendments and by the filing of 49 new applications, all accepted.

For 25% of those working remotely, teleworking follows a fixed, regular pattern, involving 1 day a week on average. But, for most employees, the occasional use of teleworking offers more attractive flexibility and is easy to activate. In this case, employees can use up to 12 days of teleworking to be organized at their convenience over the year.

For the Dolphin Design site, a teleworking charter was established in January 2020 in partnership with the SEC. This details the eligibility criteria, the way in which the work is organized, equipment, data security, health and safety at work, and the protection of privacy.

However, the Covid-19 crisis and the confinement measures imposed in the various countries in which our Group has a presence have caused a profound change in the practices used, making teleworking not a chosen method of organization but an obligation, within a restrictive environment imposed by social isolation and family obligation. Against this background, Soitec has put in place support for teleworking and provided employees with a certain number of resources.

C. Moving, an opportunity to improve working conditions

The teams at Dolphin Design Meylan moved in early 2019, bring all employees together in one single location, in brand new premises filled with natural light, located not far from the previous office so as to avoid generating complications regarding travel from home to work.

This change provided an opportunity to review working methods by rolling out cooperative working measures and WiFi across the site to enable employees to be more mobile around the site.

In parallel, a process for making HR tools and processes digital was put in place *via* a change in the payroll/HR software used: payslips are now virtual (with the creation of an electronic secure space) as are vacation requests and annual and professional interviews. This allows employees to have easier access to their information and documents, thereby making them more autonomous and proactive in the way their career is managed.

D. Rationalizing work processes

Through the deployment of the Dolphin Product Development Process, it has now become easier to focus on profitable developments connected to the strategy used to select development priorities, identify risks well in advance, and have better management of priorities and the allocation of teams. This meets a need to give meaning by providing transparency in relation to decisions made and encouraging employees to make a contribution to projects related to strategy.

E. A SEC commission dedicated to quality of of life at workplace

During the negotiation of the agreement to create the Soitec SEC, management and the labor unions wanted to reinforce the role played by elected representatives in quality of life at workplace measures.

Quality of life at workplace and Social Relations commission (VTRS) has been set up at the initiative of management to enable a team of dedicated elected members, separate from the Health and Safety and Working Conditions Commission, to be able to dedicate itself fully to these challenges. Composed of 6 elected members of the SEC, the Commission monitors and analyzes the results of the quality of life at workplace questionnaires and also monitors the actions taken within teams and across departments.

Members of this commission are also involved in analyzing and preventing situations liable to generate psychosocial risk.

F. A dedicated area for use by women returning from maternity leave in Singapore

In Singapore, a nursing room has been set up for use by women returning from maternity leave. This area provides them with privacy.

G. Leisure space in Singapore to improve the quality of life at workplace

In 2019, a break room known as "The Corner" was fitted out on the Singapore site with a range of leisure equipment. This area with unrestricted access enables all employees to relax for a while during the course of their day.

3.4.3.2 Report on ourcompany-wide collective agreements

A. Incentive agreement

To continue to guarantee that employees share in the success that comes from growth, in line with our Company's profitability priority from the perspective of growth that is vital to our Company's sustainability, a new incentive agreement was signed in June 2019 for three years with all the trade union organizations represented at Soitec S.A., in keeping with the previous agreements. This new agreement covers fiscal years 2019-2020, 2020-2021 and 2021-2022, and allows for a 25% increase in the amount of the maximum envelope for incentive awards, which may now be up to 15% of the payroll of basic salaries. This incentive comprises:

- an annual envelope for incentive awards, which may be up to 12% of the payroll of basic salaries, and is based on a criterion of EBITDA as a percentage of revenue;
- and two envelopes for a half-year incentive award, based on operating criteria such as quality and quality of life at workplace. Employees are thus directly involved in the quality performance delivered to customers, measured in Ppm, and in the efforts to make the QWL process vigorous and principled, through numerous concrete actions implemented in the field by all the teams.

To guarantee that the results of our Group effort are shared more equitably based on each individual's contribution, one half of the employee's incentive payment is allocated in proportion to the employee's actual continued employment during the fiscal year and the other half is allocated in proportion to their basic salary.

B. Profit-sharing agreement

For the first time in its history, Soitec paid a profit-sharing award in respect of the results of fiscal year 2018-2019. The trade union organizations and management met to adjust the agreement implemented in 2001. The terms of distribution of the profit-sharing reserve were therefore amended to ensure that the success of our Group effort is shared more equitably, and to be identical to the terms of distribution of the incentive award: starting in fiscal year 2019-2020, the profit-sharing reserve will be distributed based half on the employee's continued employment during the fiscal year and half on their basic salary.

C. Annual salary agreement

Every year Soitec is committed to ensuring that our salary policy, and in particular the resources granted to merit raises and promotions, is consensual and supported by employee representatives. Hence special attention is given to the annual salary negotiations with the trade union organizations. In June 2019, this agreement, building on a responsive salary policy, was signed unanimously by all four trade union organizations.

D. Agreements for the creation of the Soitec Lab entity

Wishing to offset the human resources impact of Soitec Lab's spin-off into a subsidiary, as soon as this project started, Soitec recommended to the trade union organizations that an Economic and Social Unit (ESU), comprised of Soitec and Soitec Lab, be created, and that a novation agreement be signed to continue within Soitec Lab all the benefits stemming from existing collective agreements or unilateral decisions within Soitec. The signature of the agreement establishing the ESU and of the novation agreement makes it possible to:

- uphold the employment status of the employees who are transferred to Soitec Lab upon the its spin-off or when they are transferred in the future;
- continue employee representation within the ESU and preserve the offices of Soitec Lab employee representatives.

E. The first incentive agreement for Dolphin Design, Meylan

In order to share the benefits of growth, the first incentive agreement in Dolphin's history was signed in September 2019. It is based on an EBIT and revenue criterion. The distribution formula, based 50% on the criterion of continued employment, favors to the lowest pay grades.

3.4.4 INCLUSION IN THE WORKPLACE

Soitec has long been dedicated to making our Company a good place to work, regardless of age, origins or gender. Soitec's HR policy focuses on fighting all stereotypes and unequal treatment, and on making Soitec an inclusive organization.

It revolves around three tenets:

- promoting gender equality;
- recruiting and including employees with disabilities;
- eliminating all forms of discrimination.

3.4.4.1 Promoting gender equality

Thanks to efforts made over a number of years, the proportion of women Group-wide increased once again this year, to 33.7% from 32.9% the previous year.

33.7%
women

A. Bernin index

Since law no. 2018-771 of September 5, 2018, on the freedom to choose one's professional future, companies with more than fifty employees are required to measure and correct pay gaps between men and women.

The index for 2019-2020 published on March 31 was 89/100. The rating out of 100 is based (for 40%) on the measurement of any pay gaps recorded within each age group for each job grade, gaps regarding access to individual pay rises (20%) and to promotions (15%) between men and women, compliance with obligations for the re-valuation of salary during maternity leave (15%) or adoption leave, and the proportion of the ten highest paid positions held by women (10%). For 2019-2020, the Soitec score highlights the equal treatment afforded to men and women during the process for the 2019 individual pay raises (20/20), virtually equal pay for comparable levels of responsibility and ages (with a score of 39/40), and complete compliance with the law on pay raises applied upon the return from maternity leave (15/15).

In addition, thanks to targeted efforts, women had greater access to promotions. However, women are still underrepresented at the highest levels of the pay scale, and this is a major area for improvement for Soitec in the coming years.

Gender equality index:
89/100

B. Dolphin Design Meylan Index

For the first time, Dolphin Design's site in Meylan published its index in March 2020, with a score of 79/100. This result highlights gender equality in terms of pay raises (35/35) and a lack of discrimination against employees returning from maternity leave. The score of 29/40 for the pay gap may be explained by the fact that there are few women in the entity's expertise and management positions, where the highest revenues are concentrated, compared to the support positions and the fact that the represented population is small (20 women). There is still room for improvement at the highest levels of the pay scale even though there is only one woman on the Management Committee.

C. 2019 Mandatory annual negotiation agreements for gender equality

In order to increase the number of women promoted in the managerial levels and to narrow the pay gaps in the job grades and age segments where gender discrepancies still exist, an additional budget was allocated during the 2019 Bernin mandatory annual negotiation agreements.

D. Inn.0Tech, a program to promote diversity starting with teenagers

For the last 13 years, Soitec has been involved in Inn.0Tech, an initiative that introduces high school students to jobs in science and technology. This program aims to help young people in their future career choices and to draw attention to the careers of technician and engineer. During the participant selection process, Soitec and the other program partners are diligent about maintaining a gender balance, as they are aware of the impact of stereotypes on the career choices of young people, particularly girls.

3.4.4.2 Recruiting and including employees with disabilities

Soitec's commitment to employing people with disabilities dates back many years, to the signature of the first agreement to this effect in 2000.

A. Percentage of employees with disabilities

For 2019, 6.19% of the employees at the Bernin site had disabilities. During fiscal year 2019-2020, three people with disabilities were hired and five RQTH (Recognized Disabled Worker Status) applications were submitted.

Employment rate of employees with disabilities
6.19%

B. Continuing actions promoting the inclusion of employees with disabilities

1. Participation in LinkDay®:

Soitec believes strongly that LinkDay® can help it diversify its teams, and it recommitted to this initiative in 2019. LinkDay® is a job fair organized by Execo specifically for people with disabilities. It is an opportunity to introduce recruiters, managers and candidates to one another in a welcoming environment that is conducive to having career-related conversations.

This event is a chance for Soitec to speed up and galvanize its current or future recruitment as it gets to make initial contact in a setting that encourages meaningful dialogue with candidates.

2. Disability work-study program

This year, Soitec again used the services of the disability work-study program (PAH) from March to June 2019, with its partner Ohé Prométhée Isère. The aim is to provide support for people with disabilities (young people or those making a career change) with their search for a work-study program, offering them priority access to five partner companies, including Soitec. Through this initiative, Soitec hired one work-study student for two years.

3. Fittings and fixtures to retain employees

In 2019-2020, new actions to retain employees with disabilities were implemented, including the installation of exterior fittings and fixtures (automatic gates, access ramp) and purchases of adapted equipment (ergonomic chairs, adjustable-height chairs and electric adjustable desks, central ergonomic keyboards).

Dyslexia was the subject of a particular effort, with the purchase of special software (French/English) and the organization of a lecture on the "DYS" disorders: dyslexia, dysphasia, dyscalculia, dyspraxia.

3

3.4.4.3 Eliminating all forms of discrimination

A. Mutual aid culture, a program to foster group spirit and inclusion

To make the most of human relationships and prevent interpersonal situations from breaking down, Soitec set out to cultivate mutual aid, group spirit, inclusion of everyone, goodwill and the ability to self-assess by implementing a training for production operators and logistics agents and their managers. During 2019-2020, the trial year, 32 people, including 10 managers, took part, and 140 people are expected to participate next year.

The common theme is the ability to experience interactions in different situations and at different scales, gain perspective on one's emotions and behaviors, develop interpersonal flexibility and assertiveness and cultivate strong workplace relationships by learning to manage disagreements and thus prevent conflicts.

This also entails supporting managers in their role and helping them build rapport within their teams and learning how to regulate it so it is a source of prevention and effectiveness. This training also enables them to help employees think about what they learned after the sessions so they can implement best practices within their teams.

This program aims to help participants create an interpersonal space of constructive collaboration within the team and cross-functionally, adjust their behavior based on individual situations, hone their ability to provide feedback, and use the appropriate tools to effectively work on relationships. Participants engage in role-playing to cooperate, ponder the importance of relationships, health risks and group effectiveness so they can understand that the problem is not the individual but rather the relationship one has with the individual, and that this relationship must be worked on like a work tool.

At the end of these training sessions, employees will create a cooperation charter on the values and behaviors that form the basis of the cooperative spirit at Soitec.

B. An online recruitment module for managers

To guarantee that all candidates experience an inclusive recruitment process, a recruitment e-learning module has been created for managers. The module covers topics such as nondiscrimination and fairness in processing applications to ensure that all managers are aware of and committed to best practices in recruiting, particularly when it comes to interviewing and onboarding future employees.

C. *Dolphin Design Meylan*, signatory to the Isère Club of inclusive businesses

The Dolphin Design subsidiary belongs to the Isère Club of 100 inclusive businesses. In partnership with the French Labor Ministry as part of the *Plan 10 000 entreprises pour l'inclusion et l'insertion professionnelle* (10,000 Businesses for Inclusion and the Vocational Integration Plan), this association brings together local businesses that are committed to inclusion, and it enacts initiatives in 13 areas: internships for ninth graders from high-priority neighborhoods, assistance with preparing for job interviews, help putting together job applications, etc.

3.4.5 ATTRACTING AND RETAINING TALENT

Given that an organization's greatest asset is the set of diverse skills and individual talent that make it up, Soitec endeavors to recognize skills internally and attract new people. As such, alongside its ambitious promotion policy, Soitec offers employees trainings that focus on the future, on topics such as Industry 4.0, leadership and co-development. And because talent must not only be attracted but also retained by creating conditions that allow for growth, the People Review system was rolled out this year across the whole Group.

3.4.5.1 An ambitious promotion policy

This year, 16% [1] of Group employees received a promotion; this is a powerful recognition of their contributions and performance and offers them an opportunity to expand their scope of responsibility.

16% of Group employees received a promotion.

In 2019-2020, a budget of 0.7% of the payroll at Soitec was earmarked for promotions, with a minimum pay raise of 5.5%.

In addition, the bonuses for objectives were raised. They are now:

- 4.5% [2] of the gross basic salary for technicians beginning from coefficient 335;
- 4.5% [2] to 5.5% [2] of the gross basic salary for C2 managers (job grade 110);
- 5.5% [2] to 6.5% [2] of the gross basic salary for C3 managers (job grade 130).

3.4.5.2 A forward-looking training policy

A. An Industry 4.0 Learning Trip

Industry 4.0, or the Industry of the Future, is a topic of great concern for industries around the world. Because Soitec's innovations play a direct role in this transformation, Soitec opted to broach this topic within our Company by organizing a Learning Trip. A group of 11 engineers from the Manufacturing and IT Departments went to Normandy to visit the Bosch plant to learn about the Industry 4.0 approach. Soitec firmly believes that open-mindedness and sharing experience with other industries are vital to enhancing skills and practices.

B. Creation of the Level 4 Operator Training Management program

Five level 4 operators were chosen internally to take on a position focused on training topics and to help operators boost their skills.

A customized training course lasting more than 50 hours was devised and tested internally to implement this new position within the organization.

This position has received positive reviews, both by the new N4 level and training staff and by the people they support.

(1) Automatic changes in the coefficient are not taken into account in this calculation.
(2) For fully achieved objectives.

C. A co-development program for managers

Eleven managers volunteered to join a group created to participate in co-development sessions.

These short sessions enable managers to continually train with peers on their managerial practices and compare them. This stimulates interdepartmental collaboration and capitalizes on participants' experience.

D. Manager training in Singapore to create a common management culture

With the aim of creating a management culture that is shared by all of Soitec's entities, manager trainings were introduced at the Singapore site to inspire practices, particularly performance management, talent management and project management. This training also promoted our Company's leadership pillars and values, which had been presented to the rest of our Group's managers in 2016.

3.4.5.3 The scope of the People Review is expanded worldwide

The goal of Soitec's People Review is to share an annual analysis of the strengths and weaknesses of each organization and to individually review personal career paths to pinpoint certain skills gaps and to identify and guide high-potential employees.

These reviews provide a complete overview of Soitec's population in terms of skills and potential in order to help make strategic decisions related to talent management and to build up a reservoir of future talent.

This year, the scope of the People Review was expanded to almost all of the organization's levels of authority, doubling the number of reviews compared to last year. Our Company, its structure and employees are in perpetual movement, and this means that needs, challenges and risks change throughout the year. The potential, criticality of the position and the risk of retention of employees was assessed, and personalized development plans were devised. This program helps speed up talent development at Soitec so as to align it completely with Our Group's strategic objectives.

3.4.5.4 Stronger employer brand for Dolphin Design

After the Dolphin Design subsidiary was purchased in 2018, it wished to rework its employer brand image and convey a more positive image. The result was an overhaul of the visual identity and the implementation of quarterly information meetings for all employees on Dolphin Design's strategy, results and projects. Two candidate experience and onboarding indicators are now tracked every quarter. The annual average this year was 8.5/10.

3.4.5.5 Focus on employee onboarding at the Singapore site

Following a survey of all the employees in Singapore, the members of the Recreation Committee organized a teambuilding event that best met their expectations. This latest edition, which was held at a recreation park, included games to unite our Group and bolster team spirit and cohesion.

In a fast-growing group, this event was an excellent way to bond and strengthen the sense of belonging. The organizers made a special effort to include new employees.

For all the participants, this event was first and foremost an occasion for sharing, meeting people, laughing and bonding.

3.4.6 IMPROVING INDUSTRIAL RELATIONS

3.4.6.1 Promoting constructive dialog

A. Agreement offering more mechanisms than the legal framework

After setting out in March 2019 to work with the trade union organizations to assess the existing social dialog and the challenges the new mandatory legal framework presented our Company with, the management of the Bernin site embarked on negotiations with the trade union organizations to determine the scope of the future Social and Economic Committee (SEC) and its operating procedures.

At the end of 10 meetings, an agreement was signed unanimously by the trade union organizations. This agreement strengthens the mechanisms granted to the SEC by going well beyond those set forth in the legal framework:

- the total number of elected representatives was raised to 42 from 34, with 8 additional permanent post holders and alternates;
- the number of hours of assignment was increased by 50% from the number of hours the elected representatives of the Works Council, employee representatives and CHSCT had previously.

To better address the complexity and diversity of the topics that fall within the purview of the SEC, the management and the trade union organizations agreed to create seven special commissions that are tasked with working on specific issues:

- an economic commission;
- a training commission;
- a social protection and save-as-you-earn scheme commission;
- a gender equality commission;
- a social and housing commission;
- a Health, Safety and Working Conditions (CSSCT) commission;
- a Quality of life at workplace and Social Relations (VTRS) commission.

The process for reporting questions asked by employees was retained; it involves appointing one field representative per trade union organization responsible for conveying employees' questions during monthly meetings.

Employee elections were held in December 2019, with a participation rate of 76%.

Dolphin Design in Meylan also elected its own SEC on December 3, 2019. The participation rate was 66%.

B. Increased dialog with the social partners during the Covid-19 epidemic

Amid the Covid-19 pandemic, dialog with the employee representatives was increased.

3.4.6.2 Internal events organized by and for employees

Involving employees upstream in event planning boosts pride in belonging to our Company. With this in mind, the year's three largest Company events, at the Bernin and Singapore sites, were spearheaded by some 15 volunteer employees.

- the annual evening gala in December 2019 was entirely organized by Company employees. They put forward, organized and steered the evening and entertainment for the event, which brought together nearly 750 participants and obtained a record satisfaction level of 96.7%;
- two Open Houses for employees' families were organized, one in Bernin in May and the other in Singapore in November. These Open Houses welcomed more than 1,000 people—Soitec employees and employees of outside companies and their families—to a day of fun and socializing, featuring educational workshops about Soitec, its activities and its businesses, which were planned and led by employees.

The high satisfaction rate reported for these events confirms Soitec's belief that involving employees in the planning process is key to the success of such events.

3.4.7 TURNING ITS EMPLOYEES INTO SHAREHOLDERS

3.4.7.1 Two new innovative employee shareholding plans to involve employees in our Company's growth

A. Jade

To share in the results of Soitec's future performance, and in keeping with the three free share allocation plans for all that were implemented in 2018, our Company's shareholders decided to offer all Group employees in France (Soitec, Frec|n|sys and Dolphin Design) and Singapore a new employee shareholding transaction, which was named Jade 2020.

This offering, which was established as part of the advantageous save-as-you-earn scheme (Company Savings Plan or International Group Savings Plan), allowed employees to invest in Soitec's share capital under beneficial conditions, through a company mutual fund. With the consent of the Board of Directors, a shareholding formula with a guaranteed discount and leverage, capital and minimum yield was chosen.

Through this plan, employees:

- were eligible for a 30% discount (new limit instituted by the PACTE law) on the purchase of shares at the reference price;
- are guaranteed to recover 100% of their personal contribution upon expiry of the five-year holding period or in the event of an early release;
- receive a minimum yield of 3% *per annum* (*i.e.*, 15.9% after five years) if the average change in the stock market price is lower than this gain;
- benefit from a performance tied to the average change in Soitec's stock price during the five-year freeze, with an override of the capital loss and multiplier ratio applied to this average.

This transaction was a resounding success, as 1,053 employees, or more than 70% of those eligible, invested in the Jade offering in France and Singapore.

B. Topaz

In parallel with the Jade offering, Soitec's shareholders decided to implement a co-investment plan for our Group's corporate officers and employees.

The Extraordinary Shareholders' General Meeting of July 26, 2019 created a new category of preferred shares (PS 2) convertible into ordinary shares based on the achievement of targets relating to EBITDA, revenue and the Total Shareholder Return (TSR) performance of our Company's ordinary shares compared to the Euro Stoxx 600 Technology index (resolution n°33).

Based on the delegation granted by the Extraordinary Shareholders' General Meeting of July 26, 2019 (resolution n°34), the Board of Directors decided on December 18, 2019 to grant Topaz's participants with PS 2.

Subject to a presence condition, such PS 2 granted for free will be definitively acquired by each Topaz's participants at the end of three acquisition periods:

- 40% of the PS 2 granted on December 18, 2019 will be definitively acquired on December 18, 2020;
- 30% of the PS 2 granted on December 18, 2019 will be definitively acquired on August 1, 2021; and
- 30% of the PS 2 granted on December 18, 2019 will be definitively acquired on August 1, 2022.

Based on the delegation granted by the Extraordinary Shareholders' General Meeting of July 26, 2019 (resolution n° 35), the Board of Directors decided on December 18, 2019 a share capital increase of our Company through the issue of PS 2. In this context, Topaz's participants subscribed for PS 2 (at a unit price of €84.17, as determined by an external independent accountant).

The investment made as part of the Topaz co-investment plan is as at risk since participants may incur a capital loss if the performance conditions are not met.

3.4.7.2 Liquidation of the Share Plans for All (PAT) no. 1 and no. 2

After several difficult years and a remarkable turnaround in our Group's economic and financial position, in 2018 the Board of Directors decided to implement 3 free ordinary share allocation plans for all Company employees, for the purpose of involving them in our Group's growth and acknowledging and rewarding their role in creating value.

Two of the three free Share Plans for All that were implemented in March 2018 (known as PAT no. 1 and PAT no. 2) nad expired on March 28, 2020.

On that date, 859 employees had their ordinary shares in Soitec vest. Under these two plans, part of which was contingent on seniority in our Group, employees who had been working at Soitec in 2017 had 138 shares vest, while employees who had been at Soitec since March 2012 had up to 229 shares vest.

3.4.7.3 Implementation of a company savings plan to include employees of subsidiaries in the share plans

Under the Jade offering, our Company Savings Plan was expanded within our Group:

- Soitec established an International Group Savings Plan, which Soitec Microelectronics Singapore joined;
- a company Savings Plan was implemented through a unilateral decision at Frec|n|sys.

With our Company Savings Plan negotiated at Dolphin Design, 98% of Group employees are therefore eligible for this plan.

3.5 PLANET

Our Group has long been committed to protecting the environment. Every year, our Group makes an effort to improve its facilities and processes to better take into account the impact of its activities on climate change.

In 2001, it implemented an Environmental Management System (EMS) at the Bernin site. Thanks to this EMS, our Group was able to achieve ISO 14001 certification in 2001, and this EMS is currently being put in place in Singapore with certification expected in 2020-2021.

In order to organize and sustain our Company's continuous improvement, and to be able to communicate its environmental performance, the EMS was revamped to comply with the 2015 version of ISO 14001.

The major principles of this EMS are:

- compliance with legal and other requirements related to the environment;
- reduction of our environmental impacts (waste, air pollutants, aqueous discharges, etc.) by monitoring processes and facilities and preventing pollution.

This new working methodology enables continuous improvement of environmental performance: identification, anticipation, improvement and management of the site's impacts on the environment.

Since the environmental management system was implemented, no audits have found any instances of major noncompliance. Operational reviews by the management are done every quarter and a more general system review is conducted once per year.

The Bernin site's commitment for 2019-2020, which was determined as part of the QHSE policy, is based on the following objectives:

- objective no. 1: Prevent environmental impacts;
- objective no. 2: Reduce waste and improve its recycling;
- objective no. 3: Optimize the use of natural resources;
- objective no. 4: Guarantee the management and origin of substances.

The commitment quantifies each of these objectives and describes them in detail.

An energy management system has also been implemented at our Group's industrial sites, following the ISO 50001 reference framework. The Bernin site was certified in November 2015 and renewed this certification based on the new reference framework in November 2019.

The Singapore site will start this process after implementing the ISO 14001 reference framework, but it has already taken steps to reduce energy consumption.

3.5.1 REDUCING AND OPTIMIZING THE USE OF NATURAL RESOURCES

3.5.1.1 Controlling water consumption

Within our Group, water is used by the industrial sites for two main needs:

- provision of industrial water:
  - production of ultra-pure water,
  - production of iced and hot water,
  - cooling systems using cooling towers,
  - gas discharge cleaning: gas scrubbers;
- provision of drinking water (sanitary facilities, kitchens).

Our Group's business is rather water intensive, so this issue is important in its strategy for reducing environmental impacts.

This is manifested in the formulation of a plan to control and reduce water consumption at the Bernin site, and it will be determined at the Singapore facility as part of the implementation of ISO 14001 during 2020-2021.

The first step of this plan was to take an inventory of the equipment that consumes the most water in order to determine which actions to put in place. This inventory was depicted in a Sankey diagram that is updated annually. After the major contributors were identified, a working group consisting of the process and maintenance engineers who are responsible for this equipment was formed. They scrutinized consumption in standby mode in order to improve it.

This helped to reduce some flow rates in the equipment and reduce water consumption:

- reduction of water flow rates in certain parts of so-called "megasson" equipment in wafer-cleaning equipment: reduction of 1.5 m^3/h;
- reduction of water recirculation flow rate in one piece of cleaning equipment: reduction of 1.1 m^3/h;
- elimination of water mixing before discharge in several pieces of cleaning equipment: reduction of 2.8 m^3/h;
- setup of a new ozone generator incorporating high/low flow rate management: reduction of 0.7 m^3/h.

Thanks to all these actions, more than 80,000 m^3 of water at Bernin were conserved in 2019-2020, or almost 5% of the site's total consumption and an 8% reduction per production unit Group-wide.

8%
reduction in water consumption per production unit

3.5.1.2 Improving energy performance

The energy performance of our Group's industrial sites is a major factor in Soitec's economic competitiveness given its positioning as a manufacturer of innovative materials for less energy-intensive electronic products, the size of the Bernin site in the Grenoble ecosystem, with our Group standing as a good example in energy efficiency, and the need to control the site's operating costs.

To address these issues, an Energy Management System was established to structure the continuous improvement of its energy performance and make it sustainable, and to reduce the consumption of natural resources.

Soitec uses electricity and gas at the Bernin site and electricity at the Singapore site.

An annual energy review helps identify the major uses of energy.

Improvement actions were implemented in 2019-2020:

At the Bernin site:

- Soitec invested in several cooling systems whose performance coefficient is double that of the unit they replaced. In addition to its efficiency, this unit is the first in France to operate with hydrofluoroolefins (HFO), a gas that replaces traditional refrigerants and has virtually no impact in terms of greenhouse effects. All of the site's cooling systems will be replaced within the next three years;
- several implanters were connected to exhaust recirculation systems, leading to savings of 550 MWhep new air per year and per implanter;
- the flow rate was reduced in wafer-cleaning equipment, improving consumption of ultra-pure water by 2.1 m^3 per hour;
- an analysis of energy reduction potential and operational control was done on some ovens, and technical choices were approved. They will be implemented over the next year;
- the improvement of speed variation, which began last year on air recirculation devices, continued, and this reduced electricity consumption by 10% in recirculation devices whose technical efficiency improved;
- to track its consumption in real time, Soitec has set up an online platform that helps improve energy performance for cold and hot production;
- the coefficients of performance of the cooling systems improved, jumping from 6% to 30% for the best performance recorded.

At the Singapore site:

- a cooling system was replaced this year with a newer, more energy-efficient unit identical to those installed at the Bernin site. This system will help reduce greenhouse gas emissions through a better abatement system that works on hydrofluoroolefins (HFO). More efficient variable speed drives (VSD) and monitoring systems will help conserve around 1.86 GWh of energy per year;
- second, a high-voltage processor was fitted with harmonic filters to adjust the processor's power and improve control of its transmission of final energy. This improved its performance coefficient, raising it from 0.4 to 0.75; the goal is to reach 0.8 in order to obtain the best yields possible on this unit.

The performance indicator that was used and that is tracked regularly is energy consumption per production unit.

The energy commitment signed by the management of the Bernin site and renewed annually identifies the fiscal year objectives that will make it possible to achieve a negative slope for this performance indicator.

12%
reduction in energy consumption per production unit

Overall at these two industrial sites, these improvements helped to reduce electricity consumption by almost 12% on the basis of the number of wafers produced compared to 2018-2019.

3.5.2 REGULATING IMPACTS ON CLIMATE CHANGE

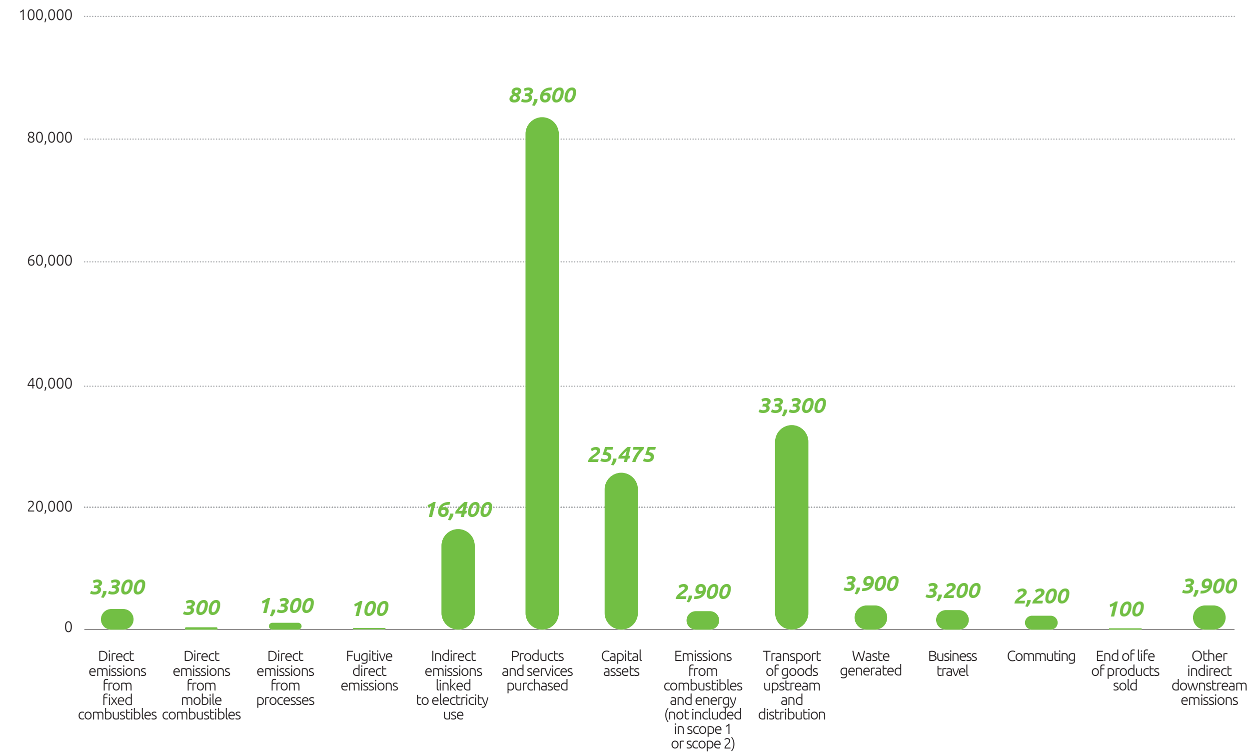
Well aware of the impacts of industrial activity on climate change, Soitec has made this topic a priority, which is now manifested in terms of reduction targets, specifically for greenhouse gases.

3.5.2.1 Scope expanded for the new carbon assessment

Our Group completed a Carbon footprint in early 2020. It applies to the business data from calendar year 2019. It recognizes regulatory scopes 1 and 2 greenhouse gas emissions, which are generated by Soitec's direct activities, and indirect scope 3 emissions (excluding use), which result from its activities.

The total Carbon footprint (scopes 1, 2 and 3) for 2019 was 180,000 t CO_2e.

› ***Group carbon footprint*** *(in t CO_2 e)*



In descending order, the main sources of greenhouse gases created directly or indirectly by Soitec's activities were the items relating to the purchase of products and services (46%), transport of goods (19%), capital assets (14%) and on-site energy consumption (13%).

In light of these results, an action plan will be formulated for 2020-2021.

3.5.2.2 A diversified mobility plan

Our Group is dedicated to fighting climate change through a range of actions related to employee mobility. At our Company level, Soitec promotes sustainable transport, thus playing a role in reducing the greenhouse effect and the average time spent in traffic jams.

Fiscal year 2019-2020 is a good example to illustrate our Group's position on adopting practices that use less fossil energy. Soitec's drive to support behavioral changes has been put into action in different settings, particularly at the Bernin site.

A. Electric bikes for employees

As it does every spring, Soitec made free electric bikes available to its employees to use for their commutes. At the end of the initiative, employees can purchase the bikes at a 50% discount thanks to a partnership. Six electric bikes equipped with accessories (helmet, basket, lock, etc.) and 22 used bikes were sold to employees in 2019.

B. Soitec, the Grésivaudan *Region Coup de Coeur* in the Auvergne-Rhône-Alpes Mobility Challenge

In June 2019, Soitec participated in the Auvergne-Rhône-Alpes Mobility Challenge and won the Grésivaudan Region *Coup de Coeur* awarded by the Auverge-Rhône-Alpes Region. This award recognized the commitment of Soitec employees during this event, which advocates for sustainable transport, and particularly a Soitec team's initiative to take the Saint-Hilaire du Touvet funicular to work. This year's participation rate was 26% (*i.e.*, 225 employees), up from 14% from last year.

› ***Soitec's participation in the Mobility Challenge in numbers***

C. A carpooling charter for events

A carpooling charter was established for internal and external Company events, such as seminars and other sporting activities. Our Company's first Carpooling speed dating was a great success and led to the creation of an internal carpooling tool.

D. Signature of a mobility plan for Dolphin Design

The Dolphin Design subsidiary implemented a mobility plan that was signed in April 2019 and led to a three-year plan. A mobility day that included an opportunity to try out electric scooters was held in June 2019, and in October, Dolphin Design raised its subsidy of public transportation passes from 50% to 60%.

E. Shuttle in Singapore

At its Singapore site, our Group started a shuttle service that employees without transport and employees looking to reduce the environmental impact of their travel can use for necessary trips.

Soitec is dedicated to partnerships with players in the nonprofit sector, business, politics and the general public working on initiatives and events related to mobility in order to promote shared car use, avoid fossil energy and reduce pollution, make mobility a universally accessible right and support changes in habits at all scales.

3.5.3 LIMITING INDUSTRIAL POLLUTION

3.5.3.1 Limit air pollution

Most of the air pollutants emitted by our Group are volatile organic compounds, chlorides, fluorides, ammonia and other compounds released by various chemicals used in the semiconductor fabrication process, or nitrous oxide, carbon monoxide and carbon dioxide emitted by boilers.

Aware of the impact these pollutants have on the environment, Soitec has for several years followed a three-pronged preventative approach:

- the collection of acidic and basic effluents with extraction networks. The gases are then processed using gas scrubbers specific to the type of gas;
- processing either through leaning or incineration of pollutants. Different facilities generate different air pollutants depending on the nature of their operations. But in all cases the strategy of reducing pollution before atmospheric emission is the same;
- close monitoring and measuring of pollutants at varying intervals depending on the facility.

No excess pollutants from boiler vents were measured at the Bernin facility, but excess fluoride from one of the flue stacks of a gas scrubber was measured there.

No excess pollutants were measured at the Singapore facility.

As part of general improvements to the performance of preventative systems and in particular to gas scrubbers, this year an acid gas scrubber at the Bernin facility was converted to alkaline gas scrubbing in order to remove certain alkaline pollutants.

3.5.3.2 Limit water pollution

The different water pollutants from the site are sewage water (effluents from toilets and kitchen facilities), industrial effluents (effluents from production and technical facilities) and rainwater discharges. Various prevention methods are in place according to the type of discharge.

A. Sewage water discharge

Sewage wastewater is collected and conveyed in a facility's own sewage system connected to the municipal sewage system from where it is taken to a wastewater treatment plant.

B. Industrial wastewater discharges

Industrial wastewater is a byproduct of the production processes using water and chemicals at the Bernin and Singapore facilities. The wastewater is either collected and treated at the facility itself or neutralized before discharge Before disposal the wastewater's pollutant content is checked to ensure compliance with regulatory thresholds.

Ammonia and fluoride levels in excess of regulatory thresholds were measured at the Bernin facility in 2019-2020, but they were below local thresholds. In both cases the causes of the excess pollutant levels were found and remedied, after which measured levels fell below regulatory thresholds.

No excess pollutants were measured at the Singapore facility.

In order to better measure and thus reduce pollutants—especially fluoride—three samplers were installed at the Bernin facility to track levels in the three main sources:

- B2 clean room wastewater;
- BK/B2 acid scrubbers;
- vacuum evaporators.

As part of complying with ISO 14001, steps will be taken at the Singapore facility throughout 2020-2021 to continually improve wastewater treatment systems.

C. Rainwater discharge

At the Bernin facility rainwater from rooftops and car parks is collected separately. Hydrocarbon separators have been installed to filter rainwater from car parks and traffic areas. Rainwater is then discharged into the site's three storm basins before joining the communal network or seeping into the ground. Analyses of hydrocarbon concentration, water temperature and pH are carried out once a year on each of the two networks.

3.5.3.3 Managing waste better

Soitec goes far beyond sorting and collecting waste by seeking above all to reduce the amount of waste produced at the source.

The main types of waste generated at Soitec production facilities are:

- non-hazardous waste (NHW): cardboard, paper, wood, plastics, glass, etc.;
- solid hazardous waste (SHW): batteries, solids contaminated by chemical products, etc.;
- liquid hazardous waste (LHW): hydrofluoric acid, ammonia, isopropyl alcohol, etc.

The Bernin facility recycles **52%** of its non hazardous waste.

A. No more plastic cups

After 18 months of consideration, all plastic cups at the Bernin facility were eliminated in 2019-2020. Before then 500,000 cups were being thrown away and incinerated every year. As part of the initiative, collapsible cups were given to employees as well as contractors, to keep and reuse, and lent to visitors, to be washed after use.

As a result, **500,000** plastic cups were eliminated at offices and plants.

B. *Océans Plastifiés* exhibit

In the context of its elimination of disposable cups and as part of its efforts to curb pollution, Soitec is proud to be the first company to host the *Océans Plastifiés* science exhibit on plastic in the ocean, from January to March 2020. The exhibit is put on by EXPEDITION MED, a crowd science association active throughout the world. The goal of hosting the exhibit was make employees, partners and visitors aware of marine pollution and mark a new phase in Soitec's waste management and environmental protection approach.

C. Next-generation printers

As part of efforts to reduce waste, all printers were replaced with next-generation models. These printers require a user ID to confirm printing, which has substantially reduced the amount of paper used and avoided sheets being left in the machine.

D. Food waste awareness

Every year the caterers to the Bernin facility hold a number of sessions on limiting food waste, paying particular attention to bread (only one free helping), cooking without wasting and dishing out portions based on appetite.

Once it is ISO 14001 certified, the Singapore facility will also commit to this approach. In the meantime, it set up a paper and aluminum waste collection system in 2019-2020.

E. Reducing hazardous waste

In recent years several steps have been taken to significantly reduce the volume of hazardous waste generated. In particular, a vacuum evaporator was installed in 2018 to reduce bulk hazardous waste containing ammonia or fluoride. This has resulted in hundreds fewer trucks on the road transporting such waste every year.

3.5.4 MAINTAINING A HEALTHY AND BALANCED ECOSYSTEM IN WHICH SOITEC ACTS TO PROTECT BIODIVERSITY

Preserving biodiversity is a real environmental issue for our Group. Every year it leads initiatives to reduce the impact of its industrial activities on ecosystems, continue protecting local and regional biodiversity, and foster awareness for the environment among employees.

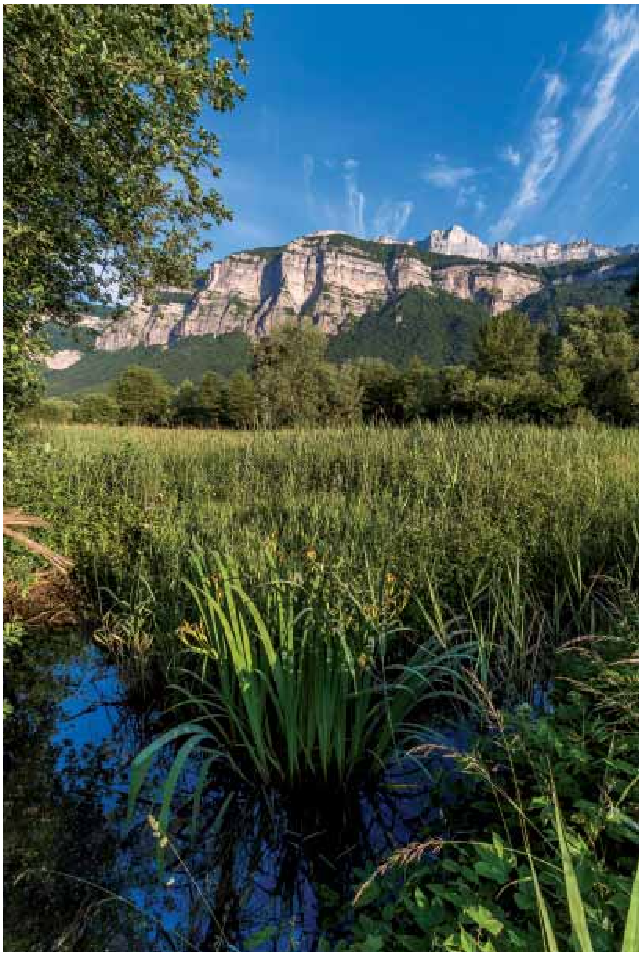
In these initiatives, Soitec draws on long-term partnerships with local and regional charities, NGOs, citizens and scientists. In 2019-2020 these partnerships resulted in various memorable accomplishments.

3.5.4.1 Awareness of vulnerable natural spaces and their environmental challenges

Under its partnership formed in 2018 with the Isère department, in 2019 Soitec drew attention to the environmental challenges of two vulnerable natural spaces (ENS) in the Grésivaudan, a valley in the Alps.

In May 2019, Soitec helped promote the Marais de Montfort ENS by holding the M Comme Marais exhibit at its premises. The exhibit was Soitec's response to the call for cultural projects issued by the Isère department to make the rare species sanctuary known to local residents and Company employees.

In July 2019, Soitec organized an e-bike ride on a guided tour of the Bois de la Bâtie ENS near Grenoble. The bike ride and tour were meant to discover the remarkable ecological diversity of a unique natural area, create awareness of the need to protect wildlife and plant life, and demonstrate sporting and other activities in such places.



3.5.4.2 Seed library at Soitec

In September 2019, Soitec opened its first seed library, where sharing seeds becomes an economical, free and supportive way to (re)discover the treasures of nature. Seed libraries facilitate biodiversity and supply seed varieties suited to the local habitat. They also offer a cheap way to grow one's own fruits and vegetables and thus, have access to healthy, local food. Alongside the opening, Soitec worked with MAKSIKA, an association for the protection of bees, people and their habitats in the Isère region of France, to act as a one-day consultant for the sustainable and ecological development of private gardens.

3.5.4.3 Urban green spaces in Singapore

In Singapore this year, Soitec showed its commitment to biodiversity by turning the area around its site into an urban green space. In 2019, our Company decided to devote more land to open spaces for the sake of local flora and to support ecosystem services such as temperature regulation and clean air. Our Company also built a freshwater pond has also increased the potential for ordinary biodiversity on the site by developing aquatic life. Biodiversity will remain an environmental priority at the Singapore premises for several years to come.

ZOOM in on the hives

In efforts to encourage local pollination and make staff and local residents more aware of the importance of biodiversity, the Bernin facility now has two beehives kept by eight employees on a voluntary basis.

In April 2019, Soitec held visits for 8-9 year old primary school children to learn about beekeeping and the microelectronics industry.

In July 2019, 47 kg of honey was harvested and given away to employees at our Company's annual biodiversity day. This year's theme was "Biodiversity is vital and fragile: understanding leads to better actions". The day was marked by events such as the photo exhibit by *the Syndicat apicole dauphinois* on the importance of pollination to the world's ecological balance and the impact of human activity on the survival of pollinators, and lessons on how to make natural cosmetics to promote sustainable consumption.

3.6 ETHICAL BUSINESS

The products developed by Soitec are at the heart of the changes to daily life on the planet in the medium-term, and this raises our awareness of a complex ecosystem, involving a large number of clients, a position which is a long way upstream in the value chain, comprised of state-of-the-art productions made using rare resources. In its interactions, Soitec strives to act globally in accordance with demanding social and ethical principles.

3.6.1 ACTING GLOBALLY IN ACCORDANCE WITH HIGH SOCIAL AND ETHICAL STANDARDS

3.6.1.1 Code of Good Conduct

Over several years, Soitec has acted on a global level, in line with demanding social and ethical principles. A Code of Good Conduct, adopted in 2013, outlines the broad principles and guidelines of our Group's business practices and internal relationships.

This Code defines a corpus of rules that, in accordance with the legal, regulatory and cultural framework of the countries in which our Company operates, are expected to govern the daily individual and collective actions carried out on Soitec's behalf.

It also provides useful guidance for Soitec employees so that they can make the right decisions and take the appropriate action at work, and in general conduct themselves in the most upright and exemplary manner possible.

It is appended to our Company's internal regulations and is communicated to all employees. Staff are quickly familiarized with the Code of Good Conduct through an online course. As of March 2020, 77% of our Group's employees completed this training.

Our Code of Good Conduct is sent to all the employees of newly-acquired entities, mergers or those companies in which Soitec holds an equity investment.

The Code applies to all countries where our Group's entities operate. It is aimed at all Soitec employees in their dealings with each other and with shareholders, investors, government agencies, authorities, customers and suppliers. Dolphin Design (held 60% by Soitec) has its own rules and is the only subsidiary not covered by the Code.

In the same spirit as Soitec's Code of Good Conduct, Dolphin Design's Code of Ethics defines key operating and development principles. It clarifies how employees ought to think about particular situations they may find themselves in internal and external relationships. All employees undertake to carry these principles and observe the spirit and letter of the Code.

3.6.1.2 Respect for human rights

Soitec is a partner of the Responsible Business Alliance (RBA, formerly EICC) which sets standards to ensure a safe working environment and conditions within the Electronics supply chain or sectors where electronics is one of the main components. This approach focuses on respectful treatment of staff, health, safety, the environment and business ethics.

3.6.1.3 Anti-Corruption

Soitec attaches the utmost importance to complying with the rules banning corruption, influence peddling and money laundering. Our Group adheres in particular to the principles of the OECD Convention, which ban any form of corruption. Soitec's commitment to this point is highlighted in its Code of Good Conduct: "Soitec supports international action in favor of preventing corruption. It adheres fully to the principles of the OECD convention on the fight against the corruption of foreign public officials in international business transactions and to the 2009 Recommendation of the OECD that aims to strengthen the fight against the corruption of foreign public officials in international business. Soitec prohibits corruption in all forms in trade relations and complacent behavior with regard to this violation whatever the country in which business in conducted. Soitec also attaches the utmost importance to compliance with rules prohibiting money-laundering.

Our Company also complies with French anti-corruption legislation in the form of law 2016-1691 (the Sapin II law). In 2017, Soitec began to implement the eight anti-corruption measures defined in this French law, in effect since June 1, 2017, establishing an anti-corruption system at Group level including procedures, risk analysis, assessments of third parties and specific communication.

To support the anti-corruption system, in 2018 our Group carried out a training campaign to raise awareness of the employees most exposed to corruption risks in their business relations.

The new entities Soitec acquires, merges with or takes an equity investment in are introduced to and integrated into the anti-corruption system.

A. Gifts and Invitations Policy frames best practices

Soitec's Gift and Invitations Policy was published in May 2018 and applies to all employees of our Group and its subsidiaries.

It adds to Chapter IV "Relationships with third parties" of the Code of Good Conduct and aims to support employees in their ethical business relations.

This guide aims to present the good practices to use when offering or accepting gifts or invitations on behalf of Group.

B. Whistleblowing system

Within the framework of the Sapin II law and Soitec's adherence to the standards of the Responsible Business Alliance (RBA), an internal whistleblowing process is in place.

It enables employees or external service providers to report the existence of conduct or situations contrary to our Company's Code of Good Conduct or in breach of current regulations on fraud, corruption or influence peddling.

It also guarantees confidentiality with regard to the identity of the whistleblower and the report content in accordance with local legislation and in particular the Sapin II law.

Dolphin Design has its own whistleblowing system, which is described in the appendix to its Code of Ethics and on the subsidiary's intranet.

3.6.1.4 The fight against tax evasion and restrictions on intra-Group transactions

Soitec strives to comply with the tax regulations in each country in which it operates.

In compliance with local legislation, each legal entity fulfills its obligations of declaration and payment of tax.

Transparency and collaboration of its legal entities and departments with regard to the tax authorities is encouraged in the event of requests for documents or tax audits.

Intra-Group transactions are governed by a transfer pricing policy that builds on OECD recommendations and in particular the principle of "full competition pricing". Our Group relies on its business model to define a policy that covers all of its intra-Group transactions and to set the applicable transfer prices.

Compensation rates for intra-Group transactions are subject to a comparative study on a global level to ensure compliance of these practices.

A. Soitec, Authorized Economic Operator (AEO)

Since 2008, Soitec has undertaken to be an AEO, a process renewed every three years, in cooperation with French Customs.

AEO status identifies Soitec as a safe and reliable company that has taken the necessary steps to simplify customs procedures and ensure the safety and security of information as part of enhancing the security of the international supply chain.

In 2019-2020, management and the Human Resources Department carried out a major review to determine and strengthen requirements and guidance for hiring and managing staff holding sensitive positions from a security point of view.

B. Social and environmental issues of procurement and relations with suppliers and subcontractors

Soitec applies a Quality Policy to its major suppliers and to subcontractors sending employees to work at Soitec facilities. It maintains a list of requirements for ethics, safety, health and sustainable development. With a view to sustainability, Soitec continuously seeks to streamline its logistics flows and rationalize its shipping containers. Soitec suppliers and subcontractors are systematically involved in such initiatives.

Production stages carried out on the raw material upstream of SOI manufacturing are made by American and Japanese subcontractors, in particular for so-called Refresh stages during which silicon wafers from the manufacture of SOI are regenerated as raw material and are thus reused.

Soitec applies strict selection and monitoring criteria for its critical suppliers with regard to energy use, the environment and especially waste removal. On-site service providers are selected and assessed on the basis of safety performance criteria.

Applying the EU's Conflict Minerals Regulation

Regulation (EU) 2017/821 (Conflict Minerals Regulation) aims to help stem the trade in four minerals—tin, tantalum, tungsten and gold—which sometimes finance armed conflict or are mined using forced labor.

The regulation requires European firms operating in the minerals supply chain to make sure they import such minerals and metals from responsible sources only that are not part of conflicts.

Soitec carries out its due diligence in a responsible manner by making sure that its suppliers of raw materials containing one of these minerals can trace their origin.

3.6.1.5 Protecting consumer health and safety

A. Applying the RoHS 3 Directive

Soitec complies with Commission Delegated Directive (EU) 2015/863, also known as Restriction of Hazardous Substances (RoHS) Directive, which aims to restrict the use of 10 hazardous substances in electrical and electronic equipment to help protect the health of consumers and the planet.

Soitec is a certified Sony Green Partner, meaning it meets the corporation's standards in line with the Japan Green Procurement Survey Standardization Initiative (JGPSSI), RoHS 3 and the Joint Industry Guide.

Green Partner certification is confirmation that products and manufacturing processes exclude or restrict certain chemical substances that are banned or hazardous or harmful to the environment.

Soitec undertakes to meet the environmental requirements set out in the general specifications of its international customers.

Soitec requires its suppliers of wafers, primary packaging and secondary packaging (*i.e.* anything shipped to customers) to make sure their products meet Green Partner standards and thus all the environmental requirements of its customers.

In addition to these requirements, secondary packaging suppliers are encouraged to use recyclable materials.

B. Applying REACH Regulation

In the interests of protecting the health of workers and consumers, legislators are placing restrictions on the use of hazardous substances in the workplace and in products. Since coming into force in 2007, Regulation (EC) No 1907/2006, or REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) has improved knowledge of chemical risks and led to increased restrictions and precautions on use.

Soitec integrates European Regulations related to chemicals such as REACH, ROHs, CLP into its operations to not only fulfill its obligations, but also to anticipate changes in these regulations.

The HSE Department works with the Occupational Health Department to control the movement of chemicals into facilities *via* material safety data sheets.

The Company makes hazardous substances regulations an integral part of its daily processes in order to fulfil the disclosure and transparency requirements of REACH, especially with regard to monitoring and controlling substances of very high concern (SVHC) by analyzing production and the items purchased from suppliers.

Decision-making software to check that all new raw materials that may be added to production are not on the list of regulated substances is under development.

3.6.2 BUILDING COMMUNITIES

3.6.2.1 Time off work to help Écoles de NOA

In 2018, two Soitec employees, one of whom is Argentinian by birth, set up *Écoles de NOA*, a charity that seeks to provide schooling for indigenous children living in the Argentine Northwest.

Their initial goal was to renovate a rural school in a very remote area high in the Andes Mountains over 3,500 m above sea level.

Soitec supported their efforts by granting one of them unpaid humanitarian leave with complete job security from March to August 2019. He was thus able to go with his family to the school and devote himself entirely to the project.

Soitec also financially sponsored the project, adding to donations made by many of its employees.

To date the charity has managed to renovate 40% of the school's buildings and has the necessary funds to continue the work in 2020.

3.6.2.2 Solidarity actions in the time of the Covid-19 pandemic

A. Donation of protective equipment

To play its part in collective efforts to respond to the Covid-19 pandemic, Soitec donated necessary equipment that it had on hand to medical personnel. Out of a desire to avoid arbitrary decisions and instead give conscientiously and make a difference in the local community, the equipment was donated *via* the VOC-COV initiative.

Volonté d'Organiser Contre le Covid-19 (VOC-COV) is a group of Grenoble businesspeople who teamed up spontaneously to coordinate the donation of personal protective equipment in the Isère department in collaboration with regional health authorities to respond to the pandemic emergency. As soon as a national epidemic was declared and confinement measures were imposed, Soitec moved to donate face masks, scrub caps and full protective suits *via* the initiative.

It also donated batches of isopropyl alcohol to the *Laboratoire des Eaux Claires de Grenoble* to help make hydroalcoholic sanitizer gel.

B. Donation of computers to support continued learning

During the confinement, Soitec sought to help bridge the digital divide. As such it came to the aid of families in need by giving 30 PCs to pupils of the Vercors junior high school in Grenoble who, due to a lack of suitable equipment, may have encountered difficulties in continuing their learning in the right conditions. The initiative was supported by Camille Galliard-Minier, the representative for Isère's 1st district, and the Isère education department, which picked the school and the family beneficiaries.

In the same spirit, Soitec gave PCs to the children of its employees in need.

3.6.2.3 Supporting youth

A. Inn.0Tech

For several years a lack of interest in manufacturing and industry has been observed among students entering university. Those in their first year of high school (16-year old) are keen on science but less so on technology and by extension on semiconductors, which are not well known despite our increasingly digital society. To inspire students to study high technology at university, Soitec partnered with STMicroelectronics and Grenoble-INP to launch the Inn.0Tech program, later joined by other firms in the sector.

The program builds on the "taking kids to work" concept by organizing outings of 36 students equally divided into boys and girls from high schools in the Grenoble area. Every year, two sessions are organized for four high schools. Each session lasts three days, and each day takes place at a different site, allowing students to experience a variety of industrial and university environments: at STMicroelectronics Crolles, at Grenoble-INP and at Soitec's Bernin site. Each day features fun workshops led by employees of the partner firms or by university students.

The end goal for Soitec and its partners is to aim to revitalize the pool of young graduates by stimulating career interest in technology and letting girls know that the field is wide open to them.

Inn.OTech's success is measured by the pupils' response in questionnaires completed at the end of every outing and by the teachers' interest in taking part in the program. Back at school the pupils report on their experiences, helping to generate excitement and interest among their peers and teachers and thus repeat the exercise from year to year.

The program is a way for Soitec to get involved in its local community and form fruitful partnerships with schools, engineering colleges and technological firms in its region.

B. Open days and other school visits

Soitec regularly hosts visits at its facility by groups of pupils and students who come to discover our Company, its clean rooms, its products and its know-how. When relevant they also have speed interviews with employees to better understand what it is like to work in the microelectronics industry. These interviews often offer valuable insights and receive a lot of very positive feedback from schools. Several classes visited in 2019:

- junior high pupils from the Collège La Moulinière de Domène, as part of school open days arranged with the Grenoble chamber of commerce;
- engineering students from *CentraleSupélec*, as part of an R&D immersion and problem-solving working session;
- applicants from the Isère job training center, as part of France's National Learning Week;
- junior and senior high school pupils of the Lycée Françoise Dolto du Fontanil Cornillon majoring in microtechnology.

3.6.2.4 Other initiatives

A. Blood donations

Every year Soitec arranges two blood donation drives at its Bernin facility in conjunction with France's national blood service. This allows employees to donate blood at work and during office hours. Their consideration and commitment help save lives. In 2019, the drives took place in February and September, with nearly 150 employees giving blood.

B. Intercorporate cross-country run

For the sixth year running, Soitec held a cross-country run for its staff and employees of other local firms like Petzl and STMicroelectronics. Above all an occasion to spend time and have fun with colleagues, the run is also a chance for Soitec to sponsor one or more charities nominated by its employees. In 2019, Soitec lent its financial support to Les Fabulou's, a charitable wing of the Seyssins Rugby Club that enables children with disabilities to learn and play disability rugby.

C. Domestic worker credits co-funded by Soitec

On January 1, 2009, Soitec established domestic worker credits *via* a company agreement. In 2017, the scheme was renewed for a total amount of €45,000 a year. To be eligible, employees must have been with our Company for over six months and have a child under the age of four. Domestic worker credits are vouchers used to pay for work done by and for individuals at home. Soitec purchases them for its employees who are also parents to promote a positive work-life balance and foster local employment.

3.6.3 MANAGING DIGITAL RISKS

3.6.3.1 Data protection

Fully aware of the importance of data protection and the privacy of its employees, customers and other stakeholders, Soitec has been committed to protecting personal data for years:

- our first data processing survey was carried out in 1998;
- the rights and duties of each individual have been set out in our information security charter since 2007;
- at Soitec's request, the French Data Protection Authority (CNIL) performed an audit in 2012, when the confidentiality of personal data was enshrined in our Code of Good Conduct.

The entry into application of the General Data Protection Regulation (GDPR) was anticipated in 2016.

For instance, in accordance with the GDPR and applicable national data protection laws and regulations, Soitec has taken the following steps:

- keep its employees informed in connection with the processing of their personal data;
- making available a Data Protection Officer (DPO) to answer any questions they may have on this subject;

- retain their data securely and for no longer than necessary;
- take technical and organizational measures to avoid unauthorized data breach, access or dissemination.

3.6.3.2 Controlling cybersecurity risks

Our Group increasingly conducts its business and relations with customers, suppliers, research communities and other stakeholders digitally. Most of its know-how is also hosted using encrypted, paperless, tools.

These operations rely on information systems and communication networks that are mutually dependent in terms of functionality, technology and users.

The digital transformation undertaken by our Group raises its exposure to risks related to data privacy and the availability of computer systems and applications.

Higher expectations and stricter requirements relating to data privacy and protection make regulatory noncompliance another risk to factor in. These risks, which affect all economic or political players, are all the more acute for the growing severity, frequency and nature of cyberattacks which are no longer limited to industrial espionage or data hacking but now also include cybercrime, malware and ransomware.

Such attacks have the potential to disrupt all of our Group's facilities and activities, with major negative impacts on the its production processes, communication ability and image.

In this rapidly and constantly evolving environment, Soitec must continually strengthen its preventative, monitoring and response mechanisms in its most important areas and activities.

Soitec's digital security policy and operational risk management program upholds best practices (based on standards set out in the ISO 27000-series) and allocates organizational,technological and human resources to ensure the proper management and security of its information systems.

Overseen by a member of the Executive Committee, the policy sets out the basic rules to identify digital security aspects and concerns and to manage related risks, and specifies digital security roles and responsibilities based on a risk assessment which is regularly updated as and when threats evolve.

Employees are also given information and training on data protection, IT use, the GDPR and business intelligence *via* online and in-person courses.

Nonetheless, our Company cannot fully exclude the occurrence of risks that may have a negative impact on its information systems, brand image, earnings, financial position or regulatory obligations.

3.7 CSR PERFORMANCE

3.7.1 INDICATORS

3.7.1.1 People

	Unit	2019-2020 Group	France & EMEA (France - *Bernin, Besançon, Meylan,* Israel, Belgium)	Asia (Singapore, Japan, South Korea, Taiwan, China)	Americas (United States, Canada)	Discontinued operations	2018-2019 Group
Workforce at March 31, 2020	Number	1,566	1,381	160	25	0	1,430
• of which fixed-term contracts	Number	165	160	4	1	0	137
• men	Number	1,038	917	104	17	0	960
• women	Number	528	464	56	8	0	470
Breakdown by age *(%)*							
• under 25 years	%	7	7	6	0	0	6
• 25 - 35 years	%	25	24	30	20	0	23
• 36 - 45 years	%	37	37	41	20	0	41
• 46 - 55 years	%	25	26	17	40	0	24
• over 55 years	%	6	6	6	20	0	6
Breakdown by category *(as a %)*							
• Operators	%	27	29	16	0	0	27
• Technicians and office workers	%	29	29	26	8	0	30
• Engineers and executives	%	44	41	58	92	0	43
Change in workforce in 2019-2020 (number)	Number	136	114	27	(3)	(2)	338
• o/w operators	Number	34	32	2	0	0	52
• o/w technicians and office workers	Number	33	29	6	0	(2)	63
• o/w engineers and executives	Number	69	53	19	(3)	0	223
New hires	Number	351	294	54	3	0	524
• of which permanent work contracts	Number	177	123	51	3	0	345
• of which fixed-term contracts	Number	174	171	3	0	0	179
Turnover rate	%	7.00%	5.30%	17.00%	19.30%	300.00%	4.10%
Resignation rate	%	4.90%	3.10%	15.00%	19.30%	300.00%	2.20%
Breakdown by activity *(%)*							
• o/w administrative personnel	%	13	12	24	16	0	14
• o/w sales and marketing	%	2	1	8	20	0	3
• o/w R&D	%	23	25	1	64	0	22
• o/w production	%	62	62	68	0	0	61

	Unit	2019-2020 Group	France & EMEA (France - *Bernin, Besançon, Meylan,* Israel, Belgium)	Asia (Singapore, Japan, South Korea, Taiwan, China)	Americas (United States, Canada)	Discontinued operations	2018-2019 Group
Breakdown of average workforce by activity, in positions held	Number	1,484.3	1,302.8	154.7	26.1	0.7	1,331.8
• o/w administrative personnel	Number	195.6	153.7	36.4	4.8	0.7	175.4
• o/w sales and marketing	Number	30.8	12.8	11.2	6.8	0	49.2
• o/w R&D	Number	338.8	322.7	1.6	14.5	0	301,3
• o/w production	Number	919.1	813.6	105.5	0	0	805,9
Rate of short-term/long-term absenteeism			3.85%	0.28%	0.12%	0%	
Average compensation gap by category	%						
• Operators	%	-	-0.77%	11.10%	-	-	-
• Technicians and office workers	%	-	-0.75%	-0.80%	-	-	-
• Engineers and executives	%	-	-11.84%	-25.50%	12%	-	-
Change in average compensation gap FY20 - FY19	Percentage point						
• Operators	Percentage point		0	(0.2)		-	
• Technicians and office workers	Percentage point		(0.5)	(4.7)		-	
• Engineers and executives	Percentage point		0.7	(3.2)	9.9	-	
Pay equality index			Bernin: 89 Dolphin Design: 79	-	-	-	
Additional contribution							
Contributions to employee savings plans paid 2019-2020	€ thousand	-	Bernin: 530	-	-	-	
Contributions to employee savings plans paid 2018-2019	€ thousand	-	Bernin: 511	-	-	-	
Contributions to employee savings plans paid 2017-2018	€ thousand	-	Bernin: 829	-	-	-	
Profit-sharing paid 2019-2020	€ thousand	-	Bernin: 2,469	-	-	-	
Incentives paid 2019-2020	€ thousand	-	Bernin: 4,200	-	-	-	
Incentives 2018-2019	€ thousand	-	Bernin: 2,606	-	-	-	
Incentives 2017-2018	€ thousand	-	Bernin: 1,636	-	-	-	
Payroll	€ thousand	117,802	102,888	11,125	3,679	110	93,921
• o/w employer contributions	€ thousand	32,988	31,655	956	371	6	26,956
Number of workplace accidents			6	1	0	0	10
Workplace accident frequency rate 2019-2020							
April 2019		6.1					-
May 2019		6.4					-
June 2019		6.3					-
July 2019		5.7					-
Aug. 2019		5.1					-
Sept. 2019		5					-
Oct. 2019		5					-
Nov. 2019		3.6					-
Dec. 2019		4					-
Jan. 2020		3					-
Feb. 2020		3					-
Mar. 2020		3					-
Workplace accident severity rate 2019-2020							
April 2019		0.18					-
May 2019		0.16					-
June 2019		0.14					-
July 2019		0.12					-
Aug. 2019		0.09					-
Sept. 2019		0.08					-
Oct. 2019		0.09					-
Nov. 2019		0.08					-
Dec. 2019		0.07					-
Jan. 2020		0.05					-
Feb. 2020		0.05					-
Mar. 2020		0.05					-
Percentage of workers with disabilities			Bernin: 6.19% Dolphin Design: 1.3%				Bernin: 5.9%
Number of employees with disabilities			56				57
Training hours per employee per year			Bernin: 29.4 Dolphin Design: 8.26	Singapore: 2			Bernin: 36
Promotion rate		16%					

3.7.1.2 Planet

	Unit	Bernin + Singapore 2019-2020	Bernin	Singapore	2018-2019 Group
Consumption kWh/production unit	Consumption kWh/ production unit	54.3	46.2	108.8	61.5
L/production unit	L/production unit	744,455.5	598.0	1,721.1	810,261.7

› *Carbon footprint*

	Unit	Bernin + Singapore 2019-2020
Direct emissions from fixed combustibles	tCO_2e	3,300
Direct emissions from mobile combustibles	tCO_2e	300
Direct emissions from processes	tCO_2e	1,300
Fugitive direct emissions	tCO_2e	100
Indirect emissions linked to electricity use	tCO_2e	16,400
Products and services purchased	tCO_2e	83,600
Capital assets	tCO_2e	25,475
Emissions linked to combustibles and energy (not included in scope 1 or scope 2)	tCO_2e	2,900
Transporting merchandise upstream and distribution	tCO_2e	33,300
Waste generated	tCO_2e	3,900
Business travel	tCO_2e	3,200
Commuting	tCO_2e	2,200
End of life of products sold	tCO_2e	100
Other indirect downstream emissions	tCO_2e	3,900

› *Atmospheric emissions from scrubbers – Bernin*

		Regulatory Limit Value				Annual average		Number of exceedances		2018-2019 Number of exceedances	
		Flow (g/h)	Concentration (mg/Nm³)	Number of measures	Discharge point	Flow (g/h)	Concentration (mg/m³)	Flow (g/h)	Concentration (mg/m³)	Flow (g/h)	Concentration (mg/m³)
2019-2020	Acidity	50	0.5	4	Chimney B1/B2	0	0	0	0	0	0
	Alkalinity	850	10			234.98	1.065	0	0	0	0
	NH_3	500	10			398	1.775	0	0	5	0
	VOC	1.700	20			383.25	1.705	0	0	0	0
	HCl	300	5			11	0.051	0	0	0	0
	HF	110	1			62.75	0.27	1	0	1	0
	Acidity	10	0.5	4	Chimney building K	0.04	0.003	0	0	0	0
	Alkalinity	100	10			0	0	0	0	0	0
	NH_3	100	10			2	0.083	0	0	0	0
	VOC	350	20			167.5	6.778	0	0	1	1
	HCl	100	5			0.75	0.018	0	0	0	0
	HF	30	1			5.2	0.218	0	0	0	0
	Acidity	30	0.5	4	Chimney building 3	0	0	0	0	0	0
	Alkalinity	500	10			37.99	0.48	0	0	0	0
	NH_3	1.000	10			66.5	0	0	0	0	0
	VOC	900	20			177.5	2	0	0	0	0
	HCl	300	5			0.013	0.015	0	0	0	0
	HF	50	1			1	0.048	0	0	0	0
				4	MOCVD01 heat extractor	Equipment not functioning					
	Acidity	10	0.5	4	MOCVD02 heat extractor	0.02	0.01	0	0	Equipment not functioning	
	Alkalinity	130	10			0	0	0	0		
	NH_3	100	10			0	0.005	0	0		
	VOC	270	20			5.25	2.44	0	0		
	HCl	60	5			0.013	0.015	0	0		
	HF	10	1			0.025	0.021	0	0		

* *VOC: volatile organic compounds; NH_3: ammonia; HCl: hydrochloric acid; HF: hydrofluoric acid.*

› *Air pollutants from boiler – Bernin*

		Bernin 1					Bernin 2					Bernin 3		
Date	**Parameters**	**Boiler water 01**	**Boiler water 02**	**Boiler water 03**	**Boiler steam 01**	**Boiler steam 02**	**Boiler water 201**	**Boiler water 202**	**Boiler water 203**	**Boiler steam 201**	**Boiler steam 202**	**Boiler water 501**	**Boiler water 502**	**Boiler steam 501**
	Smoke temperature *(°C)*	143.3	171.3	144	100.7	172.8	171.8	173.5	133.1			155.6	139.6	
	Oxygen content (dry gas)	5.67%	5.82%	6.37%	14.70%	9.81%	1.69%	1.99%	1.61%			5.75%	4.74%	
December 2019 APAVE	CO_2 content (dry gas)	8.60%	8.50%	8.20%	3.50%	6.30%	10.80%	10.70%	10.90%	Boiler "out of action" since 2012	Boiler "out of action" since 2010	8.60%	9.10%	
	Flow rate *(m/s)*	3.6	4.4	14	4	5.7	3.4	3.2	3.4			2.7	4.3	
	Rate *m^3/h*	817	926	628	483	546	1,185	1,125	1,078			1,060	840	
	Carbon monoxide *(mg/m^3)*	0	17	0	121.7	19.7	0	0	4.3			0	0	
	NO_x (nitrogen oxide) *(mg/m^3)*	116.9	124.5	122.3	93.5	100.7	72.6	70.1	69.2			112.5	144.9	

› *Air pollutants - Pasir Ris*

Acid and basic air pollutants - Singapore

	Results *(mg/Nm^3)*		
Parameters	**Acid exhaust**	**Basic scrubber**	**Regulatory Limit Value** *(mg/Nm^3)*
Ammonia (NH_3)	4.2	26.1	76
Carbon monoxide (CO)	< 1.0	< 1.0	625
Nitrogen oxide (NO_x)	< 1.0	< 1.0	700
Chlorine (Cl_2)	< 0.5	< 0.5	32
Hydrogen chloride (HCl)	< 0.5	< 0.5	200
Hydrofluoric acid (HF)	< 0.5	< 0.5	10
Speed	3.40 m/s	3.40 m/s	N.A.

Air pollutants from implanted exhausts in 2019

	Results *(mg/Nm^3)*		
Parameters	**New AEX Acid Exhaust (EPI -1)**	**New AEX Acid Exhaust (EPI -2)**	**Regulatory Limit Value** *(mg/Nm^3)*
Ammonia (NH_3)	0.2	0.1	76
Hydrogen chloride (HCl)	< 0.5	< 0.5	200
Sulfur trioxide (SO_3) Sulfuric acid (H_2SO_4)	< 0.5	< 0.5	500
Speed	3.40 m/s	3.40 m/s	N.A.

Total air pollutants - Singapore

	Results *(mg/Nm^3)*		
Parameters	**General Exhaust 3-CR-GETOEX-EHS-202**	**Exhaust 3-CR-GEEX-EHF-202**	**Regulatory Limit Value** *(mg/Nm^3)*
Ammonia (NH_3)	0.02	0.60	76
Carbon monoxide (CO)	< 1.0	< 1.0	625
Nitrogen oxide (NO_x)	< 1.0	< 1.0	700
Chlorine (Cl_2)	< 0.5	< 0.5	32
Hydrogen chloride (HCl)	< 0.5	< 0.5	200
Hydrofluoric acid (HF)	< 0.5	< 0.5	10

› *Aqueous discharges*

Bernin

	Regulatory Limit Value					Annual average		Number of exceedances		2018-2019 Number of exceedances	
	Flow *(kg/d)*		Concentration *(mg/l)*								
	Monthly mean	Daily max	Monthly mean	Daily max	Number of measures	Flow *(kg/d)*	Concentration *(mg/l)*	Flow *(kg/d)*	Concentration *(mg/l)*	Flow *(kg/d)*	Concentration *(mg/l)*
DBO_5	32	78	10	20	51	3.27	1.37	0	0	0	0
DCO	96	234	30	60	366	11.59	4.9	0	0	1	1
Fluorides	22	46	7	12	366	15.01	6.32	0	5	0	2
Hyd.tot.	-	-	-	0.1	12	-	0.1	0	0	0	0
MES	16	39		10	366	5.5	2.48	0	0	1	1
$N\text{-}NH_4$	32	58	10	15	366	16.75	7.06	0	1	1	2
Phosphorus	3	19	1	5	366	0.79	0.34	0	0	0	0
pH	5.5 < pH < 8.5			-	366	5.5 < pH < 8.5		0		0	

Singapore

Test parameter	Sewerage and Drainage Regulations 2006 (Trade Effluent Amendment), Max Limit	Apr. 5, 2019 1,045 hr	May 8, 2019 1,400 hr	June 6, 2019 1,200 hr	July 2, 2019	Aug. 6, 2019 1,130 hr	Sep. 3, 2019 1,130 hr	Oct. 8, 2019 1,200 hr	Nov. 5, 2019 1,400 hr	Dec. 10, 2019 1,400 hr	Jan. 10, 2020 1,000 hr	Feb. 7, 2020 1,000 hr	Mar. 6, 2020 0930 hr	Annual average	Number of exceedances
Discharge Temperature, *degC*	45	30	30	29	29	29	29	30	29	29	29	29	29	29.25	0
pH *(pH units)*	6.0 - 9.0	8.2	8.2	8.1	8.2	7.3	8.4	8.3	8.6	8.3	8.4	8.4	8.7	8.26	0
Biochemical Oxygen demand [BOD] at 20 degC for 5 days, *mg/L*	400	< 2	< 2	< 2	< 2	< 2	< 2	7	< 2	6	< 2	< 2	< 2	6.5	0
Chemical Oxygen demand [COD] *mg/L*	600	46	57	56	31	83	54	85	86	63	76	54	55	62.2	0
Total Suspended Solids, *mg/L*	400	< 5	< 5	< 5	< 5	< 5	< 5	< 5	< 5	< 5	< 5	< 5	< 5	< 5	0
Total Dissolved Solids (TDS), *mg/L*	3,000	212	180	226	72	284	28	486	314	180	258	258	228	227.2	0
Chloride, Cl, *mg/L*	1,000	47	38	54	68	57	59	43	82	74	58	51	51	56.8	0
Sulphate, SO_4, *mg/L*	1,000	96	160	96	34	146	91	< 10	< 10	105	108	104	88	102.8	0
Sulphide, as S, *mg/L*	1	< 0.1	-	-	< 0.1	-	-	-	-	-	-	-	-	< 0.1	0
Cyanide, CN, *mg/L*	2	< 0.1	-	-	< 0.1	-	-	-	-	-	-	-	-	< 0.1	0
Detergent, as MBAS, *mg/L*	30	< 1	-	-	< 1	-	-	-	-	-	-	-	-	< 1	0
Grease and Oil (Hydrocarbon), *mg/L*	60	< 10	< 10	< 10	< 10	< 10	< 10	< 10	< 10	< 10	< 10	< 10	< 10	< 10	0
Grease and Oil (Non-hydrocarbon), *mg/L*	100	< 10	< 10	< 10	< 10	< 10	< 10	< 10	< 10	< 10	< 10	< 10	< 10	< 10	0
Arsenic, As, *mg/L*	5	< 0.1	-	-	< 0.1	-	-	-	-	-	-	-	-	< 0.1	0
Barium, Ba, *mg/L*	10	< 0.5	-	-	< 0.5	-	-	-	-	-	-	-	-	< 0.5	0
Tin, Sn, mg/L	10	< 1	-	-	< 1	-	-	-	-	-	-	-	-	< 1	0
Boron, B, *mg/L*	5	< 0.1	< 0.1	< 0.1	< 0.1	< 0.1	< 0.1	< 0.1	< 0.1	< 0.1	< 0.1	< 0.1	< 0.1	< 0.1	0
Iron (as Fe), *mg/L*	50	< 0.1	< 0.1	< 0.1	< 0.1	< 0.1	< 0.1	< 0.1	< 0.1	< 0.1	< 0.1	< 0.1	< 0.1	< 0.1	0
Beryllium, Be, *mg/L*	5	< 0.1	-	-	< 0.1	-	-	-	-	-	-	-	-	< 0.1	0
Manganese (as Mn), *mg/L*	10	< 0.1	-	-	< 0.1	-	-	-	-	-	-	-	-	< 0.1	0
Phenolic compound (as phenol), mg/L	0.5	< 0.1	-	-	< 0.1	-	-	-	-	-	-	-	-	< 0.1	0
Cadmium, Cd, *mg/L*	1	< 0.1	-	-	< 0.1	-	-	-	-	-	-	-	-	< 0.1	0
Chromium, Cr, *mg/L*	5	< 0.2	-	-	< 0.2	-	-	-	-	-	-	-	-	< 0.2	0
Copper, Cu, *mg/L*	5	< 0.1	-	-	< 0.1	-	-	-	-	-	-	-	-	< 0.1	0
Lead, Pb, *mg/L*	5	< 0.1	-	-	< 0.1	-	-	-	-	-	-	-	-	< 0.1	0
Mercury, Hg, *mg/L*	0.5	< 0.01	-	-	< 0.01	-	-	-	-	-	-	-	-	< 0.01	0
Nickel, Ni, *mg/L*	10	< 0.1	-	-	< 0.1	-	-	-	-	-	-	-	-	< 0.1	0
Selenium, Se, *mg/L*	10	< 0.1	-	-	< 0.1	-	-	-	-	-	-	-	-	< 0.1	0
Silver, Ag, *mg/L*	5	< 0.1	-	-	< 0.1	-	-	-	-	-	-	-	-	< 0.1	0
Zinc, Zn, *mg/L*	10	< 0.1	-	-	< 0.1	-	-	-	-	-	-	-	-	< 0.1	0

Test parameter	Sewerage and Drainage Regulations 2006 (Trade Effluent Amendment), Max Limit	Apr. 5, 2019 1,045 hr	May 8, 2019 1,400 hr	June 6, 2019 1,200 hr	July 2, 2019	Aug. 6, 2019 1,130 hr	Sep. 3, 2019 1,130 hr	Oct. 8, 2019 1,200 hr	Nov. 5, 2019 1,400 hr	Dec. 10, 2019 1,400 hr	Jan. 10, 2020 1,000 hr	Feb. 7, 2020 1,000 hr	Mar. 6, 2020 0930 hr	Annual average	Number of exceedances
Total Metals, *mg/L*	10	< 0.1			< 0.1									< 0.1	0
Nitrate, NO_3, *mg/L*	Not Applicable		2.2	2.1		1.9	1.6	1.8	2.1	1.5	1.7	2.6	2.2	1.97	0
Fluoride, F, *mg/L*	15	0.1	< 0.1	0.7	2.6	0.3	0.6	1.7	0.3	0.3	0.3	0.2	0.3	0.67	0
IPA, *mg/L*			< 0.1			< 0.1	< 0.1	< 0.1	< 0.1	< 0.1	< 0.1	< 0.1	< 0.1	< 0.1	0
Silica (SiO_2)	NA		24	29		23	1.7	46	39	28	4.3	46	46	28.7	0
PBDEs (Polybriminated Diphenyl Ethers)	5	Not detected (< 5)	-	-	Not detected (< 5)	-	-	-	-	-	-	-	-	Not detected (< 5)	0
Methylene chloride	0.05	Not detected (< 0.05)	-	-	Not detected (< 0.05)	-	-	-	-	-	-	-	-	Not detected (< 0.05)	0
Tricholoroethylene	0.05	Not detected (< 0.05)	-	-	Not detected (< 0.05)	-	-	-	-	-	-	-	-	Not detected (< 0.05)	0
1, 1, 1-trichloroethane	0.05	Not detected (< 0.05)	-	-	Not detected (< 0.05)	-	-	-	-	-	-	-	-	Not detected (< 0.05)	0
Tetra-chloromethane	0.05	Not detected (< 0.05)	-	-	Not detected (< 0.05)	-	-	-	-	-	-	-	-	Not detected (< 0.05)	0
1, 1, 2-trichloroethane	0.05	Not detected (< 0.05)	-	-	Not detected (< 0.05)	-	-	-	-	-	-	-	-	Not detected (< 0.05)	0
Toluene	0.05	Not detected (< 0.05)	-	-	Not detected (< 0.05)	-	-	-	-	-	-	-	-	Not detected (< 0.05)	0
Styrene	0.05	Not detected (< 0.05)	-	-	Not detected (< 0.05)	-	-	-	-	-	-	-	-	Not detected (< 0.05)	0
Methyl tert-butyl-ether	0.05	Not detected (< 0.05)	-	-	Not detected (< 0.05)	-	-	-	-	-	-	-	-	Not detected (< 0.05)	0
Nonane	0.05	Not detected (< 0.05)	-	-	Not detected (< 0.05)	-	-	-	-	-	-	-	-	Not detected (< 0.05)	0
Decane	0.05	Not detected (< 0.05)	-	-	Not detected (< 0.05)	-	-	-	-	-	-	-	-	Not detected (< 0.05)	0
Ethylbenzene	0.05	Not detected (< 0.05)	-	-	Not detected (< 0.05)	-	-	-	-	-	-	-	-	Not detected (< 0.05)	0
Total-xylenes (o, m, p)	0.05	Not detected (< 0.05)	-	-	Not detected (< 0.05)	-	-	-	-	-	-	-	-	Not detected (< 0.05)	0
Hexane	0.05	Not detected (< 0.05)	-	-	Not detected (< 0.05)	-	-	-	-	-	-	-	-	Not detected (< 0.05)	0
Heptane	0.05	Not detected (< 0.05)	-	-	Not detected (< 0.05)	-	-	-	-	-	-	-	-	Not detected (< 0.05)	0
Octane	0.05	Not detected (< 0.05)	-	-	Not detected (< 0.05)	-	-	-	-	-	-	-	-	Not detected (< 0.05)	0
1, 2, 4-trimethylbenzene	0.05	Not detected (< 0.05)	-	-	Not detected (< 0.05)	-	-	-	-	-	-	-	-	Not detected (< 0.05)	0
Furan	0.05	Not detected (< 0.05)	-	-	Not detected (< 0.05)	-	-	-	-	-	-	-	-	Not detected (< 0.05)	0
THF (Tetrahydrofuran)	0.05	Not detected (< 0.05)	-	-	Not detected (< 0.05)	-	-	-	-	-	-	-	-	Not detected (< 0.05)	0
DMF (N, N-Dimethylformamide)	1	Not detected (< 0.05)	-	-	Not detected (< 0.05)	-	-	-	-	-	-	-	-	Not detected (< 0.05)	0
Benzene	0.05	Not detected (< 0.05)	-	-	Not detected (< 0.05)	-	-	-	-	-	-	-		Not detected (< 0.05)	0

Test parameter	Sewerage and Drainage Regulations 2006 (Trade Effluent Amendment), Max Limit	Apr. 5, 2019 1,045 hr	May 8, 2019 1,400 hr	June 6, 2019 1,200 hr	July 2, 2019	Aug. 6, 2019 1,130 hr	Sep. 3, 2019 1,130 hr	Oct. 8, 2019 1,200 hr	Nov. 5, 2019 1,400 hr	Dec. 10, 2019 1,400 hr	Jan. 10, 2020 1,000 hr	Feb. 7, 2020 1,000 hr	Mar. 6, 2020 0930 hr	Annual average	Number of exceedances
Turpentine	0.05	Not detected (< 0.05)	-	-	Not detected (< 0.05)	-	-	-	-	-	-	-	-	Not detected (< 0.05)	0
Isobutanol	1	Not detected (< 1.00)	-	-	Not detected (< 1.00)	-	-	-	-	-	-	-	-	Not detected (< 1.00)	0
Methyl Ethyl Ketone	0.05	Not detected (< 0.05)	-	-	Not detected (< 0.05)	-	-	-	-	-	-	-	-	Not detected (< 0.05)	0
Methyl Isobutyl Ketone	0.05	Not detected (< 0.05)	-	-	Not detected (< 0.05)	-	-	-	-	-	-	-	-	Not detected (< 0.05)	0
Isopropyl Ether, *mg/L*	1	Not detected (< 1.00)	-	-	Not detected (< 1.00)	-	-	-	-	-	-	-	-	Not detected (< 1.00)	0
Diethyl Ether	0.05	Not detected (< 0.05)	-	-	Not detected (< 0.05)	-	-	-	-	-	-	-	-	Not detected (< 0.05)	0
Dimethyl Sulphide	0.05	Not detected (< 0.05)	-	-	Not detected (< 0.05)	-	-	-	-	-	-	-	-	Not detected (< 0.05)	0
Dimethyl Sulphoxide	5	Not detected (< 5)	-	-	Not detected (< 5)	-	-	-	-	-	-	-	-	Not detected (< 5)	0

› *Waste*

	Unit	Bernin	Singapore	Bernin 2018-2019
Total NHW	Metric tonnes	415.68	43,958 kg	396.82
Total HW	Metric tonnes	4,467.18	1,031 m^3	4,469.16
NHW recycled	Metric tonnes	215.65		194.6
NHW used for energy production	Metric tonnes	144.9		147.08
NHW recovered	Metric tonnes	360.54		341.68
NHW not recovered	Metric tonnes	54.94		54.04
HW recycled/recovered	Metric tonnes	821.09		822.11
HW used for energy production	Metric tonnes	2,785.08		2,779.6
HW recovered	Metric tonnes	3,606.18		3,601.7
HW not recovered	Metric tonnes	861.36		867.82
% NHW recovered	%	87%		86%
% NHW recycled	%	52%		49%
% HW recovered + recycled	%	81%		81%
% HW used for energy production	%	62%		62%

3.7.1.3 Ethical Business

	Unit	Group 2019-2020
Employees having completed the Code of Good Conduct online module	Number	1,009

3.7.2 METHODOLOGY

3.7.2.1 Verification and consolidation of information

The information presented in this report was checked by KPMG as the independent third party. Its conclusions are given at the end of this Chapter 3.

3.7.2.2 Name of entities

Entities discussed in this chapter are referred to by their informal names. Their corresponding formal or legal names are given below:

Informal name	Formal (legal) name
Bernin	Soitec Corporate Services SAS Soitec Lab SAS (ex Soitec Newco 1 SAS) Soitec Newco 2 SAS Soitec Newco 3 SAS Soitec Newco 4 SAS
Singapore/Pasir Ris	Soitec Microelectronics Singapore Pte Ltd. Soitec Asia Holding Pte Ltd.
Frec|n|sys	Frec|n|sys SAS
EpiGaN/Hasselt/Soitec Belgium n.v.	Soitec Belgium n.v. (formerly EpiGaN n.v.)
Asia	Soitec Japan Inc. Soitec Korea LLC Soitec Trading Shanghai Co., Ltd.
United States	Soitec USA LLC
Dolphin Design Meylan	Dolphin Design SAS
Dolphin Design Canada	Dolphin Inc.
Dolphin Design Israel	Dolphin Ltd.

3.7.2.3 Scope

The scope of consolidation contains all the entities Soitec wholly or partially owns that are consolidated in our Group's financial statements.

However, some subsidiaries do not report all of their social, safety and environmental indicators. Action plans will be drawn up to obtain the relevant data for some of these indicators next year.

Either such entities were recently acquired, or their operations are not related to fabrication and thus certain indicators are irrelevant, or Soitec does not wholly own them (e.g. 60% in the case of Dophin Design).

The list of subsidiaries that do not report certain indicators depends on the indicators in question. Below is a list of each indicator's scope and changes in scope.

Topic	Scope by default	% workforce	Indicators	Exceptions	Restrict or extend scope	% workforce	Reason
PEOPLE	Group	100%	Workforce Workplace accident frequency rate Workplace accident severity rate Promotion rate	Quality of life at workplace questionnaire response rate	Group excl. Dolphin Design	89%	Dolphin Design is held 60% by Soitec
				Number of safety tours	Bernin & Singapore	86%	Only concerns industrial sites
				Gender pay gap	Bernin & Dolphin Design Meylan	87%	The indicator is a French regulatory requirement. Because pay varies between countries, a consolidated figure is irrelevant.
				Percentage of workers with disabilities	Bernin	77%	Facilities outside France are not required to give this indicator. Dolphin Design Meylan was partially acquired less than three years ago, so it is considered a new entity and is not required to give this indicator.
				Profit-sharing awards Bonuses	Bernin	77%	Collective agreements specific to Soitec S.A. and Soitec Lab
PLANET	Main industrial sites	86%	Water consumption Electricity consumption Gas consumption Energy efficiency Emissions Waste	Carbon footprint	Bernin Singapore United States Asia	88%	Wider scope to accommodate environmental policy
				Participation in the Mobility Challenge	Bernin	77%	Local initiative
ETHICAL BUSINESS	Group	100%		Number of employees who completed the Code of Good Conduct online course	Group excl. Dolphin Design	89%	Dolphin Design has its own Code of Ethics and does not have access to Soitec's online learning platform.

By "Group" means all of the entities, namely the facilities at Bernin and Singapore; Frec|n|sys and Soitec Belgium n.v. (formerly EpiGaN n.v.); the offices in Japan, South Korea and the United States; Dolphin Design Meylan, Dolphin Design Israel and Dolphin Design Canada.

Soitec's main industrial sites are Bernin and Singapore, which together account for 86% of its registered workforce.

Some data are not consolidated at this time due to data processing differences. Work is underway to consolidate all data in the future.

3.7.2.4 Calculation methods

Figures are given by fiscal year, unless otherwise stated. Soitec's fiscal year starts on April 1 and ends on March 31.

A. Employee data

Employee data are calculated based on the registered workforce and on the jobs held (not including suspended employment contracts): Staff on Soitec's payroll consist of employees with an employment contract and do not include interns, temporary workers or staff on secondments.

- registered workforce: breakdown of employees by age, geographical area, change in headcount, turnover rate, ratio of women to men;
- jobs held: breakdown of employees by job, resignation rate, absenteeism, hardship.

Fixed-term contracts include doctoral student employment contracts and apprenticeships (work-study or vocational training) but not internships or international work experience contracts.

The change in workforce is the difference between the numbers of employees who joined during the year 2019-2020 and those who left during 2019-2020.

Average workforce is the total number of employees over a 12-month period divided by 12.

The **turnover rate** corresponds to the sum of resignations, dismissals, terminations by mutual agreement and departures as part of the collective employee departure plans over the previous 12 months, relative to the average annual workforce under open-ended contract. It is calculated based on the size of the workforce.

The **resignation rate** corresponds to the sum of resignations over the last 12 months, relative to the average annual workforce on open-ended contracts. It is calculated based on the number of jobs held.

The **absenteeism rate** is the number of hours' sick leave divided by the number of hours worked.

The **gender pay gap** is calculated on employees at work throughout the year and does not count apprentices or team leaders/project managers from the following: (Average salary of women - average salary of men)/ average salary of men x 100.

The **frequency rate** corresponds to the number of lost-time accidents in the fiscal year multiplied by one million and divided by the number of hours worked over the period.

The **severity rate** is the number of calendar days off work multiplied by 1,000 and divided by the number of hours worked. It should be noted that days off for work accidents are no longer counted beyond 150 days of absence.

The frequency rate and severity rate indicators are tracked and published monthly. They are presented in graph form and calculated on a rolling year basis to capture their change over time.

These safety indicators are accessible to all staff on the internal portal as well as in the monthly "Safe" newsletter.

Lost-time accidents correspond to the number of accidents resulting in at least one day not worked, not counting the day of the accident.

The **share of workers with disabilities** is calculated based on the regulations in force in France.

Quality of life at workplace questionnaire response and employee satisfaction rate

Over the course of the year, a questionnaire was sent on four separate occasions to different groups of employees, thus covering the entire workforce. The questions remain the same from one questionnaire to another so that each item may be followed up.

Because only Bernin employees answered the 2018 questionnaire, its results cannot be compared with those for 2019.

Training hours per employee per year

Because only Bernin reported these data in 2018-2019, they cannot be compared with those for 2019-2020.

B. Environmental information

Energy and water consumption

Energy and water consumption is based on invoiced consumption.

Carbon footprint

Our Group's carbon footprint was measured using business data for the 2019 calendar year.

It is based on the Carbon footprint methodology and tools developed in 2004 by the French environmental agency (ADEME) and updated since 2011 by the Association Bilan Carbone (ABC) to its current version 8.4.

Most of the emissions factors used are from ADEME's carbon database with the addition of some factors from the EcoInvent database when more relevant.

The footprint measures the main greenhouse gases: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (NO_2) and the fluorinated gases (HFC, PFC, SF_6, others).

The methodology considers the following emissions items:

- energy consumption at sites;
- direct greenhouse gas emissions from non-energy sources (process gases and refrigerants);
- procurement of goods and services, including industrial subcontracting;
- transport of goods to, between and from sites;
- work commutes, business travel and outside visits;
- on-site waste collection and treatment;
- property, plant & equipment;
- end of life of products and packaging put onto the market.

Only one item—use of products put onto the market—is not considered due to methodological limits.

Soitec chose to publish the results according to the GHG Protocol Corporate Accounting and Reporting Standard to comply with international norms.

The associated uncertainty of the results is 15%.

Aqueous discharges

At the Bernin facility, samples and analyses are carried out by Abiolab.

At the Singapore facility, they are done by SETSCO.

Air pollutants

At the Bernin facility, samples and analyses are carried out by APAVE.

At the Singapore facility, they are done by SETSCO.

Recycling rate

Comparisons between 2018-2019 and 2019-2020 cannot be made because only the Bernin facility recorded these data while the Singapore facility did not.

C. Employee data

Percentage of employees who completed the online course

This is an aggregate rather than annual indicator. It does not include employees who left the workforce as of March 31, 2020. The figure is calculated by dividing the number of people who completed the course by the total number of people who had the option of completing the course 1,318.

3.7.2.5 Methodological limits

Soitec does not consider that it has a major risk or opportunity in respect of the fight against food insecurity, respect for animal well-being and responsible, fair and sustainable food.

3.7.3 UN SUSTAINABLE DEVELOPMENT GOALS CROSS-REFERENCE TABLE

UN Sustainable Development Goal	Corresponding section in this document
Goal 5: Gender Equality	3.4.4.1 Promoting gender equality
Goal 7: Affordable and Clean Energy	3.5.1.2 Improving energy performance
Goal 9: Industry, Innovation and Infrastructure	Chapter 1 of this Universal Registration Document
Goal 10: Reduced Inequalities	3.4.4 Inclusion in the workplace
Goal 11: Sustainable Cities and Communities	3.5.3.3 Managing waste better
Goal 12: Responsible Consumption and Production	3.5.1 Reducing and optimizing the use of natural resources 3.5.3 Limiting industrial pollution
Goal 13: Climate Action	3.5.2 Regulating impacts on climate change
Goal 14: Life Below Water	3.5.1 Reducing and optimizing the use of natural resources
Goal 15: Life on Land	3.5.4 Maintaining a healthy and balanced ecosystem in which Soitec acts to protect biodiversity
Goal 16: Peace, Justice and Strong Institutions	3.6.1 Acting globally in accordance with high social and ethical standards

3.7.4 REPORT BY ONE OF THE STATUTORY AUDITORS, APPOINTED AS AN INDEPENDENT THIRD PARTY, ON THE CONSOLIDATED EXTRA-FINANCIAL PERFORMANCE STATEMENT IN THE MANAGEMENT REPORT

For the fiscal year ended March 31, 2020

To the Shareholders' General Meeting,

In our capacity as the statutory auditor of your company (hereinafter, the "entity") appointed as the independent third-party, certified by the French Accreditation Committee (*Comité français d'accréditation*, or COFRAC) under reference 3-1049 [(1)], we hereby submit to you our report on the consolidated extra-financial performance statement for the fiscal year ended March 31, 2020 (hereinafter, the "Statement"), included in the group management report, in accordance with the provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

Responsibility of the entity

It is the Board of Directors' responsibility to prepare a Statement in accordance with legal and regulatory provisions, including a presentation of the business model, a description of the main extra-financial risks, a presentation of policies applied to mitigate these risks and the outcomes of those policies, including key performance indicators.

The Statement has been prepared applying the procedures of the entity (hereinafter the "Guidelines"), the most significant aspects of which are presented in the Statement and available upon request at the entity's headquarters.

Independence and quality control

Our independence is defined by the provisions of Article L. 822-11-3 of the French Commercial Code and the French Code of Ethics for statutory auditors (*Code de déontologie*). Moreover, we have implemented a quality control system that includes documented policies and procedures to ensure compliance with the applicable laws and regulations, ethical rules and professional standards.

(1) Cofrac Inspection Certification, ref. 3-1049, available at www.cofrac.fr

Responsibility of the Statutory Auditor appointed as independent third party

On the basis of our work, it is our responsibility to express a limited assurance opinion about whether:

- the Statement complies with the provisions of Article R. 225-105 of the French Commercial Code;
- the information provided in application of Article R. 225-105 (3) I and II of the French Commercial Code, *i.e.* policy outcomes, including key performance indicators and actions relating to the main risks (hereinafter the "Information").

We are not however responsible for issuing an opinion on the entity's compliance with other applicable legal and regulatory provisions, particularly relating to the prevention of corruption and tax evasion, or on compliance with the applicable regulations of the products and services.

Nature and scope of our work

Our work as described below has been carried out in accordance with the provisions of Articles A. 225-1 *et seq* of the French Commercial Code, with the professional standards of the French national auditing body (*Compagnie nationale des commissaires aux comptes*) in relation to this assignment, and with international standard ISAE 3000 [(1)]:

- We reviewed the business carried out by all of the entities included within the consolidation scope and the statement of key risks;
- We assessed the appropriateness of the Guidelines in terms of their relevance, completeness, reliability, neutrality and clarity, by taking into consideration, where relevant, the sector's best practices;
- We verified that the Statement covers every category of information required under Article L. 225-102-1, Paragraph III concerning social and environmental matters as well as respect for human rights and the fight against corruption and tax evasion;
- We verified that the Statement presents the disclosures required under Article R. 225-105, Paragraph II, where relevant with regard to the main risks, and includes, if applicable, an explanation of the reasons justifying the absence of the information required by Article L. 225-102-1, III, paragraph 2;
- We verified that the Statement presents the business model and a description of the main risks relating to the activity of all companies in the consolidation scope, including – if relevant and proportionate – the risks created by its business relationships, products or services, as well as its policies, actions and outcomes, including the key performance indicators related to the main risks;
- We have examined the documentary sources and conducted interviews in order to:
  - assess the process used to select and validate the main risks and also the consistency of the outcomes (including the key performance indicators chosen) with regard to the main risks and policies presented,
  - corroborate the qualitative disclosures (actions and outcomes) that we considered the most important, presented in an Appendix. For certain risks (pandemic risk; inappropriate or unproductive social dialog; non-compliance with laws and regulations; insufficient contribution made by the group to the development of the regions in which it operates; GDPR breaches and digital risks), our work was carried out on the level of the consolidating entity, while for other risks, work was carried out on the level of the consolidating entity and within a selection of entities [(2)];
- We verified that the Statement covers the consolidation scope, *i.e.* all of the entities included within the consolidation scope in accordance with Article L. 233-16, within the limits specified in the Statement;
- We examined the internal control and risk management procedures put in place by the entity and assessed the data collection process aimed at ensuring that the Information is comprehensive and accurate;
- For the key performance indicators and other quantitative outcomes which we considered to be the most important presented in an Appendix, we implemented:
  - analytical procedures to verify that collected data is correctly consolidated and that any changes to the data are consistent;
  - tests of details based on sampling to verify that definitions and procedures are correctly applied and to reconcile data with supporting documents. The work was carried out with a selection of contributing entities [(2)] and covers 100% of the consolidated data selected for these tests;
- We assessed the overall consistency of the Statement based on our understanding of all of the entities within the consolidation scope.

We believe that the work carried out, based on our professional judgment, is sufficient to provide a basis for our limited assurance opinion; a higher level of assurance would have required us to carry out more extensive procedures.

Means and resources

Our work drew on the skills of five individuals and was conducted between April and July 2020 for a total working time of approximately two weeks.

To assist us in conducting our work, we called on our firm's sustainable development and corporate social responsibility (CSR) specialists. We conducted several interviews with the individuals responsible for preparing the Statement.

Conclusion

Based on our work, we have no material misstatements to report that would call into question the compliance of the consolidated extra-financial performance statement with the applicable regulatory provisions, or the fair presentation of the Information, taken as a whole, in accordance with the Guidelines.

The Statutory Auditors
(*French original signed by*)
Paris-La Défense, July 6, 2020
KPMG S.A.

Fanny Houlliot	Stephane Devin	Jacques Pierre
Partner	*Partner*	*Partner*
Sustainability Services		

(1) *ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.*
(2) *Registered office, Bernin and Singapore sites.*

› *Appendix*

Qualitative information (actions and results) considered to be the most significant

Commitment and provisions to promote occupational safety

Program and other measures contributing to employee well-being

Collective bargaining agreements signed during the year

Actions taken to promote inclusion and results

Measures taken to attract and retain talent

Mobility plan

Energy management system and ISO 50001 certification

Measures aimed at limiting aqueous discharges and improving waste management

Measures taken to prevent corruption and ensure respect for human rights

Provisions in relation to data protection and the management of cyber risk

Inn.Otech initiative to promote young people and regional development

Key performance indicators and other quantitative results considered to be the most significant

Workforce at March 31, 2020 and breakdown by gender and age group

Percentage of women within the workforce and breakdown of female staff by category (Operators, Office workers and technicians and Engineers/Managers)

Frequency rate of workplace accidents leading to lost time

Severity rate of workplace accidents

Share of actions completed following the QWL questionnaire

Percentage of employees having completed the e-learning on the Code of Good Conduct

Energy consumption per production unit

Number of exceedances for aqueous and atmospheric discharges

Total greenhouse emissions (scope 1 and scope 2)


12
Directors
5
Nationalities
41.67%
women

4. Corporate Governance

Report by our Board of Directors on corporate governance

This chapter includes our Board of Directors' corporate governance report as required by Article L. 225-37 of the French Commercial Code.

The cross-reference list featured in Chapter 10 indicates those parts of the Universal Registration Document which correspond to those parts of the corporate governance report not featured in this Chapter.

Prepared by the Company's Legal Department and the relevant Operational Departments, in particular, the finance, human resources, and strategy divisions, this report was first of all reviewed in detail by the Chief Executive Officer and by members of the Executive Committee, and in particular, by the General Counsel, the Head of Human Resources, and the Chief Financial Officer.

It was then examined in detail by the Chairman of our Board of Directors, and by the Nomination and Governance Committee, the Compensation Committee and the Audit and Risks Committee for their relevant sections.

Finally, it was presented to and approved by the Board of Directors on June 10, 2020 and on September 1, 2020.

Reference made to the AFEP-MEDEF Code of January 2020

Our Company refers to the rules of good conduct as defined in the Code of Corporate Governance for listed companies published by AFEP and MEDEF, in the most recent version dated January 2020 (the "AFEP-MEDEF Code").

This Code may be consulted *via* the website www.afep.com, using these links:

- for the French language version of the AFEP-MEDEF code:

https://afep.com/wp-content/uploads/2020/01/Code-Afep_Medef-révision-janvier-2020_-002.pdf

- for the English language version of the AFEP-MEDEF code:

https://afep.com/wp-content/uploads/2020/01/Afep_Medef-Code-revision-2020-EN-.pdf
Our Company complies with the AFEP-MEDEF Code, subject to those reserves indicated in this chapter in section 4.1.5 (Code of Corporate Governance).

4.1 GOVERNANCE

4.1.1 MANDATES AND FUNCTIONS OF CORPORATE OFFICERS

4.1.1.1 Our Executive Management

After serving as the Soitec Group's Chief Operating Officer for nearly seven years, Paul Boudre became our Chief Executive Officer on January 16, 2015.

His appointment was part of the implementation of a strategic plan aiming at refocusing our Company's activities on our core business, Electronics.

Since this date, Paul Boudre has been our sole executive corporate officer.

He is surrounded by a team of 11 senior managers who form the Executive Committee.

A. Balanced powers between our Board of Directors and Executive Management

The composition of our Board of Directors and its Committees, their work and also the limits imposed on the management's powers by the Board's internal regulations, have for several years now contributed to the balance of powers within our governance bodies.

The separation of the offices of Chairman of our Board of Directors and of Chief Executive Officer, made permanent two years ago, further reinforces such balance of powers.

1. Background to the separation

On September 11, 2015, in line with our strategic re-focusing plan, the governance of our Company was temporarily unified under Paul Boudre who then became Chairman and Chief Executive Officer. At the same time, our Board of Directors confirmed its intention to separate the two positions at a suitable time for our Company.

After two years of transition under his chairmanship which enabled our Company to be turned around and a significant progress to be made in terms of governance, our Board of Directors confirmed its intention to durably separate the roles of Chairman and Chief Executive Officer, in accordance with the highest governance standards.

This decision made on May 2, 2017 was implemented on July 26, 2017. Victoire de Margerie, appointed on this same day as a director by our shareholders, was appointed by her peers as Chairman of the Board of Directors. She resigned from her duties on November 28, 2017.

Following this resignation, Thierry Sommelet was elected as Chairman of our Board of Directors for an interim period which was due to end at the close of the Shareholders' General Meeting called to cast a vote on the financial statements for fiscal year 2017-2018.

His office duration was extended beyond its term. Thierry Sommelet therefore acted as Chairman of our Board until March 27, 2019, the date on which Éric Meurice was appointed as Chairman.

Supportive and unanimous tribute was paid to Thierry Sommelet at that time. All our directors warmly thanked him for having skillfully and efficiently assumed the role of Chairman of the Board during this interim period, beyond his invaluable personal contribution to the work of the Board and of the Committees that he continues to perform.

2. Our current governance organization

ROLE OF ÉRIC MEURICE, CHAIRMAN OF OUR BOARD OF DIRECTORS

Éric Meurice's joined our Board of Directors following the Shareholders' General Meeting held on July 26, 2018 as Senior Independent Director, Chairman of the Strategic Committee, and member of the Nomination Committee (which has recently changed its name to Nomination and Governance Committee).

He replaced Thierry Sommelet by being elected by his peers as Chairman of the Board of Directors on March 27, 2019.The Board considered that his profile matches our Company's needs, given his experience as general manager of several world-renowned technology companies, mainly in the semiconductor sector, the multicultural dimension of his career, as well as his experience as a director of international companies.

Éric Meurice has chaired and represented our Board of Directors since this date.

In accordance with Article L. 225-51 of the French Commercial Code, he organizes all of the work carried out by the Board. He shall report on this work at the next Shareholders' General Meeting to be held on September 23, 2020.

In order to enable the Board to determine the strategic direction for our Company's business, to ensure its implementation, and to examine all matters relating to the proper functioning of our Company, Éric Meurice is responsible for convening its meetings and setting the agenda.

He oversees the proper functioning of the Board and of its Committees, and in particular ensures that our directors are able to fulfill their duties.

Furthermore, he ensures that they have the ability to address the issues which concern our Company through informed deliberations.

ROLE OF PAUL BOUDRE, OUR CHIEF EXECUTIVE OFFICER

Paul Boudre is responsible for the executive management of our Company as Chief Executive Officer.

In addition, he is also a director within our Board, a member of the Strategic Committee and a permanent guest of the Restricted Strategic Matters Committee.

In accordance with Article L. 225-56 of the French Commercial Code, his appointment as Chief Executive Officer vests him with the powers to act in all circumstances on behalf of our Company.

He exercises his authority within the limit of the corporate purpose and subject to the powers expressly bestowed by the law on Shareholders' General Meetings, on our Board of Directors, or on its Chairman.

Certain limits are moreover provided by our Board of Directors' internal regulation, an extract of which is set out below.

Paul Boudre represents our Company in all third-party dealings.

In accordance with French law, our Company is bound even by those of his actions that do not fall within the corporate purpose unless it can prove that the third party knew that said action exceeded that purpose or should have known it given the circumstances. However, publication of our by-laws shall not of itself be sufficient proof thereof.

The provisions of our by-laws or the decisions of our Board of Directors limiting the powers of Paul Boudre are not binding on third parties.

3. Limits on the powers of our Chief Executive Officer.

Our Board of Directors' internal regulation introduces specific cases in which a right of scrutiny and/or right to information is granted to the Board, or specific cases in which the Chief Executive Officer must obtain prior approval by the Board.

Thus, apart from the consultation and/or prior authorizations that the Chief Executive Officer has to obtain from our Board of Directors in accordance with the law, Article 3 c) of our Board of Directors' internal regulation sets the following limits on his powers.

Focus on Article 3 c) of the Board of Directors' internal regulation

The following is a statement of policy adopted by our Company's Board of Directors with respect to authority delegated to management for certain matters relating to managing the affairs of our Company. The Board has decided this year to extend the scope of its consultation/prior authorization right.

This policy will govern all actions of our Company and its majority-owned subsidiaries, subject to applicable laws and internal procedures governing such subsidiaries. Less than majority-owned subsidiaries and joint ventures of our Company will be governed by their respective Boards of Directors or Management Committees.

I. Strategy, Business Plans and Operating Budget

1) Management will review annually our Company's strategy, business plan and operating budget with the Board of Directors for approval.
2) Substantial modifications of an existing strategy, business plan, or operating budget or substantial deviation of actual performance to operating budget and/or forecast will also be reviewed with the Board of Directors.
3) Management will make periodic reports to the Board of Directors comparing operating results to the budget, in a dashboard listing the fundamental parameters of the budget.

II. Capital Expenditures

1) Management will submit Board of Directors' a capital budget for our Company annually for the Board of Directors' consideration and approval.
   a) The capital budget will itemize and describe anticipated capital expenditures for assets and capital projects that exceed US$10 million.
   b) The capital budget will contain an aggregate total for all capital expenditures.
2) The Board of Directors' approval of the capital budget will represent approval of the nature of the Capex line items and of the aggregate total capital spending, plus/minus 10%.
3) Each individual capital expenditure over US$10 million which was not itemized in the Board of Directors' approved capital budget requires the Board of Directors' approval.

III. Acquisitions

1) Management will submit to the Board of Directors's for prior consideration and approval acquisitions of equity interests and joint ventures involving:
   a) payment with stock of our Company or any majority-owned subsidiary;
   b) our Company's contribution of cash, assets, or assumption of debt, in any combination, exceeding US$5 million, inclusive of purchase price and potential earn-outs or deferred payments to the owners;
   c) new types of businesses, considering our Company's then existing businesses (meaning any new business exceeding an investment of US$5 million), or any other acquisition of equity interests or joint venture of an unusual character, irrespective of the amount of the initial investment.
2) Management will inform the Board of Directors prior closing any acquisitions of equity interests and joint ventures below US$5 million.

IV. Debt and Leases

Management will submit to the Board of Directors for prior consideration and approval the following items:

1) all borrowings greater than US$60 million collectively per year, except borrowings authorized by previously adopted specific or standing resolutions or borrowings made against existing lines of credit;
2) sale and leaseback transactions with a value of more than US$60 million collectively per year; and
3) capital or operating leases for which the capitalized or net present value of the obligation is more than US$60 million collectively per year.

V. Sales of Assets

Management will submit to the Board of Directors for prior consideration and approval:

1) sales of capital assets when the book value of the assets or the net proceeds of the sale exceed US$10 million collectively per year; or
2) any sale or licensing of strategic intangible assets/IP.

VI. Loans, Guarantees and Advances

1) Management will submit to the Board of Directors for prior consideration and approval loans or advances to or guarantees of the performance or indebtedness of any person or entity exceeding US$60 million individually or collectively per year, either singularly or in the aggregate with respect to that person or entity.
2) No approval is necessary for:
   a) loans or advances to or guarantees of our Company's wholly- or majority-owned subsidiaries; or
   b) for prepayments or bank guarantees given in the ordinary course of our Company's business.
3) Consistent with the 60 million individually or collectively company Loan Policy, our Company may not make any loan or advance of Company assets to (a) a corporate director or executive officer of our Company, or (b) to relatives, associates and affiliates of such persons.

VII. Take or Pay Contracts

Management will submit to the Board of Directors for prior consideration and approval a take or pay contact involving a potential penalty payment (*clause pénale*) to a third party of US$10 million or more per contract. A "take or pay contract" is generally a provision, written into a contract, in which our Company has the obligation of either taking delivery of goods or paying a specified penalty.

VIII. Material Contracts or undertakings

Management will submit to the Board of Directors for prior consideration and approval communications, contracts, agreements, purchases or sales orders in which the performance obligation creates or may create a standard exposure above US$100 million per item or may create a non-standard exposure above US$20 million per item in an agreement and/or has a material impact on our Company's stature and reputation.

IX. Other Actions

The prior approval of the Board of Directors is required for:

1) communication on financial matters, in particular quarterly/semi-annual releases, new or changed guidance;
2) actions and communication on exceptional matters which may have material impact on our Company's stature and reputation or on matters which concern Board responsibilities will be submitted to the Board for prior consideration and approval.

All items mentioned under this Article 3 c) will be communicated timely with the Board of Directors.

B. A strengthened and diversified Executive Committee

1. Creation and role of the Executive Committee

In order to obtain support with the performance of his assignments and upon taking office in 2015, our Chief Executive Officer introduced a new internal management body: the Executive Committee or ExCom.

The leader of this team of senior managers, Paul Boudre, relies on the expertise of each of the ExCom's 11 members to inspire, organize, run, monitor and develop our Group's business in a collegial way. Their aim is to keep capturing growth in Electronics markets, and to pursue growth in profitability while at the same time aiming for sustainability in the long term.

The 11 members of our ExCom meet whenever required, under Paul Boudre's direction. In any event, the Committee holds weekly conference calls and quarterly detailed reviews.

The decision processes and operating methods are defined in the management system steered by the Quality Department.

2. Composition of the Executive Committee and adjustments to the organization

Our Executive Committee is headed by our Chief Executive Officer and is composed of 11 members in charge of the specialist divisions.

During the fiscal year 2019-2020, we worked together to restructure our overall organization, with the help of around sixty of our Group's senior executives. The objective was to define the outlines and interfaces that would enable flexibility and proximity to markets and customers, which are essential for our growth targets.

This management structure was readjusted during the fiscal year 2019-2020 to split the IT, Digital Transformation, and Quality Departments. IT and Digital Transformation were placed within the Operations Division led by Cyril Menon.

Since March 1, 2020, the Public Affairs Department has been integrated into the Strategic Office organization. The mission of the Strategic Office is to support our Group's strategic projects aiming on mid and long-term growth, both organic and external. Public Affairs Department team plays a key role in coordinating funding projects and securing support of the government, institutional partners in France, Europe and around the world. These activities play a key role in execution of our strategy. The Public Affairs team acts not only at Soitec level but is impactful at Group level (Dolphin Design, Frec|n|sys, Soitec Belgium n.v.…) and Soitec partners (Leti-CEA, IMEC, Fraunhofer Institute…).

Strategic Office is structured now with four key missions: Strategic Marketing, Technology and Market Analysis, Marketing and external communication and finally Public Affairs.

In July 2019, in line with its desire to further increase the importance of the Quality Control Department within the organization, Soitec hired Reiner Breu as Vice President Quality. He has been a member of the Executive Committee since October 2019, reporting directly to the Chief Executive Officer. This division includes both the teams responsible for the quality control system and quality engineering across the various sites.

Reiner Breu's career path has given him wide-ranging experience of all components of the quality management process on an international scale in relation to semiconductors, in particular at Infineon and Bookham Technology. He also held other program and project management at positions at Schneider Electric. Reiner Breu holds an engineering degree in applied physics from the University of Applied Sciences in Munich and an Executive MBA from EM Lyon.

In the fall, Steve Babureck was promoted to Vice President, Corporate Development & Investor Relations reporting directly to the Chief Executive Officer, after having held various positions with our Group since 2011, including head of the Finance Department of the solar business in the United States, head of strategic marketing, and head of Group investor relations. He previously worked as a financial analyst at Natixis and then at BNP Paribas (Exane). As materials engineer and graduate of Polytech Nantes, he completed his training with a specialist master's degree at ESCP Europe.

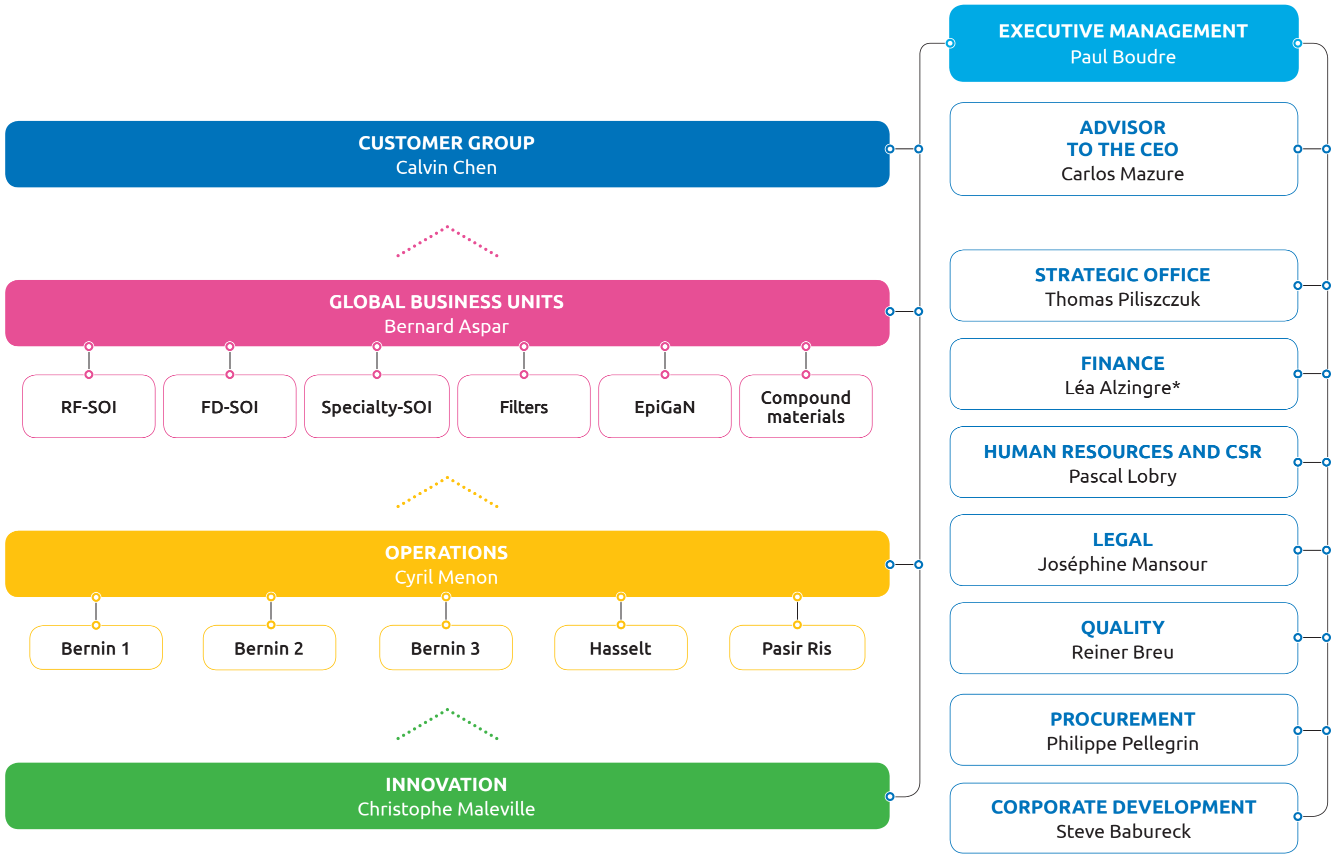
Sébastien Rouge joined the Group in October 2019 as Executive Vice President & CFO, after having held positions as Chief Financial Officer and executive with various leading broadly-consolidated industrial groups, in France and abroad, in particular, Alstom and General Electric. His most recent role was as Chief Financial Officer of the publicly-listed aeronautics equipment manufacturer Latécoère. Sébastien Rouge graduated from the EDHEC Business School.

Since the publication of the annual financial report, Sébastien Rouge as been replaced by Léa Alzingre, up to now in charge of Corporate Finance at Soitec, has been appointed Senior Director and acting Chief Financial Officer effective August 1, 2020. Léa Alzingre joined Soitec in 2019 as Head of Corporate Finance within the Finance department. After gaining a solid experience in audit at KPMG, where she spent 10 years from 2005 to 2015, Léa was VP Finance of the semiconductor division at Teledyne between 2015 and 2018, before joining Adeunis, a start-up specialized in IoT sensors and solutions listed on Euronext Growth, as CFO. Léa graduated summa cum laude from SKEMA business school.

All business activities are grouped into six Business Units: RF-SOI Business Unit, FD-SOI Business Unit, Specialty-SOI Business Unit, Filters Business Unit, EpiGaN Business Unit and Compound Materials Business Unit. Bernard Aspar oversees the entire business and carries out the necessary internal planning required by such a decentralization in a context of strong growth.

Tailored to respond to the challenges faced by our Group, this is in line with law 2018-771 of September 5, 2018 on the freedom to choose a professional future, and with the provisions of Article L. 225-37-4 of the French Commercial Code resulting therefrom.

On this basis, our Company is seeking to improve the diversity as well as gender balance within the top 10% of positions with major responsibilities.



* *Since the publication of our annual financial report, Léa Alzingre has been appointed as Senior Director and acting Chief Financial Officer effective August 1, 2020 replacing Sébastien Rouge.*

4.1.1.2 Our Board of Directors

A. Summary table of our Board of Directors

Personal data							Attendance rate to Board meetings during the 2019-2020 fiscal year	Latest term of office		History	
Full name or company name	Age	Gender	Nationality	Number of shares	Number of offices in other listed companies	Inde-pendence		Start date	End date (1)	Date of first appointment	Years on the Board
Directors currently in office											
Éric Meurice	64			1,000	2	☆✓	100%	07/26/2018	2020-2021 SGM	07/26/2018	2
Paul Boudre	61			41,100	0	×	100%	07/26/2019	2021-2022 SGM	07/03/2012	8
Bpifrance Participations (represented by Sophie Paquin)	42			3,636,007	0	×	100% (2)	07/26/2019	2021-2022 SGM	07/02/2013	7 (3)
CEA Investissement (represented by Guillemette Picard)	44			2,571,007	0	×	66.67%	07/26/2019	2021-2022 SGM	04/20/2015 (4)	5 (5)
Françoise Chombar	58			0	2	✓	66.67%	07/26/2019	2021-2022 SGM	07/26/2019	1
Laurence Delpy	49			675	0	✓	100%	07/26/2019	2021-2022 SGM	04/11/2016	4
Christophe Gegout	44			0	1	✓	88.89%	07/26/2019	2021-2022 SGM	04/11/2016 (6)	5 (7)
Satoshi Onishi	57			100	0	×	77.78%	07/26/2018	2020-2021 SGM	07/10/2015	5
Kai Seikku	55			2,000	1	×	87.50%	07/26/2019	2021-2022 SGM	05/06/2019 (8)	1
Thierry Sommelet	50			0	3	×	88.89%	07/26/2019	2021-2022 SGM	11/29/2017 (9)	5 (10)
Jeffrey Wang	60			0	0	×	100%	07/26/2019	2021-2022 SGM	05/06/2019 (11)	1
Shuo Zhang	55			0	1	✓	100%	07/26/2019	2021-2022 SGM	06/27/2019	1
TOTAL/AVERAGE	**53.25**	**7 (58.33%) 5 (41.67%)** (12)	**7 FR 2 US 1 FIN 1 BE 1 JAP**	**6,251,889** (12)	**10**	**41.67%**	**79.17%**	**2 IN 2018 10 IN 2019**	**2 IN 2021 10 IN 2022**	**1 IN 2012 1 IN 2013 2 IN 2015 2 IN 2016 1 IN 2017 1 IN 2018 4 IN 2019**	**2.9**
Directors in office during the fiscal year ended March 31, 2020 and whose term has ended											
Monica Beltrametti	69			0	0	✓	100%	04/11/2016	2018-2019 SGM	04/11/2016	3
Nadine Foulon-Belkacémi	56			0	0	✓	33.33%	04/11/2016	2018-2019 SGM	04/11/2016	3
Weidong (Leo) Ren	49			0	0	×	0%	05/02/2016	05/07/2019	05/02/2016	3

☆ Indicates Chairman of the Board of Directors.
(1) Shareholders' General Meeting to approve the financial statements for the fiscal year in question.
(2) 77.78% of attendance taking into account absences during her maternity leave.
(3) Bpifrance Participations was successively represented by Fabienne Demol (from 2013 to April 20, 2015), Thierry Sommelet (from April 20, 2015 to July 26, 2016), and lastly Sophie Paquin (from July 26, 2016 to date).
(4) Appointment through co-option by the Board of Directors on April 20, 2015, for the remainder of the term of office of Christian Lucas, who resigned, and ratified by the shareholders at the Shareholders' General Meeting of July 10, 2015.
(5) CEA Investissement was successively represented by Christophe Gegout (from April 20, 2015 to May 2, 2016) and then Guillemette Picard (from May 2, 2016 to date).
(6) Appointment at the Shareholders' General Meeting of April 11, 2016, subject to the condition precedent of the definitive completion of capital increases reserved for Bpifrance Participations, CEA Investissement and National Silicon Industry Group (NSIG). The start date of the term of office corresponds to the date on which these reserved capital increases were definitively carried out, namely May 2, 2016.
(7) Including 1 year as permanent representative of CEA Investissement.
(8) Appointment through co-option by the Board of Directors on May 6, 2019, for the remainder of the term of office of Nabeel Gareeb, who resigned, ratified by the shareholders at the Shareholders' General Meeting of July 26, 2019.
(9) Appointment by co-option by the Board of Directors on November 29, 2017, for the remainder of the term of office of Bpifrance Investissement, which resigned, and ratified by the shareholders at the Shareholders' General Meeting of March 23, 2018.
(10) Including 2 years as permanent representative of Bpifrance Participations, then Bpifrance Investissement.
(11) Appointed through co-option by the Board on May 6, 2019, for the remainder of the term of office of Weidong (Leo) Ren, who resigned, approved contingent upon written confirmation of the resignation of Weidong (Leo) Ren. The actual start date of the term is the same date as the date of written confirmation of the resignation of Weidong (Leo) Ren's, i.e. May 7, 2019. The ratification of the appointment and the renewal of the term of office were approved by the shareholders at the Shareholders' General Meeting of July 26, 2019.
(12) Total as at July 31, 2020.

B. Summary individual biographies of our directors in office

Éric Meurice

Chairman of the Board of Directors
Independent director
Chairman of the Strategic Committee
Chairman of the Compensation Committee
Member of the Nomination and Governance Committee, the Audit and Risks Committee, and the Restricted Strategic Matters Committee

Number of shares owned: 1,000

Date of first appointment: July 26, 2018

Start date of current term: July 26, 2018

End date of current term: Shareholder's General Meeting (SGM) called to approve the financial statements for the fiscal ended on March 31, 2021

64 years old

BUSINESS ADDRESS*

soitec

SKILLS

COMMITTEES

AR N RS C★ S★

YEARS ON THE BOARD

2

ATTENDANCE RATE AT BOARD AND COMMITTEE MEETINGS IN FISCAL YEAR 2019-2020

98.21%

MAIN POSITION OUTSIDE OUR COMPANY:

- Company director.

CURRENT OFFICES OUTSIDE OUR COMPANY:

- IPG Photonics Corporation** (United States);
- Umicore, SA** (Belgium);
- Global Blue AG (Switzerland).

OFFICES OUTSIDE OUR COMPANY HAVING EXPIRED IN THE LAST FIVE YEARS:

- NXP Semiconductors NV** (the Netherlands) (until May 2019);
- Meyer Burger** (Switzerland) (until May 2019);
- ARM Holdings plc** (UK) (until March 2014).

PROFESSIONAL EXPERIENCE:

Éric Meurice was the Chief Executive Officer and President of ASML Holding N.V., a leading equipment manufacturer for the semiconductor industry, from October 2004 to June 2013, and its Chairman until March 2014.

From 2001 to 2004, he was Executive Vice President of the Thomson-RCA Television division. From 1995 to 2001, he led Western Europe, Eastern Europe, and emerging markets in the EMEA region for Dell Computer.

Before 1995, he acquired significant experience in the industrial and technology fields within ITT Semiconductors, Intel Corporation and Renault SA.

Éric Meurice has been an independent director at IPG Photonics Corp. since June 2014, UMICORE SA since April 2015 and Global Blue AG since May 2018.

He was a director on the Boards of NXP Semiconductors N.V, and of Meyer Burger AG up to May 2019, He also served as director of Verigy Ltd. until its acquisition by Advantest Corporation in 2011, and ARM Holdings plc until March 2014.

Éric Meurice graduated from *École Centrale de Paris* (France), and has a Master's degree in Economics from Panthéon-Sorbonne University in Paris (France), and an MBA from Stanford University (California, USA).

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** *Listed company.*

(AR) Audit and Risks Committee (N) Nomination and Governance Committee (RS) Restricted Strategic Matters Committee (C) Compensation Committee (S) Strategic Committee.

★ Chairman   Finance   International   CSR/HR   Industry   Technologies, Media, Telecommunications (TMT)   R&D   Governance/Legal   Executive Management.

Paul Boudre

Chief Executive Officer
Member of the Strategic Committee
Permanent guest on the Restricted Strategic Matters Committee

Number of shares held: 41,100

Date of first appointment: July 3, 2012

Start date of current term: July 26, 2019

End date of current term: SGM called to approve the financial statements for the fiscal year ended March 31, 2022

61 years old

BUSINESS ADDRESS*
soitec

SKILLS

COMMITTEES
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YEARS ON THE BOARD
8

ATTENDANCE RATE AT BOARD AND COMMITTEE MEETINGS IN FISCAL YEAR 2019-2020
100%

CURRENT OFFICES WITHIN THE GROUP:

- Director of Soitec Japan Inc. (Japan);
- Director of Soitec Microelectronics Singapore Pte Ltd. (Singapore);
- Soitec's legal representative in companies on whose Boards it sits.

MAIN POSITION OUTSIDE OUR GROUP:

N/A

CURRENT OFFICES OUTSIDE OUR GROUP:

- Director of Fogale Nanotech (France);
- Director of AENEAS;
- Director of SOI Industry Consortium;
- Member of SEMI's European Advisory Board;
- Member of CORES du Leti's Advisory Board.

OFFICES OUTSIDE OUR GROUP HAVING EXPIRED IN THE LAST FIVE YEARS:

- Permanent Representative of Soitec; Director of Exagan (France) (until April 2020).

PROFESSIONAL EXPERIENCE:

Since 2015, Paul Boudre has been the Chief Executive Officer of Soitec, a world leader in innovative semiconductor materials. He is also a member of the Board of Directors.

He joined our Company in 2007 as Director of Sales, Marketing and Business Development, where he focused on the development of new opportunities in the market and the SOI (Silicon-on-Insulator) ecosystem, making it possible to adopt this technology for consumer and "More Than Moore" applications.

In addition to his duties at Soitec, Paul Boudre also sits on several other Boards of Directors: FOGALE Nanotech, a leader in high precision metrology solutions; AENEAS, the European association responsible for promoting nano-electronic technologies, and the SOI Industry Consortium, an international organization dedicated to promoting understanding, development, and adoption of technologies based on SOI, for which Paul Boudre played a major role in the launch process. He is also on the European Advisory Board of SEMI, a global industrial association serving the manufacturing supply chain for the electronics industry. Lastly, he is a member of the Advisory Board of CORES du Leti, a technological research institute of the French Alternative Energies and Atomic Energy Commission (CEA).

For more than 30 years, Paul Boudre has been active in the semiconductor industry, where he has acquired solid international experience. During his 10 years at KLA-Tencor, one of the first five global equipment manufacturers for the semiconductor industry, he led the group's European operations, then took the position of Vice-President for Europe and the USA. Previously, he also carried out management duties in the industrial units of IBM Semiconductor (now belonging to GlobalFoundries), STMicroelectronics, Motorola Semiconductor (now belonging to NXP Semiconductor s), and Atmel.

Paul Boudre is a graduate of the *École nationale de chimie de Toulouse*.

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AR Audit and Risks Committee N Nomination and Governance Committee RS Restricted Strategic Matters Committee C Compensation Committee S Strategic Committee.

★ Chairman Finance International CSR/HR Industry Technologies, Media, Telecommunications (TMT) R&D Governance/Legal Executive Management.

Laurence Delpy

Independent director
Chairwoman of the Nomination and Governance Committee
Member of the Audit and Risks Committee, the Strategic Committee, the Compensation Committee and the Restricted Strategic Matters Committee

Number of shares held: 675

Date of first appointment: April 11, 2016

Start date of current term: July 26, 2019

End date of current term: SGM called to approve the financial statements for the fiscal year ended March 31, 2022

49 years old

BUSINESS ADDRESS*
soitec

SKILLS

COMMITTEES
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YEARS ON THE BOARD
4

ATTENDANCE RATE AT BOARD AND COMMITTEE MEETINGS IN FISCAL YEAR 2019-2020
98.21%

MAIN POSITION OUTSIDE OUR COMPANY:

- Vice-President of mobile networks at Nokia for the Asia-Pacific region and Japan (Singapore)

CURRENT OFFICES OUTSIDE OUR COMPANY:

N/A

OFFICES OUTSIDE OUR COMPANY HAVING EXPIRED IN THE LAST FIVE YEARS:

N/A

PROFESSIONAL EXPERIENCE:

Since 2016, Laurence Delpy has managed Nokia's mobile network business for the Asia-Pacific region and Japan. She has been living and working in the Asia-Pacific region since 1996.
Previously, she served as Vice President of Alcatel-Lucent's mobile business in Asia and Deputy Vice President of the network business in China within their joint venture, Alcatel-Lucent Shanghai Bell.
Previously, she was Vice President and Chief Executive Officer of the GSM product line and also worked in the sales team of a Telstra subsidiary in Australia.
Laurence Delpy graduated from the *École supérieure de gestion* in Paris, France and holds a degree in Business Administration. She also holds a certificate in general administration obtained at Insead in Singapore.

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(AR) Audit and Risks Committee (N) Nomination and Governance Committee (RS) Restricted Strategic Matters Committee (C) Compensation Committee (S) Strategic Committee.

★ Chairman Finance International CSR/HR Industry Technologies, Media, Telecommunications (TMT) R&D Governance/Legal Executive Management.

Christophe Gegout

Independent director
Chairman of the Audit & Risks Committee
Member of the Strategic Committee and of the Restricted Strategic Matters Committee

Number of shares held: 0

Date of first appointment: April 20, 2015 (1)

Start date of current term: July 26, 2019

End date of current term: SGM called to approve the financial statements for the fiscal year ended March 31, 2022

44 years old

BUSINESS ADDRESS*

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SKILLS

COMMITTEES

AR★ RS S

YEARS ON THE BOARD

5

ATTENDANCE RATE AT BOARD AND COMMITTEE MEETINGS IN FISCAL YEAR 2019-2020

94.44%

MAIN POSITION OUTSIDE OUR COMPANY:

- Investment Director at Meridiam (since November 2018).

CURRENT OFFICES OUTSIDE OUR COMPANY:

- Director of Neoen** (France) (since June 2015);
- Director of Allego BV (Netherlands).

OFFICES OUTSIDE OUR COMPANY HAVING EXPIRED IN THE LAST FIVE YEARS:

- Chairman of the CEA Investissement (France) Board of Directors (January 2011 – October 2018);
- Director of Supernova Invest (France) (April 2017 – October 2018);
- Director of FT1CI and of companies with AREVA Group, including AREVA SA** (until October 2018);
- Director of Séché environnement** (France) (until November 2019).

PROFESSIONAL EXPERIENCE:

In November 2018 Christophe Gegout was appointed as Investment Director at Meridiam, in charge of investments in SMEs within one of the leading global investment and public asset management firms.
Previously, he was Chief Financial Officer at the French Alternative Energies and Atomic Energy Commission (*Commissariat à l'énergie atomique et aux énergies alternatives* or CEA) from 2009 to 2015, before being named its Deputy General Manager (until 2018). In particular, he developed innovation partnerships with major international groups and European SMEs, as well as a new asset management business on behalf of third parties, focusing on ground-breaking innovations in the field of major transformations (digital, medical and energy revolutions), which is now led by Supernova Invest.
Prior to this, from 2001 to 2009, Christophe Gegout held various positions within the French Ministry of Economy and Finance, including advisor to Christine Lagarde, Finance Minister.
He is a graduate of the *École polytechnique, Sciences-Po Paris*, and ENSAE (French national school of statistics and economic administration).

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** *Listed company.*
(1) *Appointment as permanent representative of CEA Investissement, director appointed by co-option by the Board of Directors on April 20, 2015, for the remaining term of office of Christian Lucas, who resigned, ratified by the shareholders at the Shareholders' General Meeting on July 10, 2015. Then, appointment as a director in his own right at the Ordinary and Extraordinary Shareholders' General Meeting of April 11, 2016, approved contingent upon final completion of the share capital increases reserved for Bpifrance Participations, CEA Investissement and National Silicon Industry Group (NSIG). The actual start date of the term was the same as the date of final completion of said reserved capital increases, i.e. May 2, 2016.*

AR Audit and Risks Committee N Nomination and Governance Committee RS Restricted Strategic Matters Committee C Compensation Committee S Strategic Committee.

★ Chairman Finance International CSR/HR Industry Technologies, Media, Telecommunications (TMT) R&D Governance/Legal Executive Management.

Satoshi Onishi

Member of the Nomination and Governance Committee

Number of shares held: 100

Date of first appointment: July 10, 2015

Start date of current term: July 26, 2018

End date of current term: SGM called to approve the financial statements for the year ending on March 31, 2021

57 years old

BUSINESS ADDRESS*

soitec

SKILLS

COMMITTEES

AR N RS C S

YEARS ON THE BOARD

5

ATTENDANCE RATE AT BOARD AND COMMITTEE MEETINGS IN FISCAL YEAR 2019-2020

77.78%

MAIN POSITION OUTSIDE OUR COMPANY:

- Director of the Office of the President of Shin-Etsu Chemical Co. Ltd. (Japan).

CURRENT OFFICES OUTSIDE OUR COMPANY:

N/A

OFFICES OUTSIDE OUR COMPANY HAVING EXPIRED IN THE LAST FIVE YEARS:

- President and Chief Executive Officer of Shin-Etsu Handotai Europe Ltd. (United Kingdom) (2012-2018).

PROFESSIONAL EXPERIENCE:

Satoshi Onishi was recently appointed as Director of the Office of the President of Shin-Etsu Chemical Co. Ltd.
Previously, for more than five years, he was President & Chief Executive Officer of Shin-Etsu Handotai Europe Ltd., a UK-based company.
He joined Shin-Etsu Chemical Co. Ltd. in 1985, where he initially worked in the IT Systems division of Shin-Etsu Handotai Co. Ltd. During that time, he designed and developed, as project manager, numerous Shin-Etsu basic systems, applied both Company-wide and to manufacturing processes.
Satoshi Onishi is an economics graduate from the University of Kagawa (Japan) in 1985, he also holds a master's degree in Industrial Systems Engineering from the University of Florida.

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AR Audit and Risks Committee N Nomination and Governance Committee RS Restricted Strategic Matters Committee C Compensation Committee S Strategic Committee.

★Chairman Finance International CSR/HR Industry Technologies, Media, Telecommunications (TMT) R&D Governance/Legal Executive Management.

Sophie Paquin

Permanent representative of Bpifrance Participations, director
Member of the Nomination and Governance Committee and the Compensation Committee

Number of shares held: 3,636,007 (2)

Date of first appointment: July 26, 2016

Start date of current term: July 26, 2019

End date of current term: SGM called to approve the financial statements for the fiscal year ended March 31, 2022

42 years old

BUSINESS ADDRESS*

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SKILLS

COMMITTEES

AR N RS C S

YEARS ON THE BOARD

4

ATTENDANCE RATE AT BOARD AND COMMITTEE MEETINGS IN FISCAL YEAR 2019-2020

95% (3)

MAIN POSITION OUTSIDE OUR COMPANY:

- General Counsel of Bpifrance Investissement (France).

CURRENT OFFICES OUTSIDE OUR COMPANY:

- Director of Cosmeur SAS (France);
- Director of Tyrol Acquisition 1 SCA (Luxembourg).

OFFICES OUTSIDE OUR COMPANY HAVING EXPIRED IN THE LAST FIVE YEARS:

- Chairman of the Board of Director of Altia Industry (now liquidated);
- Permanent representative of Bpifrance Participations, Director of Vexim** (France) (until 2016).

PROFESSIONAL EXPERIENCE:

Sophie Paquin has been General Counsel at Bpifrance Investissement since June 1, 2014.
Before that, Sophie Paquin worked at the firm Latham & Watkins for eight years, specialized in mergers and acquisitions and corporate finance for both French and international companies.
She joined the Strategic Investment Fund when it was founded and worked in particular on structuring, negotiating and documenting investment transactions. In 2013, she worked with Bpifrance's Chief Executive Officer to help Bpifrance establish the legal and operational aspects of our Company as part of an assignment to set up the public investment bank.
Sophie Paquin is a lawyer and a graduate of ESSEC.

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** *Listed company.*
(2) *Shares held by Bpifrance Participations.*
(3) *81.75% of attendance taking into account absences during her maternity leave.*

AR Audit and Risks Committee N Nomination and Governance Committee RS Restricted Strategic Matters Committee C Compensation Committee S Strategic Committee.

★ Chairman Finance International CSR/HR Industry Technologies, Media, Telecommunications (TMT) R&D Governance/Legal Executive Management.

Guillemette Picard

Permanent representative of CEA Investissement, director
Member of the Nomination and Governance Committee and the Compensation Committee

Number of shares held: 2,571,007 (4)

Date of first appointment: May 2, 2016 (5)

Start date of current term: July 26, 2019

End date of current term: SGM called to approve the financial statements for the fiscal year ended March 31, 2022

44 years old

BUSINESS ADDRESS*

soitec

SKILLS

COMMITTEES

AR N RS C S

YEARS ON THE BOARD

4

ATTENDANCE RATE AT BOARD AND COMMITTEE MEETINGS IN FISCAL YEAR 2019-2020

76.19%

MAIN POSITION OUTSIDE OUR COMPANY:

- Director – Health Technology, of Nabla (France).

CURRENT OFFICES OUTSIDE OUR COMPANY:

- Director of CLS (France).

OFFICES OUTSIDE OUR COMPANY HAVING EXPIRED IN THE LAST FIVE YEARS:

- Director of Sigfox (France) (until 2016).

PROFESSIONAL EXPERIENCE:

Guillemette Picard has been Director – Heath Technology at Nabla since September 2018. Nabla is a young, innovative firm committed to speeding up the development of artificial intelligence in healthcare.

She has over 15 years of experience in data science and in financing new technology in various sectors of industry.

Previously she was Head of Artificial Intelligence at Allianz France. From 2013 to 2017 she was Investment Director at Engie New Ventures. She helped set up, and led the corporate venture capital fund's strategic investments in the digital and mobility sectors.

From 2010 to 2013 she was an Energy Expert at the European Investment Bank (EIB), financing the developments of new energy technologies. From 2004 to 2010 she held various positions at Schlumberger in Europe and the US working on sensors and data analytics. She filed four patents in these fields.

Guillemette Picard has an engineering degree from the *École polytechnique* and a PhD in statistical physics.

* *Chemin des Franques - Parc Technologique des Fontaines - 38190 BERNIN - France.*
(4) *Shares held by CEA Investissement as of July 31, 2020.*
(5) *Appointment as the new permanent representative of CEA Investissement, director, recognized by the Board of Directors on May 2, 2016, following the appointment of Christophe Gegout as director in his own name and at the corresponding end of his role as permanent representative of CEA Investissement.*

AR Audit and Risks Committee N Nomination and Governance Committee RS Restricted Strategic Matters Committee C Compensation Committee S Strategic Committee.

★ Chairman Finance International CSR/HR Industry Technologies, Media, Telecommunications (TMT) R&D Governance/Legal Executive Management.

Kai Seikku

Member of the Strategic Committee, the Nomination and Governance Committee and the Compensation Committee

Number of shares held: 2,000

Date of first appointment: May 6, 2019 (6)

Start date of current term: July 26, 2019

End date of current term: SGM called to approve the financial statements for the fiscal year ended March 31, 2022

55 years old

BUSINESS ADDRESS*

soitec

SKILLS

COMMITTEES

AR N RS C S

YEARS ON THE BOARD

1

ATTENDANCE RATE AT BOARD AND COMMITTEE MEETINGS IN FISCAL YEAR 2019-2020

90.42%

MAIN POSITION OUTSIDE OUR COMPANY:

- President & Chief Executive Officer of Okmetic Oy (Finland);
- Executive Vice-President of National Silicon Industry Group (NSIG) (China).

CURRENT OFFICES OUTSIDE OUR COMPANY:

- Director of Inderes Oy (Finland);
- Director of Verkkokauppa.com** (Finland).

OFFICES OUTSIDE OUR COMPANY HAVING EXPIRED IN THE LAST FIVE YEARS:

- Director of Robit Oyj** (Finland) (2018-2020);
- Director of Zing Semiconductor Corporation** (China) (July 2016 – December 2017);
- Director of Technology Industries of Finland (Finland) (January 2012 – December 2018);
- Vice-Chair of the Board of the University of the Arts Helsinki (January 2015 – December 2017).

PROFESSIONAL EXPERIENCE:

Since 2010, Kai Seikku has been Chairman & Chief Executive Officer of Okmetic Oy, one of the top suppliers worldwide of tailor-made, high value-added silicon wafers for MEMS, sensors, discrete semiconductors and analog circuits.

Since Okmetic Oy was bought in 2016 by NSIG Group, an industrial holding company specialized in semiconductor materials and their ecosystem, he has also been Executive Vice-President of NSIG.

He is also a Director of Inderes Oy (since 2016) and Verkkokauppa.com (since 2013) as well as an industrial consultant for Intera Partners, a private equity firm (since 2013).

Kai Seikku has 20 years' experience in executive management. He has 20 years' experience as a company director.

Before joining Okmetic Oy he worked in the food industry as Chief Executive Officer of HKScan Corporation (2005-2009) and in marketing as Finland Regional Manager of McCann-Erickson (2002-2005) and Chief Executive Officer of Hasan & Partners (1999-2005).

Kai Seikku began his career at Bossard Consultants (Gemini Consulting) (1991-1993) before joining the Boston Consulting Group (1993-1999) where he was project manager for Finland and Sweden.

He has a Masters in Economics from Aalto University of Helsinki.

* *Chemin des Franques - Parc Technologique des Fontaines - 38190 BERNIN - France.*

** *Listed company.*

(6) *Appointment by co-option by decision of the Board of Directors on May 6, 2019 for the remaining term of office of Nabeel Gareeb, who resigned, effective March 27, 2019. Ratification of the appointment and renewal of the term of office were voted on at the Shareholders' General Meeting of July 26, 2019.*

AR Audit and Risks Committee N Nomination and Governance Committee RS Restricted Strategic Matters Committee C Compensation Committee S Strategic Committee.

★ Chairman · Finance · International · CSR/HR · Industry · Technologies, Media, Telecommunications (TMT) · R&D · Governance/Legal · Executive Management.

Thierry Sommelet

Member of the Audit and Risks Committee, the Strategic Committee and the Restricted Strategic Matters Committee

Number of shares held: 0 (7)

Date of first appointment: April 20, 2015

Start date of current term: July 26, 2019

End date of current term: SGM called to approve the financial statements for the fiscal year ended March 31, 2022

50 years old

BUSINESS ADDRESS*

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SKILLS

COMMITTEES

AR N RS C S

YEARS ON THE BOARD

5

ATTENDANCE RATE AT BOARD AND COMMITTEE MEETINGS IN FISCAL YEAR 2019-2020

90.87%

MAIN POSITION OUTSIDE OUR COMPANY:

- Managing Director, member of the Management Committee, Head of Technology, Media, Telecom at Bpifrance (France).

CURRENT OFFICES OUTSIDE OUR COMPANY:

- Chairman of the Supervisory Board of Greenbureau (France);
- Director of:
  - Groupe Ingenico** (France) (since May 2018),
  - Talend** (France),
  - Tyrol Acquisition 1 S.C.A. (Luxembourg);
- Permanent representative of:
  - Bpifrance Participations, Director of Technicolor** (France) (since January 2017),
  - Bpifrance Investissement, Director of Idemia (France) (since June 2017).

OFFICES OUTSIDE OUR COMPANY HAVING EXPIRED IN THE LAST FIVE YEARS:

- Director of TDF SAS (France) (until 2015);
- Member of the Supervisory Board of:
  - Sipartech (France) (until August 2016),
  - Group Mäder (France) (until June 2015),
  - Cloudwatt (France) (until March 2015);
- Permanent representative of:
  - Bpifrance Investissement, member of the Supervisory Board of Mersen** (France) (until May 2018),
  - Bpifrance Participations, member of the Supervisory Board of Inside Secure** (France) (until December 2016).

PROFESSIONAL EXPERIENCE:

Director, member of the Management Committee and Head of Capital Development for Technology, Media and Telecom at Bpifrance, the private financing arm of Banque Publique d'Investissement (formerly known as Fonds Stratégique d'Investissement, or "FSI"), Thierry Sommelet has more than fifteen years of experience in private and public financing in the technology, media and telecommunications sectors.

He also is a member of the Boards of Directors or Supervisory Boards of several Technology, Media and Telecom companies, including listed companies in France and the United States.

Thierry Sommelet began his career working in capital markets at Crédit Commercial de France in 1992 in Paris, then in New York.

After serving as Manager of the financial engineers' team at Renaissance Software (later bought by SunGard) in Los Altos, then as COO of InfosCE in 2001, he joined the Investments and Digital Investments Department of Caisse des Dépôts et Consignations in 2002, which he headed up from 2007.

After joining Fonds Stratégique d'Investissement in 2009, he joined the teams at Bpifrance Investissement when it was created in 2013.

Thierry Sommelet is a graduate of the *École nationale des ponts et chaussées*. He also holds an MBA from INSEAD.

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** *Listed company.*
(7) *M. Sommelet is appointed as a Board member upon proposition of Bpifrance Participations, which holds 3,636,007 shares and which is entitled to propose two Board members according to the Shareholders' Agreement entered into March 7, 2016 and amended on April 29, 2016. As an employee of Bpifrance, M. Sommelet is not authorized to hold directly any shares from Soitec nor to perceive any compensation for his role as a Soitec Board member.*

(AR) Audit and Risks Committee (N) Nomination and Governance Committee (RS) Restricted Strategic Matters Committee (C) Compensation Committee (S) Strategic Committee.

★ Chairman, Finance, International, CSR/HR, Industry, Technologies, Media, Telecommunications (TMT), R&D, Governance/Legal, Executive Management.

Jeffrey Wang

Member of the Audit and Risks Committee

Number of shares held: 0

Date of first appointment: May 6, 2019 (8)

Start date of current term: July 26, 2019

End date of current term: SGM called to approve the financial statements for the fiscal year ended March 31, 2022

60 years old

BUSINESS ADDRESS*

soitec

SKILLS

COMMITTEES

AR N RS C S

YEARS ON THE BOARD

1

ATTENDANCE RATE AT BOARD AND COMMITTEE MEETINGS IN FISCAL YEAR 2019-2020

100%

MAIN POSITION OUTSIDE OUR COMPANY:

- Board director & Chief Executive Officer of Shanghai Simgui Technology Co. Ltd. (China);
- Executive Vice-President of National Silicon Industry Group (NSIG) (China).

CURRENT OFFICES OUTSIDE OUR COMPANY:

N/A.

OFFICES OUTSIDE OUR COMPANY HAVING EXPIRED IN THE LAST FIVE YEARS:

- Director of Okmetic Oy (Finland) (July 2016 – January 2018);
- President & Executive Director of Advanced Semiconductor Manufacturing Corporation (ASMC)**; (China) (March 2012 – August 2015).

PROFESSIONAL EXPERIENCE:

Since 2016, Jeffrey Wang has been Chief Executive Officer of Shanghai Simgui Technology Co. Ltd. (Simgui), a longstanding partner of Soitec and a leading global supplier of SOI wafers, tailor-made epitaxial wafers and other solutions for the semiconductor industry. In March 2019 he became Executive Vice-President of NSIG, an industrial holding company specialized in semiconductor materials and their ecosystem, to which Simgui belongs.

He has in-depth knowledge of the semiconductor industry with 30 years' experience in R&D, manufacturing, operations and management.

Before joining Simgui, he was Vice-President Operations (2008-2012) and then President & Executive Director (2012-2015) of Advanced Semiconductor Manufacturing Corporation (ASMC), a leading foundry of analog semiconductors.

Previously, he was General Manager of ANADIGICS China Corporation (2007-2008), Vice-President Operations of Shanghai Belling Corporation (2006-2007) and Senior Manager & Special Assistant of the Senior Vice-President Operations of Semiconductor Manufacturing International Corporation (SMIC) (2001-2006).

Jeffrey Wang started out in Silicon Valley as an engineer first at Vishay Siliconix (1995-2000) and then at Maxim Integrated Products (2000-2001).

He earned a BA in physics and a PhD in physical chemistry from Fudan University (Shanghai) followed by post-doctoral work in applied physics at Harvard University.

* *Chemin des Franques - Parc Technologique des Fontaines - 38190 BERNIN - France.*

** *Listed company.*

(8) *Appointment by co-option by decision of the Board of Directors on May 6, 2019 for the remaining term of office of Weidong (Leo) Ren, who resigned, decided subject to the condition precedent of written confirmation of Weidong (Leo) Ren's resignation. The effective start date of the term of office corresponds to the date of written confirmation of the resignation of Weidong (Leo) Ren, i.e. May 7, 2019. Ratification of the appointment and renewal of the term of office were voted on at the General Meeting of Shareholders on July 26, 2019.*

(AR) Audit and Risks Committee (N) Nomination and Governance Committee (RS) Restricted Strategic Matters Committee (C) Compensation Committee (S) Strategic Committee.

★ Chairman · Finance · International · CSR/HR · Industry · Technologies, Media, Telecommunications (TMT) · R&D · Governance/Legal · Executive Management.

Françoise Chombar

Independent director

Member of the Strategic Committee, the Nomination and Governance Committee and the Restricted Strategic Matters Committee

Number of shares held: 0

Date of first appointment: first appointment put to the SGM on July 26, 2019

Start date of current term: July 26, 2019

End date of current term: SGM called to approve the financial statements for the fiscal year ended March 31, 2022

58 years old

BUSINESS ADDRESS*

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SKILLS

COMMITTEES

AR N RS
C S

YEARS ON THE BOARD

1

ATTENDANCE RATE AT BOARD AND COMMITTEE MEETINGS IN FISCAL YEAR 2019-2020

75.00%

MAIN POSITION OUTSIDE OUR COMPANY:

- Co-founder and Chief Executive Officer of Melexis** (Belgium).

CURRENT OFFICES OUTSIDE OUR COMPANY:

- Director of Umicore** (Belgium);
- Chairwoman of STEM Platform (Belgium).

OFFICES OUTSIDE OUR COMPANY HAVING EXPIRED IN THE LAST FIVE YEARS:

- Member of the Advisory Board of ISEN (France) (2014-2016);
- Director of EVS Broadcast Equipment** (Belgium) (2012-2015).

PROFESSIONAL EXPERIENCE:

Françoise Chombar has been Chief Executive Officer of Melexis since 2003, having co-founded the company in 1989 and holding a variety of positions in it including Deputy Chief Executive Officer from 1997 to 2003. Melexis manufactures integrated semiconductor sensor, driver and communications circuits dedicated to automotive applications.

At the same time, she is a director on the Board of Umicore (since 2016), a group specialized in materials technology and recycling.

She is also Chairwoman of STEM Platform, a consultative body of the Flemish regional government that aims to encourage young people to study Sciences, Technology, Engineering and Mathematics and to promote these disciplines to the general public.

In addition, she has been a mentor for the SOFIA Women's Network, a coaching organization for working women (from 1999 to 2016) and promoted the accession of women to Boards of Directors through her membership of the Women on Board non-profit.

Prior to joining Melexis, Françoise Chombar worked at Elmos, a German semiconductor supplier, where she was in charge of Production Planning and Customer Service (from 1985 to 1989).

Françoise Chombar holds a Master's degree in interpreting (Dutch, English and Spanish) from Ghent University.

* *Chemin des Franques - Parc Technologique des Fontaines - 38190 BERNIN - France.*
** *Listed company.*

(AR) Audit and Risks Committee (N) Nomination and Governance Committee (RS) Restricted Strategic Matters Committee (C) Compensation Committee (S) Strategic Committee.

★ Chairman Finance International CSR/HR Industry Technologies, Media, Telecommunications (TMT) R&D Governance/Legal Executive Management.

Shuo Zhang

Independent director
Member of the Audit and Risks, Compensation, and Strategic Committees

Number of shares held: 0

Date of first appointment: first appointment put to the SGM on July 26, 2019

Start date of current term: July 26, 2019

End date of current term: SGM called to approve the financial statements for the fiscal year ended March 31, 2022

55 years old

BUSINESS ADDRESS*

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SKILLS

COMMITTEES

AR N RS C S

YEARS ON THE BOARD

1

ATTENDANCE RATE AT BOARD AND COMMITTEE MEETINGS IN FISCAL YEAR 2019-2020

94.44%

MAIN POSITION OUTSIDE OUR COMPANY:

- Managing Partner & Chief Executive Officer of Renascia Partners LLC (USA);
- Advisory Partner of Benhamou Global Ventures (USA);
- Operating Partner at Atlantic Bridge Capital (USA).

CURRENT OFFICES OUTSIDE OUR COMPANY:

- Director of Grid Dynamics (USA);
- Director of PDF Solutions Corp** (USA);
- Executive Director of Telink; Semiconductor Corp. (China).

OFFICES OUTSIDE OUR COMPANY HAVING EXPIRED IN THE LAST FIVE YEARS:

- Director of Ampleon (Netherlands) (October 2015 – December 2017).

PROFESSIONAL EXPERIENCE:

Shuo Zhang has been Managing Partner & Chief Executive Officer of Renascia Partners LLC since July 2015, Advisory Partner of Benhamou Global Ventures since February 2016 and Operating Partner of Atlantic Bridge Capital since January 2018.

Since 2017, she has also sat on the Board of Directors of Grid Dynamics and has been lead director for Telink Semiconductor Corp. In 2019, she joined the Board of PDF Solutions Corp.

Shuo Zhang has more than 25 years' experience in corporate management, marketing, sales and strategic commercial development with the semiconductors sector.

She has held various management positions at Cypress Semiconductors (2007-2015), Silicon Light Machines (2006-2007), Agilent Technologies (2000-2006), Altera (1998-2000), Quester Technologies (1996-1998) and LSI Logic (1994-1996).

She started out as a research assistant at the Chinese Academy of Sciences (1987-1989) and at Penn State University (1990-1994).

Shuo Zhang has an MS Engineering degree from Penn State University (United States), a BS in Electrical Engineering from Zhejiang University (China) and an Executive Management degree from Stanford University (USA).

* *Chemin des Franques - Parc Technologique des Fontaines - 38190 BERNIN - France.*
** *Listed company.*

AR Audit and Risks Committee N Nomination and Governance Committee RS Restricted Strategic Matters Committee C Compensation Committee S Strategic Committee.

★ Chairman Finance International CSR/HR Industry Technologies, Media, Telecommunications (TMT) R&D Governance/Legal Executive Management.

4.1.2 COMPOSITION OF THE BOARD OF DIRECTORS

4.1.2.1 Main principles governing the composition of our Board

A. Statutory provisions

The legal provisions pursuant to Articles L. 225-17 *et seq.* of the French Commercial Code apply to the composition of our Board of Directors.

These are mentioned in our Company's by-laws which are reproduced in full in section 9.1.2 *Bylaws* of this Universal Registration Document and in our Board of Directors' internal regulation.

B. Additional provisions

Our Company's by-laws as well as our Board of Directors' internal regulation set out certain rules in addition to the provisions of law. The Shareholders' Agreement signed on March 7, 2016 and amended on April 29, 2016 between Bpifrance Participations, CEA Investissement, and NSIG Sunrise S.à.r.l., our three strategic investors, and our Company also sets out specific stipulations in relation to our Company's governance.

C. Terms of office

Since our Shareholders' General Meeting of July 25, 2016, directors' terms of office have been shortened by one year, from four to three years.

Our directors appointed from that date are appointed for a period of three years until the close of the Shareholders' General Meeting called to approve the financial statements for the year ended and held in the same year that the terms of office in question expire.

Directors may always be reappointed.

D. Office of the Board of Directors

According to Article 14 of our by-laws, the Chairman of our Board of Directors cannot be older than 70 years old.

This Article also states that, for each meeting, the Board may appoint a secretary who may or may not be a member of the Board.

E. Profile of candidates for the position of director

Article 1 a) of our Board of Directors' internal regulation states that the Board must make every effort to make appointment proposals to shareholders consisting of members with industrial and/or accounting and financial skills. Furthermore, their profiles and skills should match our Company's needs and regulatory requirements as well, and to the extent possible, the recommendations of the AFEP-MEDEF Code of Corporate Governance.

According to the terms of Article 1 b) of these same internal regulation, the age limit for holding the office of director within our Company is set at 74 years old.

F. Independence

This same Article 1 a) states that consideration of the interests of minority shareholders is covered by the appointment of independent members in sufficient number.

For this purpose, the Board of Directors shall make its best efforts, to the extent possible, to ensure that its composition (and in particular, the number of independent directors) is in line with the recommendations of the AFEP-MEDEF Code of Corporate Governance.

Each time that a director is appointed or renewed, the main features of the candidate's career path and the conclusions of our Board of Directors as to his independence shall be disclosed to the Shareholders' General Meeting which is to vote on the corresponding appointment/renewal.

During the fiscal year 2019-2020, the independence rate within our Board of Directors has increased (See section 4.1.2.1, F *Independence* of this Universal Registration Document for more details).

G. Representatives of our three strategic investors (Bpifrance Participations, CEA Investissement, and NSIG Sunrise S.à.r.l.)

According to the terms of the Shareholders' Agreement dated March 7, 2016, and amended on April 29, 2016, our Company has made an undertaking to put the necessary resolutions to shareholders' vote to ensure that each of our three strategic investors has:

- two representatives on the Board of Directors, provided that its stake is equal to or greater than 10% of our share capital; or
- one representative on the Board of Directors, provided that its stake is between 5% and 10%,

up until the expiry of the Shareholders' Agreement, *i.e.* until the close of the Shareholders' General Meeting to be called in 2021 to cast a vote on the financial statements for the fiscal year 2020-2021.

To this end, our three strategic investors have each undertaken to each cast a positive vote on said resolutions.

Moreover, each of our three strategic investors has made a commitment to have one of those directors identified as being related thereto resign from his/her duties if the stake held by the relevant strategic investor were to fall below the level of 10% of our share capital. The second director identified as being related thereto shall also resign if the stake were to fall below the level of 5% of share capital.

As July 31, 2020, the representatives of our three strategic investors on our Board of Directors were as follows:

- for Bpifrance Participations: Bpifrance Participations itself represented by Sophie Paquin, and Thierry Sommelet;
- for CEA Investissement: CEA Investissement itself represented by Guillemette Picard;
- for NSIG Sunrise S.à.r.l.: Kai Seikku and Jeffrey Wang.

H. Our diversity policy

1. Objectives

In addition to the different rules applicable to its composition, our Board of Directors is committed to ensuring diversity in the profiles of its members.

Their qualities and ethics are also key concerns for the desired balance of its composition and that of its Committees. Honest, competent, active, present and involved, our directors must also have strong judgement and anticipation skills to perform their missions effectively and in all circumstances in our corporate interest.

Their motivation to promote our long-term value creation and be involved in determining our strategic directions is essential in our context of strong growth and globalization.

Directors must also be rigorous and available given the volume and frequency of Board and Committee meetings.

Our Board monitors the independence of each Board member and of its processes. Our Board also supports the AFEP-MEDEF Code and its recommendation for companies with dispersed ownership and without controlling shareholders to exceed a 50% independence rate. As such, our Board will be assessing its Board Director candidates as much in this light, as for maximizing their contribution in the interest of our Company.

All of these objectives are reiterated in the Bord of Directors' internal regulations.

2. Results

In line with the AFEP-MEDEF Code, our Board is based on the work of the Nomination and Governance Committee in terms of self-assessment when it identifies new candidates or proposes to renew terms of office.

This process guarantees a balanced diversity in terms of gender representation, nationalities, ages, skills and experience.

Following the changes during the last two fiscal years, our Board is currently comprised of five women and seven men.

Our directors currently have five different nationalities: alongside seven French nationals are two Americans, one Belgian, one Japanese and one Finnish national.

The overall average attendance rate at meetings of the Board of Directors and the Committees for the fiscal year 2019-2020 is 83.44%.

With an average age of 53 years, their unparalleled and diversified experience ensures that our directors have wide-ranging, cross-functional and complementary skills.

I. Observer– Absence of any observer

An observer may be part of our Board of Directors in application of Article 12.4 of our by-laws.

Appointed by the Shareholders' General Meeting, his term of office is two years and may be renewed without limitation. The age limit for holding this position is seventy years old.

The observer is convened to attend all meetings of the Board of Directors and takes part in deliberations in an advisory capacity.

He may receive directors' fees under the same terms and conditions as the directors at the discretion of the Board of Directors.

Since the expiration of the term of office of Sébastien Blot at the close of the Shareholders' General Meeting held on July 25, 2016, there has been no observer sitting on our Board of Directors.

J. Representatives of our Works Council (now, the Social and Economic Committee)

Representatives of our Social and Economic Committee (previously, the Works Council) take part in but do not vote at meetings of the Board of Directors, in accordance with the conditions set out in Article L. 2323-63 of the French Employment Code.

Since the meeting of December 6, 2016 and through December 31, 2019 included, these have been:

- Laurence Doutre-Roussel, representing technicians section;
- Franck Fitouchi, representing managers section;
- Cécile Leroux, representing technicians section; and
- Kamel Mouhad, representing operators section.

Since January 1, 2020, further to the implementation of the Social and Economic Committee replacing the Works Council the following employees have been appointed as representatives of the Social and Economic Committee with regard to the Board of Directors of our Company:

- Christophe Alfano, representing the manual workers and employees section;
- Laurent Georgeon, representing the technicians section;
- Fabrice Lallement, representing the engineers and managers section;
- Kamel Mouhad, representing the manual workers and employees section; and
- Yan Vernet, representing the engineers and managers section.

Upon recommendation of our management, our Board of Directors decided to have more than the legally-required number of four representatives of the Social and Economic Committee by agreeing to the election of an additional representative to enable the various labor unions to be better represented and to better reflect the various categories of employees within our Company.

K. Absence of any directors representing our employees or our employee shareholders

To date, our Board of Directors does not have any directors who represent our employees, or any director who represents our employee shareholders, since Soitec did not meet the legal thresholds.

This situation will change following the annual Shareholders' General Meeting to be held on September 23, 2020.

In fact, at the end of the fiscal year 2019-2020, the number of permanent employees holding an open-ended employment contract with one of our Group's French companies exceeded, over two consecutive fiscal years, the threshold of 1,000 (*i.e.*, approximately 1,262 for the fiscal year 2018-2019 and 1,364 for the fiscal year 2019-2020).

In accordance with the provisions of Article L. 225-27-1 of the French Commercial Code, our Company's bylaws should be modified by September 30, 2020 at the latest in order to determine the conditions under which directors representing employees would be appointed to the Board of Directors.

Therefore, at the annual Shareholders' General Meeting convened on September 23, 2020, the shareholders will be requested to vote on the modification of our Company's bylaws in order to include a provision allowing the appointment of directors representing the employees.

Law 2019-486 dated May 22, 2019 relative to growth and the transformation of companies (PACTE law) reduced the threshold above which two directors representing employees must be appointed from 12 to 8. Given the composition of our Board of Directors (12 members), two directors representing employees will have to be appointed following the amendment to the bylaws.

It should be noted that the appointment of these two directors representing employees must be completed within the six months following this modification to the bylaws.

Pursuant to Article L. 225-27-1 of the French Commercial Code, when two or more directors representing employees are to be appointed, the detailed methods used for such appointment are as follows:

(i) one of these directors is appointed by:
   - an election held amongst our Company's employees and those of its subsidiaries, direct or indirect, having a registered office within French national territory, or
   - our Group Committee defined by Article L. 2331-1 of the French Employment Code, the Central Works Council, or the Works Council of our Company, as applicable, or
   - the labor union organization having obtained the most votes in the first round of the elections referred to in Articles L. 2122-1 and L. 2122-4 of the French Employment Code held within our Company and those of its subsidiaries, direct or indirect, having a registered office within French national territory; and

(ii) the other director is appointed by our Group's European Works Council, if established. Please note that our Group does not have a European Works Council.

4

The future directors representing employees may therefore be appointed, at our discretion, using the three methods described above, it being specified that our Board of Directors proposes to shareholders at the Shareholders' General Meeting convened on September 23, 2020, that when two directors are to be appointed, they shall each be appointed by the two trade unions that obtained the most votes in the first round of the elections mentioned in Articles L. 2122-1 and L. 2122-4 of the French Labour Code in our Company and its subsidiaries, whether direct or indirect, whose registered office is located on French territory and that when only one director is to be appointed, it shall be appointed by our Group Committee (or, if no Group Committee is in place, by our Company's Social and Economic Committee).

Once the directors representing employees have been designated, the number of representatives of the Social and Economic Committee on the Board of Directors will be reduced to one full member.

4.1.2.2 Change in the composition of our Board since the beginning of the 2019-2020 fiscal year and to date

At April 1, 2019, our Board of Directors was composed of 12 directors.

Several changes have occurred to its composition since this date without any change in the number of directors.

No family ties existed or exist between any of the 12 directors.

Paul Boudre is the only director who is also an executive corporate officer.

A. End of the terms of office of Weidong (Leo) Ren

Following a reorganization of the NSIG Group in connection with its IPO, Weidong (Leo) Ren resigned from its functions as director as of May 7, 2019.

The Board expressed its sincere thanks to him for his involvement and contribution to its work and to that of the Committees.

B. Appointment of Kai Seikku and of Jeffrey Wang

During the Shareholders' General Meeting of July 26, 2019, our shareholders ratified the co-option of Kai Seikku and Jeffrey Wang as replacements of Nabeel Gareeb and Weidong (Leo) Ren.

Biographical details concerning Kai Seikku and Jeffrey Wang are presented in section 4.1.1.2 *Our Board of Directors* of this Universal Registration Document.

C. End of the terms of office of Nadine Foulon-Belkacémi and Monica Beltrametti

The terms of office of Nadine Foulon-Belkacémi and Monica Beltrametti as directors expired at the end of the Shareholders' General Meeting of July 26, 2019 and were not renewed.

Our Board expressed its sincere thanks to them for their involvement and contribution to its work and to that of the Committees.

D. Appointment of Shuo Zhang and Françoise Chombar

Shuo Zhang and Françoise Chombar were appointed as directors by our shareholders at the Shareholders' General Meeting of July 26, 2019, as replacements of Nadine Foulon-Belkacémi and Monica Beltrametti whose terms of office expired at the end of this Shareholders' General Meeting.

The terms of office of Shuo Zhang and Françoise Chombar are each for a term of three years, to expire at the end of the Ordinary Shareholders' General Meeting to be held in 2022 to approve the financial statements for the fiscal year ended March 31, 2022.

Biographical details concerning Shuo Zhang and Françoise Chombar are presented in section 4.1.1.2 *Our Board of Directors* of this Universal Registration Document.

4.1.2.3 Upcoming changes in the composition of our Board of Directors

See what is set forth in Section 4.1.2.1 *Main principles governing the composition of our Board* of the Universal Registration Document regarding representation of our employees.

No director's term of office is due to expire during the fiscal year 2020-2021.

4.1.2.4 Focus on balanced gender representation within our Board of Directors

Since our Shareholders' General Meeting of July 26, 2017, the composition of our Board of Directors is compliant with Articles L. 225-17 and L. 225-18-1 of the French Commercial Code.

Derived from law No. 2011-103 of January 27, 2011 on the balance gender representation on Boards of Directors and Supervisory Boards and on equal opportunity (also known as loi Copé-Zimmermann), these articles state that: "*The composition of the Board of Directors must seek a balanced representation between women and men" and "The proportion of directors from each gender cannot be less than 40% in companies whose shares are listed for trading on a regulated market*".

Amongst our five female directors, three are independent and two represent respectively Bpifrance Participations and CEA Investissement.

Our Board of Directors is composed of 12 members including five women, representing a proportion of 41.67%. In addition, the Compensation Committee and the Nomination and Governance Committee have a majority of women, the latter being chaired by a woman.

4.1.2.5 Independence

A. Analysis by the Nomination and Governance Committee

In accordance with the recommendations of sections 6.2 and 10 of the AFEP-MEDEF Code, our Board of Directors performs a yearly assessment of its composition, organization and functioning, as well as those of its Committees.

For the financial year 2019-2020 and in accordance with the recommendation in paragraph 10.3 of the AFEP-MEDEF Code, the Nomination and Governance Committee contracted Egon Zehnder, an external consultant specialized in corporate governance, to assess the composition, organization and operation of the Board and its Committees.

The assessment highlighted a number of facts confirming the strong collective independence of the Board and of its Committees:

- the absence of any shareholder holding more than 10.93% of the voting rights;
- the absence of factual elements inferring a potential collusion between CEA Investissement, NSIG and Bpifrance, who have repeatedly voted differently on Board matters;
- the reported unanimous legitimacy of the independent non-executive Chairman;
- the observed good relationship between the Chairman and the Chief Executive Officer, confirming the positive impact of the separation of the functions of Chairman and Chief Executive Officer implemented since 2017;
- the fact that six directors are former or current Chief Executive Officers;

- the high diversity of nationality, gender, age and seniority among the directors;
- the large mix of skills among the directors; and
- the transparent, respectful and direct communication within the Board of Directors, the Committees and the Executive Committee.

Besides, as every year, the Nomination and Governance Committee analyzed the independence of each director. After discussions and analyses, its members concluded that of the 12 directors, five are independent: Chairman Éric Meurice, Françoise Chombar, Christophe Gegout, Laurence Delpy and Shuo Zang.

Éric Meurice, Françoise Chombar, Laurence Delpy and Shuo Zang fully meet the eight criteria for independence listed in the AFEP-MEDEF Code, and more generally have no relationship with Soitec or its management that is likely to compromise the exercise of their freedom of judgement.

With regard to Éric Meurice, following its departure of NXP Semiconductors N.V. in May 2019, one of the Company main customers, the Nomination and Governance Committee considered that he meets all of independence criteria set out in AFEP-MEDEF Code.

With regard to Christophe Gegout, director originally proposed by CEA Investissement, owning 10,93% of voting rights as of March 31, 2020 [(1)], the Committee noted that, according to the AFEP-MEDEF Code, directors representing major shareholders of our Company may be considered as being independent, provided that these shareholders do not take part in the control of our Company (criterion 8). However, the Board of Directors, on the recommendation of the Nomination and Governance Committee, is required to systematically review a director's independence in light of the composition of our Company's share capital and the existence of a potential conflict of interest.

Accordingly, it has been established that:

- Mr Gegout was considered non-independent while he was an employee of CEA, but resigned from CEA on September 2018. He has not received since any compensation whatsoever from CEA and sits as a natural person proposed by but not representing CEA Investissement;
- Christophe Gegout has signed the Soitec Board of Directors' internal regulations;
- Christophe Gegout was an employee of the CEA which is an independent entity from our shareholder CEA Investissement;
- over the past years, and particularly as Chairman of the Audit and Risks Committee, Christophe Gegout has factually demonstrated his freedom of judgment and vote *vs.* the interests of CEA Investissement, enabling him to act and make decisions in complete independence.

Given these facts, the Nominations and Governance Committee, based on Egon Zehnder study, considered that Christophe Gegout fully met the specific independence criteria linked to CEA Investissement's share above 10% in capital or voting rights.

B. Board conclusions

At its meeting on June 10, 2020, after hearing the report of the Nomination and Governance Committee on the Board's independence, based on the study realized by Egon Zehnder, the Board noted that the proportion of independent directors was now 41.67%, compared to 33.33% at the date of filing of the 2018-2019 Registration Document and 25% as of March 31, 2019.

Even if all its members are not independent in light of the criteria set forth by the AFEP-MEDEF Code, our Board unanimously considers that it is independent in its decisions in view of its diversity of nationality, skills and personalities of its directors and of the diversity of its strategic shareholdings, and that it adequately represents the interests of all shareholders. **Over the coming years, our Board of Directors will continue to assess and monitor its independence per the definitions of the AFEP-MEDEF Code and of the leading proxy advisors. As such, the Board will be assessing its Board director candidates as much so as to increase the independence ratio, as to maximize their contribution in the interest of the Company, while also making sure that the size of the Board does not undermines its efficiency**.

(1) Since July 31, 2020, CEA Investissement has 7.58% voting rights.

Reminder of the independence criteria set by the AFEP-MEDEF Code

Criterion 1: Employee corporate officer during the five previous years
Not be or not have been over the five previous years:
- an employee or executive corporate officer of our Company;
- an employee, executive corporate officer or director of a company that our Company consolidates;
- an employee, executive corporate officer or director of the parent company of the parent company or a company consolidated by the parent company.

Criterion 2: Cross-directorships
Not be an executive corporate officer of a company in which our Company directly or indirectly holds a term of office as director or in which an employee designated as such or an executive corporate officer of our Company (currently or for at least five years) holds a term of office as director.

Criterion 3: Significant business relations
Not be a significant customer, supplier, investment banker, financing banker, consultant:
- of our Company or its group;
- or for which our Company or its group represents a significant share of its business.

The assessment of the significant nature of the relations with our Company or its Group is discussed by the Board and the quantitative and qualitative criteria that have led to this assessment (continuity, economic dependency, exclusivity, etc.) are explained in the annual report.

Criterion 4: Family ties
Not have a close family tie with a corporate officer.

Criterion 5: Statutory auditors
Not have been a statutory auditor of our Company over the five previous years.

Criterion 6: Duration of term of office exceeding 12 years
Not have been a director of our Company for more than 12 years. The loss of the qualification as independent director occurs at the 12 years anniversary date.

Criterion 7: Status of non-executive corporate officer
A non-executive corporate officer may not be considered as independent if he/she receives variable compensation in cash or in equity shares or any compensation related to the performance of our Company or our Group.

Criterion 8: Status of significant shareholder
Directors representing significant shareholders of our Company or its parent company may be considered as independent if these shareholders to not take part in our Company's control. However, beyond a threshold of 10% in share capital or voting rights, the Board, upon the report by the Nomination and Governance Committee, will systematically discuss the qualification of independence by taking into account the composition of our Company's share capital and the existence of a potential conflict of interest.

C. Summary table on independence

	Criterion 1	Criterion 2	Criterion 3	Criterion 4	Criterion 5	Criterion 6	Criterion 7	Criterion 8	Conclusion
	Employee corporate officer during the five previous years	Cross-directorships	Significant business relations	Family ties	Statutory auditors	Duration of term of office exceeding 12 years	Status of non-executive corporate officer	Status of significant shareholder	
Directors currently in office									
Éric Meurice	✓	✓	✓	✓	✓	✓	✓	✓	✓
Paul Boudre	✗	✓	✓	✓	✓	✓	✓	✓	✗
Françoise Chombar	✓	✓	✓	✓	✓	✓	✓	✓	✓
Bpifrance Participations (represented by Sophie Paquin)	✓	✓	✓	✓	✓	✓	✓	✗	✗
CEA Investissement (represented by Guillemette Picard)	✓	✓	✗	✓	✓	✓	✓	✗	✗
Laurence Delpy	✓	✓	✓	✓	✓	✓	✓	✓	✓
Shuo Zhang	✓	✓	✓	✓	✓	✓	✓	✓	✓
Christophe Gegout	✓	✓	✓	✓	✓	✓	✓	✗	✓
Satoshi Onishi	✓	✓	✗	✓	✓	✓	✓	✓	✗
Kai Seikku	✓	✓	✗	✓	✓	✓	✓	✗	✗
Thierry Sommelet	✓	✓	✓	✓	✓	✓	✓	✗	✗
Jeffrey Wang	✓	✓	✗	✓	✓	✓	✓	✗	✗
Directors in office during the fiscal year ended on March 31, 2020 and whose term has ended									
Monica Beltrametti	✓	✓	✓	✓	✓	✓	✓	✓	✓
Nadine Foulon-Belkacémi	✓	✓	✓	✓	✓	✓	✓	✓	✓
Weidong (Leo) Ren	✓	✓	✗	✓	✓	✓	✓	✗	✗

4.1.3 CONDITIONS FOR THE PREPARATION AND ORGANIZATION OF THE WORK OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

4.1.3.1 Tasks and work of our Board of Directors

A. Tasks of our Board of Directors

In accordance with Article L. 225-35 of the French Commercial Code, our Board of Directors determines the focuses of our Company's business and ensures its implementation.

Subject to the powers expressly granted to the Shareholders' General Meetings and within the limit of our Company's corporate purpose, it shall consider any issue affecting the proper functioning of our Company and shall resolve the matters relating to it.

Specifically, our Board of Directors:

- determines and regularly reviews our Group's strategy;
- appoints the executive corporate officers responsible for implementing this strategy;
- controls our Group's management conducted by our executive managers;
- defines our Company's financial communications policy;
- monitors the quality of the information provided to shareholders and the market, through the financial statements or in connection with significant transactions; and
- performs the checks and verifications that it deems appropriate.

B. Board of Director's information

1. Supporting documentation on meeting agendas

To enable our Board of Directors to perform its tasks, prior to each meeting, our directors receive the documentation relating to the agenda.

Since October 2012, we have conducted an approach to dematerialize our Board files and Committees documents, thanks to the implementation of a secure document sharing platform. In addition to making their transmission to our directors more secure, they are systematically and automatically archived. Our directors have access to them at any time on a computer, tablet or smartphone. Our directors are able to make comments directly on the computerized documents. This software also ensures that our Board has the most up-to-date documentation for its meetings.

2. Continuous information

When he/she takes office, each director receives the documentation required for understanding the rules of our Board's functioning.

Our directors may also meet our Group's main executive managers and have the possibility, if they deem necessary, of benefiting from additional training regarding our Company, its businesses and sectors of activity.

Beyond the meetings and legal obligations, if the importance or urgency of the information requires it, they receive all information useful for exercising their duties.

They receive press articles and financial analysis reports including relevant information on our Company.

The Executive Management also transmits a scorecard to our directors on a monthly basis indicating the effective levels of achievement of key – in particular financial – indicators and including a comparison with budgeted levels.

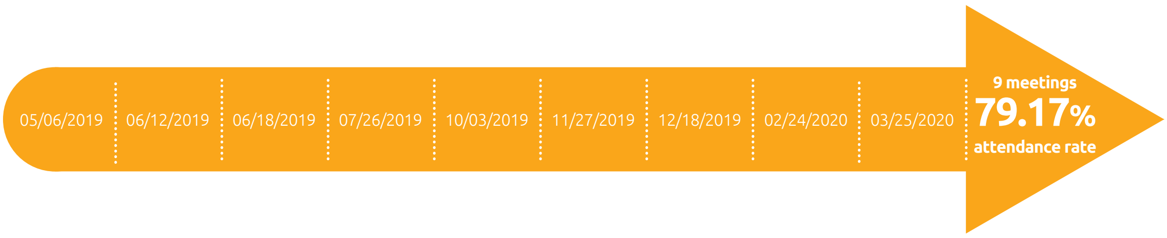
Our executive managers and the Secretary of the Board are available to provide our directors with any information or explanations required for performing their duties.

C. Meetings of our Board of Directors

Our Board of Directors is convened by its Chairman, Éric Meurice, whenever necessary and at least four times a fiscal year.

Since April 1, 2019, nine meetings were held.

The average overall attendance rate is 79.17%.



In order to have a *quorum*, at least one half of our directors must be effectively present. Those taking part in the meeting *via* videoconference or any other telecommunications methods that enable identification are deemed to be present for the calculation of the *quorum* and majority.

A director may grant a power of attorney to another director to act as his representative. During a single meeting, each director may hold one power of attorney only. The powers of attorney are attached to the attendance record.

Decisions are made on the basis of a majority of those members present or represented. The Chairman does not have a casting vote.

The working language of our Board of Directors is French, with simultaneous translation in English.

D. Work of our Board of Directors

Each year, like its peers, our Board is required to examine and rule on themes that are identical from one fiscal year to another. On a non-exhaustive basis, these include, for example:

- the review of our Group's business and strategy, as well as the determination of its strategic directions;
- approval of our budget;
- approval of our statutory and consolidated annual and half-yearly financial statements;
- approval of our Company's provisional financial statements;
- determination of the compensation for our executive corporate officers;
- review of the information made available to the public;
- preparation of the annual Shareholders' General Meeting;
- its self-assessment;
- the review and/or approval of the new or renewed regulated agreements;
- the examination of the undertakings, endorsements and guarantees granted by our Company;
- the re-examination of its internal regulation; and
- approval of the minutes of its meetings.

In addition to the recurrent subjects, the following exceptional subjects were covered during the 2019-2020 fiscal year:

Strategy	Finance
1. **Covid-19** • Internal measures taken to mitigate the impact of Covid-19 on our employees, in particular in Asia and Europe. • *Members of our Board of Directors worked on the preparation of a Group business continuity plan including measures tailored to respond to a range of scenarios and crisis levels, aimed at protecting the health and safety of our employees, maintaining business and/or re-starting business under the best possible conditions, and increasing the resilience of our Group and its various production sites.* 2. **Partial asset contribution in favor of Soitec Lab (02/24/2020)** • Implementation of a partial asset contribution in favor of Soitec Newco 1, re-named Soitec Lab upon completion of the transaction, to protect the intellectual property rights of our Group and to strengthen commercial partnerships within an environment which offers greater protection for Soitec. • *This partial asset contribution was approved by the General Meeting of Bondholders of our Company held on March 19, 2020, in accordance with the bond indentures.*	1. **Approval of €200 million long-term loan agreed with Banque des Territoires (12/18/2019)** • Approval of a €200 million 12-year loan, pursuant to the Programme *d'investissements d'avenir* (PIA) as part of the Nano 2022 plan. *Drawdowns from this credit line will be staggered over the next few years to support both the financing of R&D programs and investments in first-time industrialization infrastructure projects in France.* 2. **Approval of commitments, endorsements and guarantees (06/12/2019)** • During the first half of fiscal 2019-2020, our Company signed 2 comfort letters in favor of Soitec Microelectronics Singapore and Frec|n|sys, and a guarantee on behalf of Dolphin Design. The signature of these commitments was authorized by our Board of Directors.

Nominations

1. **Amendment of the internal regulation (Board meeting of 03/25/2020)**
   Preparation of a draft new internal regulation for our Board of Directors in order to define the scope of the powers delegated to management.
   This new internal regulation should be introduced during the fiscal year 2020-2021.
2. **Appointment of members of the Social and Economic Committee (SEC) (Board meeting of 02/24/2020)**
   - Further to SEC elections in December 2019, the following individuals have been appointed by the Board of Directors as new SEC representatives:
     - Christophe Alfano, representing the manual workers and employees section,
     - Laurent Georgeon, representing the technicians section,
     - Fabrice Lallement, representing the engineers and managers section,
     - Kamel Mouhad, representing the manual workers and employees section, and
     - Yan Vernet, representing the engineers and managers section.
   - *Our management decided to have more than the legally-defined number of four representatives by agreeing to the election of an additional representative in order to enable the various labor unions to be better represented and to obtain a better reflection of the various categories of employees within our Company.*
3. **Reappointment of the Chief Executive Officer (Board meeting of 07/26/2019)**
   - Reappointment as Chief Executive Officer of Paul Boudre and suspension of his employment contract.
     Paul Boudre shall hold at least 10,000 registered shares up until the expiry of his appointment as Chief Executive Officer.

Compensation

1. **Compensation of corporate officers (Board meeting of 03/25/2020)**
   - Setting a revised overall compensation to be allocated to our directors, to be approved by our shareholders at the Shareholders' General Meeting to be held on September 23, 2020.
   - Setting the variable part of the compensation paid to our Chief Executive Officer, Paul Boudre, for the fiscal year ended March 31, 2020.
2. **Vesting of the ordinary shares created by the PAT no. 1 and no. 2 plans (Board meeting of 03/30/2020)**
   - Acknowledgment that the shares paid up for beneficiaries of the PAT 1 and PAT 2 plans will be shares newly issued *via* an increase in our Company's share capital and delegation of authority granted to the Chief Executive Officer in order to proceed with the delivery of the shares.
     Our Chief Executive Officer, on the delegation of our Board of Directors on March 25, 2020, acknowledged on March 30, 2020, the issuance of 110,767 ordinary shares pursuant to PAT no. 1 and of 59,480 ordinary shares pursuant to PAT no. 2. These shares were definitively vested by their beneficiaries subject to a condition of continued employment at our Company at the end of a two-year vesting period which expired on the first business day after March 28, 2020.
3. **Free ordinary shares allocation plans**
   - Implementation of a free allocation plan relating to the allocation of 23,953 ordinary shares in our Company in favor of our employees and/or corporate officers (Board meeting of 12/18/2019). *The vesting of these ordinary shares is subject to a continued employment condition of the beneficiaries until August 1, 2022.*
   - Implementation of a free allocation plan relating to the allocation of 14,863 ordinary shares in our Company in favor of our employees and/or corporate officers (Board meeting of 03/25/2020). *The vesting of these ordinary shares is subject to a continued employment condition of the beneficiaries until August 1, 2022 and a performance condition.*
4. **Free share allocation plans and reserved issue of PS 2**
   - Implementation of a long-term co-investment program for the benefit of certain of our Group's employees and corporate officers.
     This program takes the form of (i) a reserved issue of 97,980 PS 2 with a par value of €2.00 and at a unit price of €84.17 in favor of certain of our Group's employees and corporate officers and (ii) the introduction of two free shares plans:
     - a first free shares plan (Free PS 2 no. 1) awarding 163,978 PS 2 to certain employees or categories of employees or to corporate officers or certain categories of corporate officers, of the Company and/or affiliated companies within the meaning of Article L. 225-197-2 of the French Commercial Code (excluding our Chief Executive Officer, Paul Boudre); and
     - a second plan (Free PS 2 no. 2) awarding 31,982 PS 2 to our Chief Executive Officer, Paul Boudre.

     Free PS 2 have been granted under three series and subject to a presence condition and certain exceptions, the PS 2 will be definitively acquired to each of the beneficiaries at the end of each of the acquisition periods (*i.e.*, 40% of the PS 2 to be definitively acquired on 12/18/2020 with respect to the first series, 30% of the PS 2 to be definitively acquired on 01/01/2021 with respect to the second series and 30% of the PS 2 to be definitively acquired on 08/01/2022 with respect to the third series).
     Subject to certain performance conditions, PS 2 are convertible into listed ordinary shares of the Company as from August 1, 2022.
5. **Preferred shares (PS 1) allocation plans**
   - Observation that the period of 3 years defined in the context of the free preferred share allocation plan (MIP) has now come to an end for:
     - 20,639 preferred shares allocated on a contingent basis by our Board of Directors in favor of 3 beneficiaries (Board meeting of 07/26/2019),
     - 2,832 preferred shares allocated on a contingent basis by our Board of Directors in favor of 2 beneficiaries (Board meeting of 11/27/2019), and
     - 2,867 PS 1 allocated on a contingent basis by our Board of Directors in favor of 1 beneficiary (Board meeting of 03/25/2020).

   Subject to certain performance conditions, PS 1 are convertible into listed ordinary shares of the Company as from August 1, 2020. At a meeting held on July 26, 2019, our Board of Directors set the ratio for the conversion of these PS 1 into ordinary shares at 4.86 on the basis of the level of achievement of the two performance criteria set by the Plan Rules (MIP).
   Our Chief Executive Officer acknowledged the vesting of these PS 1 in favor of five beneficiaries, together with their conversion into ordinary shares in the following three tranches:
   - *in an initial wave dated July 29, 2019, our Chief Executive Officer, further to a delegation from the Board of Directors granted on July 26, 2019, acknowledged (i) the issue of 20,639 new PS 1 with a par value of €0.10 each, in favor of 3 beneficiaries, (ii) the creation of 1,248,019 new ordinary shares, of 236,157 PS 1 previously issued in favor of 18 beneficiaries and of 20,639 PS 1 just issued in favor of 3 beneficiaries, and (iii) the subsequent cancellation of the 257,796 preferred shares converted into 1,248,019 ordinary shares;*
   - *for a first portion, on December 6, 2019, our Chief Executive Officer, further to a delegation from the Board of Directors granted on November 27, 2021 acknowledged (i) the issue of 2,832 new PS 1 in favor of 3 beneficiaries, (ii) the creation of 32,220 new ordinary shares resulting from the conversion of 6,630 PS 1 previously issued in favor of 3 beneficiaries, and (iii) the subsequent cancellation of the 6,630 PS 1 converted into 32,220 ordinary shares; and*
   - *for a third portion, on March 30, 2020, our Chief Executive Officer, further to a delegation from the Board of Directors granted on March 25, 2020, acknowledged (i) the issue of 2,867 new PS 1 in favor of 1 beneficiary, (ii) the creation of 156,861 new ordinary shares with a par value of €2.00 each resulting from the conversion of 29,410 PS 1 previously issued in favor of 9 beneficiaries and of 2,867 PS 1 just issued in favor of 1 beneficiary, and (iii) the subsequent cancellation of the 32,277 PS 1 converted into 156,861 ordinary shares.*
6. **Company savings plan (ESP) (Board meeting of 07/26/2019)**
   To decide on the principle of an increase in the share capital of our Company *via* the issuance of shares or securities granting access to the share capital reserved to employees of our Group's French or Singaporean entities subscribing to an employee savings plan (ESP), with a discount of up to 30% and within the limit of a par value of €560,000, *i.e.* 280,000 shares.
   On February 28, 2020, our Chief Executive Officer acknowledged the issue of 206,007 ordinary shares with a par value of €2.00 each subscribed through our Company mutual fund Soitec Jade 2020.

4.1.3.2 Assessment of our Board of Directors

A. Assessment method

In accordance with the recommendations of sections 6.2 and 10 of the AFEP-MEDEF Code, the Board of Directors performs a yearly assessment of its composition, organization and functioning, as well as those of its Committees.

It may take the form of anonymous questionnaires sent to each director. It may take the form of an assessment done with the assistance of an external consultant.

The results of such assessment are presented and debated at the Board of Directors under the conduct of the Chair of the Nomination and Governance committee.

The various items of the mission and duties of the Board and of the Directors are reviewed and assessed and recommendations (as the case may be) are made for the improved operation of the Board. The results are brought to our Shareholders' annually within the report on corporate governance of the concerned fiscal year.

B. Analysis by the Nomination and Governance Committee and conclusions reached by the Board of Directors for the fiscal year 2019-2020

For the 2019-2020 fiscal year, our Nomination and Governance Committee contracted Egon Zehnder, an external consultant specialized in corporate governance, to assist in the assessment of the composition, organization and operation of the Board of Directors and its Committees for the 2019-2020 financial year.

The Nomination and Governance Committee reviewed the results at its meetings on May 29, 2020 and on June 9, 2020.

The following day, the summary of its work was presented and debated at the Board of Directors.

After discussions, our directors retained the following conclusions:

- the assessment showed that the composition, functionning and mission of the Board and its Committees are adequate;
- stabilized governance and a Board of Directors wishing for continuous improvement. In particular, the directors noted:
  - the good relationship observed between the Chairman and the Chief Executive Officer, confirming the positive impact of the separation of the functions of Chairman and Chief Executive Officer implemented since 2017,
  - the application of best practices in terms of diversity of nationality, gender and skills,
  - directors involved, professional and eager to improve,
  - a direct and open communication style within the Board, with strong characters paving the way for independence and contribution;
- the organization and pace of the Board's work corresponds well to the rapid growth of our Company. In particular, the committees are involved and operate efficiently, with quality production for the size of our Company;
- several potential constraints were also pointed out:
  - a high number of directors as a result of the commitments in terms of representation of strategic investors under the Shareholders' Agreement,
  - instances of parochial discussions between management and directors,
  - more involvement from all directors in strategic decisions could be strengthened for the Board's benefit.

The following opportunities of improvements were identified, some of which are already work-in-progress:

- an increase in the independence ratio within the Board of Directors;
- greater participation by each director, in particular on long term strategy;
- meeting organized in such a way that most of the time is devoted to debate, discussions on key topics, between the directors and the management, between the directors;
- continue to foster open discussions and debate on key topics between the directors and the Executive team.

4.1.4 COMPOSITION AND ORGANIZATION OF THE DIRECTORS' COMMITTEES

Focus on our five Committees

Our Board of Directors is supported by the work of the Committees that it has set up.

Since November 29, 2017, there are five Committees.

The composition, organization, practices and tasks of each of the five Committees are set out in the internal regulation of the Board of Directors.

The Committees are tasked with providing in-depth thought and analysis to our Board of Directors before its discussions, and contributing to the decision-making process.

The Committees have no decision-making power. The opinions, proposals or recommendations that they submit to our Board of Directors are not binding in any way, and the Board of Directors remains the sole decision-making administrative body.

4

STRATEGIC COMMITTEE

Chairman:
ÉRIC MEURICE

Members:	2019-2020 Attendance rate
Éric Meurice	100.00%
Paul Boudre	100.00%
Monica Beltrametti (1)	100.00%
Françoise Chombar (3)	100.00%
Christophe Gegout	100.00%
Laurence Delpy	100.00%
Kai Seikku	100.00%
Thierry Sommelet	100.00%
Shuo Zhang (3)	100.00%

8 Members | 3 | 100% | 62.50%

AUDIT AND RISKS COMMITTEE

Chairman:
CHRISTOPHE GEGOUT

Members:	2019-2020 Attendance rate
Christophe Gegout	100.00%
Laurence Delpy	85.71%
Monica Beltrametti (1)	100.00%
Nadine Foulon-Belkacémi (1)	33.33%
Éric Meurice	100.00%
Thierry Sommelet	85.71%
Weidong (Leo) Ren (2)	100.00%
Jeffrey Wang	100.00%
Shuo Zhang (3)	100.00%

6 Members | 7 | 89.42% | 66.67%

NOMINATION AND GOVERNANCE COMMITTEE

Chairwoman:
LAURENCE DELPY

Members:	2019-2020 Attendance rate
Laurence Delpy	100.00%
Éric Meurice	85.71%
Bpifrance Participations (represented by Sophie Paquin)	100.00%
Monica Beltrametti (1)	100.00%
Nadine Foulon-Belkacémi (1)	100.00%
CEA (Investissement represented by Guillemette Picard)	100.00%
Kai Seikku	80.00%
Weidon (Leo) Ren (2)	50%
Françoise Chombar (3)	66.67%
Satoshi Onishi (4)	-

7 Members | 7 | 78.24% | 42.85%

COMPENSATION COMMITTEE

Chairman:
ÉRIC MEURICE

Members:	2019-2020 Attendance rate
Éric Meurice	100.00%
Laurence Delpy	100.00%
Monica Beltrametti (1)	50.00%
Nadine Foulon-Belkacémi (1)	100.00%
Bpifrance Participations (represented by Sophie Paquin)	83.33% (5)
CEA (Investissement represented by Guillemette Picard)	71.43%
Kai Seikku	100.00%
Shuo Zhang (3)	66.67%
Weidon (Leo) Ren (2)	-

6 Members | 7 | 65.95% | 50.00%

RESTRICTED STRATEGIC MATTERS COMMITTEE

CONVENED ON AN EXCEPTIONAL BASIS

Members:	2019-2020 Attendance rate
Laurence Delpy	100.00%
Éric Meurice	100.00%
Christophe Gegout	100.00%
Thierry Sommelet	100.00%
Françoise Chombar (3)	100.00%

5 Members | 2 | 100.00% | 80.00%

Number of meetings

Attendance rate

Independence rate

(1) Whose terms of office ended on July 26, 2019, at the end of their term.
(2) Whose term of office ended on May 7, 2019, at the end of its term.
(3) Whose appointments were voted on by the Shareholder's General Meeting on July 26, 2019.
(4) Appointed by the Board of Directors on June 10, 2020.
(5) 71.43% of attendance taking into account absences justified by maternity leave.

4.1.4.1 Main principles for the composition and functioning of the Committees

A. Composition

Members of the Committees must be directors and are appointed individually by our Board of Directors.

A permanent representative of a legal entity who is a director may also be appointed to a Committee, provided that the replacement of this permanent representative results in immediate loss of status as a Committee member.

One person may be a member of several Committees.

The Chairperson of each Committee is appointed by the Committee itself, among its members.

The term of office of a member of one or more Committee(s) shall coincide with his or her term of office as a director. Furthermore, these terms of office can be renewed.

B. Additional participants

- For the Audit and Risks Committee, the following people attend meetings and contribute to discussions in addition to Committee members:
  - our Chief Financial Officer, alone or accompanied by one or several members of his team, and
  - when their presence is required or useful given the agenda, our statutory auditors.
- Regarding the Compensation Committee and the Nomination and Governance Committee, none of whose members can be an executive corporate officer, our Chief Executive Officer may be invited to meetings of these two Committees.

  Within the Compensation Committee, the Chief Executive Officer cannot take part in deliberations concerning his compensation.

  Within the Nomination and Governance Committee, the Chief Executive Officer is a party to the work involved in the selection or appointment of new directors.

  It is usual for our General Counsel and our Head of Human Resources to attend and contribute to the meetings of these two Committees. Depending on the subjects on the agenda, our Chief Financial Officer may also contribute to these two Committees.
- Our Chief Executive Officer must be invited to each meeting of the Strategic Committee (if he is not already a member of it). In reality, since the start of his term as Chief Executive Officer, Paul Boudre has always been appointed as a full member of this Committee.

  It is usual for several members of our Executive Committee to attend and contribute to the discussions during meetings of the Strategic Committee.
- As Chief Executive Officer, Paul Boudre is a permanent guest for all meetings of the Restricted Strategic Matters Committee.
- The Secretary of our Board of Directors attends and contributes to preparing and holding all the meetings of the five Committees.
- More generally, any person that each of the five Committees wishes to hear in order to carry out their missions may be called upon to take part in the meetings.

C. Functioning

Each Committee can meet at any time upon the request of the Chairperson, of a majority of its members, of the Chairman of the Board of Directors, or of one-third of the directors.

Each Committee's meetings are convened (*via* any means) by the Committee Chairperson or by two Committee members.

Committees can meet in person, *via* videoconference, or through other means of telecommunication that make it possible for their members to be identified.

For the Committee's meetings to be quorate, at least half of Committee members must be present or deemed to be present. A Committee member can be represented only by another member of the same Committee.

The Committees' working language is English.

At the end of each of its meetings, conclusions, proposals, opinions and/or recommendations of each of the five Committees are recorded in a report written in English that is communicated to the members of the Committee in question.

Each Committee Chairperson (or member of the Committee appointed for that purpose) reports on the Committee's work to the Board of Directors along with the Committee's opinions and/or recommendations.

This enables our Board of Directors to discuss and deliberate with appropriate information on those topics.

4.1.4.2 The Strategic Committee

A. Tasks

The Strategic Committee's tasks are as follows:

- to assist our Board of Directors in determining and regularly reviewing our Company's and Group's strategy;
- and to this end, analyze our Group's situation and growth areas in order to submit proposals to the Board of Directors on our Group's strategy; and
- through its analysis and discussions, clarify our Group's strategic objectives and assess the justifications and consequences of the most important strategic decisions submitted to our Board of Directors.

B. Activity during the 2019-2020 fiscal year

In accordance with the internal regulation of our Board of Directors, the Strategic Committee meets at least twice a year.

During the 2019-2020 fiscal year, it met three times with an attendance rate of 100%.

The issues on the agenda included:

- the measures to be put in place to deal with the Covid-19 public health crisis in order to guarantee the health of our employees and the continuation of our business;
- the acquisition of 100% of the shares of EpiGaN n.v., completed on May 13, 2019, after closing, for €34 million, with an earn-out based on the achievement of targets; and
- and more generally, all subjects related to our Group's business and its strategy for the next five years.

4.1.4.3 The Audit and Risks Committee

A. Tasks

The Audit and Risks Committee helps our Board of Directors to ensure the accuracy and fairness of our statutory and consolidated financial statements and the quality of the information provided.

In accordance with Article L. 823-19 of the French Commercial Code and the AFEP-MEDEF Code, the Board of Directors entrusts it with the task:

- concerning the financial statements and financial information:
  - to monitor the quality of the procedures for preparing the financial information and ensure that their implementation is followed-up,
  - to examine the annual financial statements before they are approved by our Board of Directors,
  - to ensure the relevance of accounting methods used and examine changes in accounting principles and rules used in preparing the financial statements, and preventing any breach of these rules,
  - to monitor any changes in the scope of consolidated companies and receive, if any, all necessary explanations,
  - to examine the intermediate and preliminary results as well as the accompanying comments before publication,
  - to ensure the quality of procedures in place, ensuring compliance with stock market regulations,
  - to be informed of the financial strategy and the terms and conditions of our Group's main financial transactions;
- concerning our Company's external audit:
  - to regularly communicate with our statutory auditors,
  - to steer our statutory auditors' selection procedure and submit the results of this selection to the Board of Directors,
  - each year, to assess the amount of the statutory auditors' compensation for conducting statutory audits,
  - to ensure the independence of our statutory auditors,
  - to monitor the application of the rules governing use of our statutory auditors for non-audit services,
  - each year, to examine with the statutory auditors their audit schedules, conclusions and recommendations, and any follow-up;
- concerning our Company's internal control:
  - to assess our Group's internal control systems,
  - to examine, with those responsible for internal control, their action plans and conclusions of such action plans, recommendations and follow-up,
  - to examine and formulate recommendations concerning annual capital expenditure,
  - to examine and formulate recommendations concerning exceptional capital expenditure that is not included in the annual capital expenditure;
- concerning risks:
  - to regularly review our Company's main financial risks and material off-balance-sheet commitments,
  - to give its opinion on the organization of internal control and be informed of this department's work schedule, and
  - to examine the relevance of the risk analysis and monitoring procedures, by ensuring that an identification, quantification and prevention process for the main risks generated by our Group's activities is in place. In this respect, it examines our risk mapping several times each year.

Focus on our Audit and Risks Committee charter

On November 29, 2017, our Board of Directors approved a charter for the Audit and Risks Committee.

Since that date, it can be found in the appendix to the Board of Directors' internal regulation.

In the absence of any legally-imposed procedure, the Audit and Risks Committee has set up a procedure allowing it to meet its obligations pursuant to Article L. 822-11-2 of the French Commercial Code on the approval of non-audit services ("SACC") that may be provided by our statutory auditors or their networks.

Under the terms of said charter, each year, the Audit and Risks Committee reviews and pre-approves the list of authorized SACC and the list of prohibited services. If needed, these lists may be reviewed and amended by the Audit and Risks Committee at any time.

The duration of any pre-approval is twelve months, unless decided otherwise by the Audit and Risks Committee.

The appendices of the said charter present:

- account certification services that do not require the prior approval of the Audit and Risks Committee other than that required for the audit fees budget;
- the legally-required SACC, whose implementation is imposed by the law or a regulation, which do not require the prior approval of the Audit and Risks Committee;
- the SACC that are not prohibited, as they benefit from prior approval according to the type of task. This prior approval according to type is adapted for services usually provided by our statutory auditors, for which an independence analysis has already been carried out, and which do not present risks for the independence of our statutory auditors;
- the non-prohibited SACC, for which individual approval is required; and
- those tasks which our statutory auditors and their network are prohibited from carrying out.

B. Activity during the 2019-2020 fiscal year

The Audit and Risks Committee meets at least four times per year. During the 2019-2020 fiscal year, the Audit and Risks Committee met seven times, with an attendance rate of 89.42%.

For the purposes of carrying out its mission, the Committee had the opportunity for regular, independent discussions with our statutory auditors.

At each closing of the annual and half-yearly statutory and consolidated financial statements, the Audit and Risks Committee verified the closing process and read our statutory auditors' report.

The Committee also examined the off-balance-sheet commitments, the accounting options retained for establishing provisions, as well as our risk mapping.

It also reviewed the terms of each of the financial press releases and financial reports published during the 2019-2020 fiscal year, as well as the financial, accounting and economic items submitted for approval to the last Shareholders' General Meeting of July 26, 2019.

The Committee also examined the report by our Chairman of the Board of Directors on corporate governance drafted for the fiscal year ended March 31, 2019, in accordance with the provisions of Article L. 225-37 of the French Commercial Code.

The Committee also took part in the continued work on our Group's compliance with the provisions of law no. 2016-1691 of December 9, 2016 (the "Sapin II" law). Thus, it enabled the Board to ensure that a system to prevent and detect corruption and influence peddling has been set up within our Group. Within this context, our Code of Good Conduct was updated in October 2018.

In addition to its recurrent annual work, the Audit and Risks Committee worked on the following main topics:

- the completion of work aimed at continuing to ensure that our Group remains compliant with the provisions of law 2016-1691 of December 9, 2016 known as "Sapin II" and the implementation of measures aimed at preventing and detecting corruption and influence peddling within our Group;
- the assessment of the Belgian company EpiGaN n.v., acquired by Soitec on May 13, 2019 (which was renamed Soitec Belgium n.v. in July 2020);
- the valuation of the assets of the solar power plant installed in Touwsrivier in view of its restructuring;
- the revision of the ratio applicable to the class 1 preferred shares allocated on a contingent basis in 2016 as part of the MIP plan; and
- implementation of a €200 million long-term loan agreed with Banque des Territoires, pursuant to the Programme d'investissements d'avenir (PIA) program as part of the Nano 2022 plan.

4.1.4.4 The Nomination and Governance Committee

A. Tasks

The Nomination and Governance Committee is charged by our Board of Directors with:

- implementing a procedure to select our future independent directors;
- formulating proposals on the selection of our new directors, their co-option, appointment or reappointment;
- preparing, nearing the expiry of their terms of office, recommendations for the succession of our corporate officers; it must also prepare a replacement plan in the event of unforeseeable vacancy;
- being informed prior to the arrival or departure of any member of our Executive Committee; and
- considering questions related to the effective development of good governance of the Company (*e.g.* annual assessment of the Board of Directors, independence of the Board of Directors and Committees, desirable functioning of the Board of Directors and Committees, balance of powers, corporate social responsibility, ethics, transparency, diversity) and make recommendations to the Board of Directors in this regard.

B. Activity during the 2019-2020 fiscal year

In accordance with the internal regulation of our Board of Directors, the Nomination and Governance Committee meets at least once a year, prior to the approval of the agenda of the Shareholders' General Meeting, to examine the draft resolutions that will be submitted to our shareholders for approval and which concern the terms of office of the members of our Board of Directors.

Between April 1, 2019 and March 31, 2020, the Nomination and Governance Committee met seven times, with an attendance rate of 78.24%.

In addition to its recurrent annual work, the Nomination and Governance Committee worked on the following main topics:

- the revision of the internal regulation of our Board of Directors;
- the implementation of a study regarding the independence of members of our Board of Directors, for which a specialist external firm was retained;
- the review of the IT Department's back-up plan by Cyril Menon, responsible for Industrial Operations;
- the re-organization of the Committees' structure following the appointment of Shuo Zhang and Françoise Chombar as independent directors, as replacement for Monica Beltrametti and Nadine Foulon-Belkacémi respectively;
- the reappointments of directors whose appointments expired at the close of the Shareholders' General Meeting of July 26, 2019;
- the review of the succession plan of the Chief Executive Officer; and
- the follow-up on regulatory updates, in particular the adoption of the PACTE law.

4.1.4.5 The Compensation Committee

A. Tasks

The Compensation Committee is entrusted by our Board of Directors:

- to make recommendations concerning:
  - (i) the compensation of the Chairman of our Board of Directors, our Chief Executive Officer and our directors, and
  - (ii) the allocations of securities giving access to the share capital of our Company, for free and/or against payment, for the benefit of our corporate officers and/or employees of our Group;
- to be informed of the policy of compensation of the primary non-corporate officers. On this particular occasion, the Compensation Committee shall enlist the corporate officers.

B. Activity during the 2019-2020 fiscal year

In accordance with the internal regulations of our Board of Directors, the Compensation Committee meets at least once a year, prior to the approval of the agenda of the Shareholders' General Meeting, to examine the draft resolutions that will be submitted to our shareholders for approval and which concern the setting of the compensation of the Chairman of our Board of Directors and our Chief Executive Officer (*ex-ante* and *ex-post* Say-on-pay).

During the fiscal year ended March 31, 2020, the Compensation Committee met seven times with an attendance rate of 65.95%.

In addition to its recurrent annual work, the Compensation Committee worked on the following main topics:

- the vesting of the ordinary shares allocated in 2018 in the context of the PAT no. 1 and no. 2 plans;
- the vesting and conversion of the PS 1 allocated in 2016 as part of the MIP plan;
- the review of a long-term joint investment program, in favor of certain employees and corporate officers of our Group, put in place on December 18, 2019 in the form of two free share allocation plans of PS 2 and one reserved issue of PS 2; and
- the review of two free ordinary share allocation plans put in place on December 18, 2019 and on March 25, 2020.

The mandate of Monica Beltrametti (independent) expired on July 26, 2019 and she was not replaced. Nadine Foulon-Belkacemi's term of mandate also ended on July 26, 2019 and she was replaced by Éric Meurice as Chairman of the Compensation committee.

4.1.4.6 Restricted Strategic Matters Committee

A. Tasks

The Restricted Strategic Matters Committee's responsibility is to report on any planned transfer (whether by sale, license or by any other means) or any other joint venture project involving Smart Cut™, and to issue recommendations to the Board of Directors accordingly.

B. Activity during the 2019-2020 fiscal year

Since April 1, 2019, the Restricted Strategic Matters Committee met twice, with an attendance rate of 100%.

4.1.5 CODE OF CORPORATE GOVERNANCE

Our Company has adopted the AFEP-MEDEF Code of Corporate Governance for publicly listed companies, as amended in January 2020 (the "**AFEP-MEDEF Code**") as its corporate governance reference framework.

This Code may be consulted at the following site www.afep.com, using this link:

https://afep.com/wp-content/uploads/2020/01/Code-Afep_Medef-révision-janvier-2020_-002.pdf

As of the date this report on corporate governance was approved, the following recommendations of the AFEP-MEDEF Code were not applied by our Company:

Recommendation by AFEP-MEDEF	Company's position and justification
Recommendation relating to the proportion of independent directors on the Board of Directors (section 9.3): The proportion of independent directors should amount to half of the members of the Board of Directors in widely held companies without controlling shareholders.	Following the departure of Éric Meurice, our Chairman, from NXP Semiconductors N.V, one of our main customers, in May 2019 the number of independent directors on our Board rose to four out of a total of 12 members. Our Board of Directors, on the basis of the annual assessment of the independence of its members carried out by our Appointments Committee based on the study carried out by Egon Zehnder, an independent firm specialized in corporate governance, noted at its meeting of June 10, 2020 that Christophe Gegout, who had been appointed director on the proposal of CEA Investissement, could henceforth qualify as an independent director (see sections 4.1.2.5 *Independence and 4.1.3.2 Assessment of our Board of Directors*). Thus, our independent directors, five out of 12, now represent 41.67%, compared to 33.33% at the filing date of the 2018-2019 Reference Document and 25% as of March 31, 2019. Bearing in mind that there is more to a well-composed Board of Directors than its share of independent members, our Company first and foremost seeks directors of integrity who are honest, competent, active, regularly attending and engaged, qualities (as set out in section 9.1 of the AFEP-MEDEF Code). That said, we are aware of the merits of a significant proportion of independent directors, and our Company every effort to increase the proportion of independent directors on its Board. To this end, since the beginning of the 2016-2017 fiscal year, it has focused its search for future directors on candidates qualifying for independent status, while respecting the appropriate balance of its composition, notably in terms of skills and diversity, as well as the provisions relative to the composition of our Board of Directors set out in our Company's Shareholders' Agreement.
Recommendation relating to the meetings of the Board of Directors (section 11.3): It is recommended that a meeting be set up each year without the executive corporate officers in attendance.	While no Board meetings were officially organized without the presence of our Chief Executive Officer during the fiscal year, our non-executive directors nevertheless met among themselves on several occasions following Board and Committee meetings held in person, without the executive corporate officers being in attendance on sensitive topics assessed by non executive directors. Our Board members therefore meet regularly without the presence of corporate officers though these meetings are not official meetings for which minutes are taken.
Recommendation relating to term of office of directors (section 14.2): Terms are staggered in order to avoid all-at-once renewal of the Board and to ensure that the reappointment process operates smoothly.	Ten directors were reappointed at the end of the Shareholders' General Meeting of July 26, 2019. The expiry of these directorships coincides because of the following 3 events, which all occurred during the same fiscal year (2016-2017): • the need to appoint more women to our Board of Directors resulted in the appointment of 3 new women directors on April 11, 2016; • the signature of our Company's Shareholders' Agreement (as amended on April 29, 2016) resulted in the appointment of four new directors on May 2, 2016; • the shortening of our directors' term of office from four to three years, which was approved on July 25, 2016, resulted in the end of the term of one director and that person's renewal on the same date. Since this year, the Nomination and Governance Committee is tasked with identifying relevant options related to the changing composition of our Board of Directors and the introduction of a better process to stagger directors' terms in order to comply with the AFEP-MEDEF code.

Recommendation by AFEP-MEDEF	Company's position and justification
Recommendation relating to the composition of the Nomination Committee (section 17.1) The Nomination Committee should consist of a majority of independent directors.	The number of independent directors on our Company's Nomination and Governance Committee is not greater than half the total number of members since they are 3 out of 7 (the independence ratio is therefore 42.85%). However, the Board considers this composition satisfactory in light of the necessary presence of the directors representing our Company's majority shareholders and the global appreciation of collective independence considering the high diversity of gender, nationality and seniority among the directors of this Committee as well as their complementary skills. Furthermore, our Company believes that both the quality and experience of the independent members composing the Nomination and Governance Committee as well as the fact that the Chair of this Committee is one of them ensure open debate, proper functioning and efficiency of the Committee.
Recommendation relating to the composition of the Compensation Committee (section 18.1): The majority of directors serving on the Compensation Committee must be independent.	Our independent directors on the Compensation Committee do not constitute a majority but are equal in number to directors who are not independent. With three independent directors out of a total of six members, their share is 50%. The Compensation Committee has a balanced composition that also fulfills the stipulations of the Shareholders' Agreement which does not allow currently, and until the end of the fiscal year ending March 31, 2021; compliance with the requirements of the AFEP-MEDEF code. Moreover, the Compensation Committee is chaired by Éric Meurice, who is an independent director. Finally, the Board believes that both the quality and experience of independent members ensure open debate and that the current composition does not undermine the proper functioning of the Committee.
Recommendation relating to director ethics (section 20): In the absence of legal provisions to the contrary, a director must personally own shares, in accordance with the stipulations of the by-laws or internal regulation, and own a minimum number of shares that is significant with regard to directors' fees.	Article 1 d) of our Board of Directors' internal regulation stipulates in particular that "*In accordance with Article 13 of our Company bylaws, directors are not obliged to hold shares in our Company. However, in order to comply with section 19 of the Corporate Governance Code, in the absence of legal provisions to the contrary, the directors (whether they be natural persons or permanent representatives of legal entities) will ensure that they are shareholders of our Company in their personal capacity and have a minimum number of shares that is significant in relation to the directors' fees allocated. One hundred (100) registered shares are considered a significant number of shares. directors are prohibited from transferring these shares during their term of office*". Nevertheless, the legal and regulatory provisions relating to securities transactions carried out by the corporate officers of listed companies as well as those relating to the prevention of insider transactions make the purchase of shares by directors a complex operation. To date, seven out of 12 directors are shareholders of our Company, compared to four directors out of 12 previously.
Recommendation relating to director ethics (section 20): Directors regularly attend and participate in all meetings of the Board and meetings of any committees to which they may belong; they also attend Shareholders' General Meetings.	The average attendance rate for the Board of Directors is 79.17%, for a total of 9 meetings during the financial year 2019-2020. It reaches 88.17% for Committee attendance, for a total of 26 meetings during the fiscal year ending March 31, 2020. The average attendance rate for all 35 Board and Committees meetings was thus 83.44%. Our directors systematically make their best efforts to be able to participate either in person or via conference call in as many Board and Committee meetings as possible, or ensure they are represented if they cannot attend. Nevertheless, distance and time differences between where they live/work and our headquarters in France, as well as their other respective duties, sometimes make attendance difficult. Furthermore, the high number of Board and Committees meetings in the 2019-2020 fiscal year made it more difficult for our directors to attend every meeting to which they had been invited. Besides, in accordance with the rules of good governance set out in section 20 of the AFEP-MEDEF Code and cited in our Board of Directors' internal regulation, in the event of a real or potential conflict of interest, the director concerned must refrain from attending any discussions or taking part in any decisions on the matter at hand and has no access to documents relating to it. In such cases, the director concerned is considered absent from the meeting held on the subject. With regards to the attendance of our directors at Shareholders' General Meetings, nine out of the 12 Board members attended the last Shareholders' General Meeting of July 26, 2019.
Recommendation relating to the termination of the employment contract upon appointment as corporate officer (section 22.1): It is recommended that when an employee of our Company or a company within our Group becomes a corporate officer of the firm, his/her employment contract be terminated either through contractual termination or by resignation.	Our Board determined that in the case of our Chief Executive Officer, Paul Boudre, his seniority at the time of appointment justified him retaining his employment contract; this contract was established prior to his taking up his duties as Chief Operating Officer and then Chief Executive Officer. Paul Boudre has undertaken to resign from his functions in respect of his employment contract and thus to terminate such employment contract subject to the compensation policy being approved by the shareholders at the Shareholders General Meeting to be held on September 23, 2020 and implemented by the Board of directors.
Recommendation relating to the obligation of corporate officers to own shares (section 23): The Board of Directors sets a minimum number of shares that corporate officers must own in registered form up until the end of their duties	Our Board of Directors has not set a minimum number of shares that our Chairman must hold in registered form until the end of his duties. However, our Board of Directors' internal regulation provides that all our directors – and especially our Chairman – must hold a significant number of our Company shares, namely 100, in registered form. With respect to our Chief Executive Officer, pursuant to Article L. 225-197-1 of the French Commercial Code, our Board of Directors decided that 10% of the ordinary shares that may be allocated to Paul Boudre should he fulfill the conditions set out in the free preferred shares allocation plan implemented by the Board of Directors on July 26, 2016 must be held in registered form until the end of his duties as Chief Executive Officer of our Company. Besides, Paul Boudre currently holds 41,100 Company shares, which are in majority deriving from free shares allocated in a context where our Board systematically required that 10% of vested shares be held and kept.
Recommendation relating to the conclusion of a non-competition agreement with corporate officers (section 24.1): The purpose of the conclusion of a non-competition agreement is to restrict the freedom of a corporate officer to work for a competitor.	No non-competition agreement has been concluded with Paul Boudre since he has become a corporate officer of our Company. His employment contract, which has not been terminated despite the existence of his corporate duties (see above), contains a non-competition clause.
Recommendation relating to the use of the regulated agreements procedure for non-competition agreements (section 24.2): It is recommended that the procedure for regulated agreements be applied to non-competition agreements	The payment of indemnities resulting from non-competition agreements is included in the Say-on-Pay procedure and is subject to the shareholders' approval. Indeed, the use of the regulated agreements procedure for such indemnities is not required by law (Art. R. 225-29-1 of the French Commercial Code).

4.1.6 CONFLICTS OF INTEREST WITHIN OUR ADMINISTRATIVE AND MANAGEMENT BODIES

4.1.6.1 Arrangement or agreement according to which a member of our administrative or management bodies has been selected to perform one of these duties

Information on our Company Shareholders' Agreement of March 7, 2016 as amended on April 29, 2016 between Bpifrance Participations, CEA Investissement and National Silicon Industry Group/NSIG Sunrise S.à.r.l. can be found in section 4.1.2.1, G of this Universal Registration Document.

The agreement covers the composition of our Board of Directors as well as the identity of the directors concerned.

4.1.6.2 Limited number of semiconductor firms in the market

Since November 29, 2017, our Board of Directors has been composed of 12 members.

Besides our Chief Executive Officer, our other 11 members were selected for their experience in the semiconductor industry or for their professional experience in other areas relevant to our Group's development.

The semiconductor industry is characterized by a small number of players. Our Group therefore has or is susceptible to have business dealings with Shin-Etsu Handotai, Global Foundries, Shanghai Simgui Technology Co. Ltd. and the French Alternative Energies and Atomic Energy Commission (CEA) at which some of our directors – Satoshi Onishi, Jeffrey Wang, Kai Seikku and Christophe Gegout – hold or have held positions.

Further details can be found in our directors' biographies in section section 4.1.1.2 *Our Board of Directors* of this Universal Registration Document.

4.1.6.3 Independence

In accordance with the recommendation in section 8.4 of the AFEP-MEDEF Code, our Board of Directors assesses and reviews the circumstances of each director on an annual basis, especially with regard to the independence criteria set out in the Code. In so doing, it draws on the work and recommendation of the Nomination and Governance Committee.

The Board's conclusions in this regard at its meeting of June 10, 2020 for the 2019-2020 fiscal year are presented in section 4.1.2.5 *Independence* of this Universal Registration Document.

4.1.6.4 Preventing conflicts of interest in general

In accordance with the provisions of our Board of Directors' internal regulation, our directors must do their best efforts to avoid any situation that would cause a conflict of their moral or material interests with the interests of our Group.

Every director is also obligated to notify our Board of Directors of any situation involving a direct, indirect or even potential conflict of interests.

In such cases, the director concerned must refrain from attending any discussions or taking part in any decisions on the matter at hand and has no access to documents relating to it.

However, the director thus excluded may state his/her views before leaving the discussions.

The internal regulation of our Board of Directors contains a strengthened confidentiality obligation applicable to the five directors representing our three strategic investors, Bpifrance Participations, CEA Investissement and NSIG Sunrise S.à.r.l.

The latter are prohibited from having access to documentation and taking part in the discussions of the Board of Directors or Committees concerning:

- decisions involving a situation of conflict of interest, even a potential conflict;
- sensitive information relating to Smart Cut™ technology which could present an interest for the third-party entities in which they may be an investor and/or represented within any governance body of the said third-party entities.

4.1.6.5 Related parties

Please see note 3.5.3 Related party disclosures to the 2019-2020 consolidated financial statements featured in section 6.2.1.2 *Notes to the consolidated financial statements as of March 31, 2020* of this Universal Registration Document. This sets out the principal transactions entered into with our related parties during the course of the two previous fiscal years ended March 31, 2019 and March 31, 2020.

4.1.6.6 Procedure for reviewing agreements covering current transactions agreed under normal terms and conditions

In accordance with Article L. 225-39, paragraph 2 of the French Commercial Code following its modification by France's law no. 2019-486 of May 22, 2019 known as the PACTE law, at a meeting held on June 10, 2020, following discussions with our statutory auditors, the Board of Directors adopted a procedure for the review of day-to-day agreements entered into under ordinary terms and conditions.

This procedure is designed to provide certain details regarding the methodology used by the Group to regularly assess whether agreements relating to day-to-day activities entered into under ordinary terms and conditions (or "unrestricted agreements") are indeed compliant with this definition.

Our review procedure for such unrestricted agreements takes into consideration the Guide published by the French national auditing body (*Compagnie nationale des commissaires aux comptes*) on regulated and day-to-day agreements dated February 2014.

A. *Ex-ante* verification of unrestricted agreements

Our Legal Department must be informed immediately and in advance of the execution of any draft agreement by any one of the following individuals liable to have a direct or indirect interest in any agreement executed with a Group entity: the Chief Executive Officer, a Deputy Chief Executive Officer, a director, any shareholder holding more than 10% of the voting rights or, if a company, its controlling company as defined by Article L. 233-3 of the French Commercial Code ("related persons").

This information is required including when the agreement is liable to constitute an unrestricted agreement not subject to the procedure applicable to regulated agreements.

Further to this initial notice, any draft unrestricted agreement liable to be executed with related persons that has been identified is reviewed by our Legal Department.

If, upon completion of its assessment, the Legal Department considers that the agreement is liable to be considered as a regulated agreement, the corresponding procedure shall be carried out under the supervision of the Board of Directors and said agreement must receive prior authorization from the Board of Directors in accordance with the bylaws of our Company, with the internal regulation of the Board of Directors, and, more generally, with the provisions of Article L. 225-38 of the French Commercial Code.

B. *Ex-post* verification of unrestricted agreements

An overview of all unrestricted agreements executed with related persons is provided by the Chief Financial Officier to the Soitec Disclosure Committeee over the course of the previous half-year. The overview by Soitec Disclosure Committee is submitted to the Audit and Risks Committeee.

Each year, the Audit and Risks Committee informs our Board of Directors on all unrestricted agreements with related persons executed during the previous tax year.

Related persons are not involved at any stage of the process in this possible reclassification.

Our Board of Directors reviews annually this process in compliance with laws and regulations. It may be updated, if necessary, to take into account any legislative or regulatory changes as well as the evolution of best practices in this area.

4.1.6.7 Rules on regulated agreements

In accordance with Article L. 225-40 of the French Commercial Code, every director must inform our Board of Directors immediately upon knowing of any agreement covered by Article L. 225-38 of the French Commercial Code.

In such cases, directors must abstain from our Board of Directors' vote to authorize the signing of such an agreement.

The Chairman of our Board of Directors informs our statutory auditors about any agreements authorized and concluded and submits them to our Shareholders' General Meeting for approval. Our statutory auditors then present a special report on these agreements to our shareholders for their approval.

The directors concerned may not take part in the vote on the resolution put to the Shareholders' General Meeting and their shares are not taken into account to calculate *quorum* and majority.

Pursuant to Article L. 225-40 of the French Commercial Code, regulated agreements concluded during the 2019-2020 fiscal year as well as those still in force are described in the statutory auditors' special report on regulated agreements and commitments, This can be found in section 8.4 *Special report from the statutory auditors on related-party agreements and commitments* of this Universal Registration Document.

A. Regulated agreements and commitments entered into during the fiscal year ended March 31, 2020

No regulated agreements were entered into during the 2019-2020 fiscal year.

B. Regulated agreements and commitments previously entered that continued during the fiscal year ended March 31, 2020

1. With the French Alternative Energies and Atomic Energy Commission (*Commissariat à l'énergie atomique et aux énergies alternatives* – CEA)

On July 27, 2018, with the authorization of our Board of Directors on December 14, 2017, our Company signed a new multi-year framework R&D partnership agreement with CEA.

Its purpose is to set the modalities of execution of R&D work in collaboration between the CEA and our Company.

It has been entered into retroactively from January 1, 2018 and for five-year term, *i.e.* until December 31, 2022.

Pursuant to the agreement, the CEA invoiced our Company €7,344,000 during the fiscal year ended March 31, 2020.

The persons concerned by this agreement include:

Identity	Reason	Applicable article of the French Commercial Code
CEA	• Company controlling one of the shareholders of our Company, holding more than 10% of the voting rights (in this case, CEA Investissement)	L. 225-38 paragraph 1
CEA Investissement	• Director of our Company, appointed on the proposal of the CEA • Shareholder of our Company holding more than 10% of the voting rights, controlled by the CEA	L. 225-38 paragraph 2
Christophe Gegout	• Director of our Company, appointed on the proposal of the CEA • Deputy Managing Director of CEA (until October 2018)	L. 225-38 subparagraphs 2 and 3

2. With the French Alternative Energies and Atomic Energy Commission (CEA)

On July 27, 2018, with the authorization of our Board of Directors on December 14, 2017, our Company signed a patent and know-how communication licensing agreement with the CEA for the production and sale of substrates.

Its purpose is to set the terms for use of the patents and know-how.

It was signed with a retroactive effect on January 1, 2017 and will expire at the latest on December 31, 2027 or the date of expiry of the last patent or the last know-how under this agreement.

Pursuant to the agreement, the CEA invoiced our Company €4,959,572.75 during the fiscal year ended March 31, 2020.

The persons concerned by this agreement include:

Identity	Reason	Applicable article of the French Commercial Code
CEA	• Company controlling one of the shareholders of our Company, holding more than 10% of the voting rights (in this case, CEA Investissement)	L. 225-38 paragraph 1
CEA Investissement	• Director of our Company, appointed on the proposal of the CEA • Shareholder of our Company holding more than 10% of the voting rights, controlled by the CEA	L. 225-38 paragraph 2
Christophe Gegout	• Director of our Company, appointed on the proposal of the CEA • Deputy Managing Director of CEA (until October 2018)	L. 225-38 subparagraphs 2 and 3

3. With Shanghai Simgui Technology Co. Ltd. (Simgui)

On January 17, 2019, with the authorization of our Board of Directors on November 28, 2018, our Company signed an Amended and restated license and technology transfer agreement with Simgui.

Its purpose is to allow Simgui, as part of an increase in production capacity for 200-mm SOI wafers to produce in China and sell these products exclusively to our Company for the global market using our Smart Cut™ technology.

It has been entered into retroactively from December 27, 2018, and for a six-year term, *i.e.* until December 26, 2024.

Pursuant to the agreement, our Company did not invoice Simgui during the fiscal year ended March 31, 2020.The persons concerned by this agreement include:

Identity	Reason	Applicable article of the French Commercial Code
National Silicon Industry Group (NSIG)	• Group controlling one of the shareholders of our Company, holding more than 10% of the voting rights (in this case, NSIG Sunrise S.à.r.l.) and Simgui	L. 225-38 paragraph 2
Qingyu (Jeffrey) Wang	• Director of our Company, appointed on the proposal of the NSIG • Chief Executive Officer and Director of Simgui • Executive Vice-President of NSIG controlling NSIG Sunrise S.à.r.l. and Simgui	L. 225-38 paragraph 2
Kai Seikku	• Director of our Company, appointed on the proposal of NSIG • Executive Vice-President at NSIG controlling NSIG Sunrise S.à.r.l. and Simgui	L. 225-38 paragraph 2
Weidong (Leo) Ren	• Director of our Company, appointed on the proposal of NSIG (until May 7, 2019) • Executive at NSIG (until March 2019) controlling NSIG Sunrise S.à.r.l. and Simgui	L. 225-38 paragraph 2

4. With Shanghai Simgui Technology Co. Ltd. (Simgui)

On January 17, 2019, with the authorization of our Board of Directors on November 28, 2018, our Company signed an Amended and restated SOI supply agreement with Simgui for the supply of SOI wafers.

Its purpose is the supply of SOI wafers manufactured by Simgui to our Company in accordance with the terms of the licensing and technology transfer agreement indicated in paragraph 3 above.

It has been entered into retroactively from December 27, 2018, and for six-year term, *i.e.* until December 26, 2024.

Pursuant to the agreement, Simgui invoiced our Company $45,505,546.80 during the fiscal year ended March 31, 2020.

The persons concerned by this agreement include:

Identity	Reason	Applicable article of the French Commercial Code
National Silicon Industry Group (NSIG)	• Group controlling one of the shareholders of our Company, holding more than 10% of the voting rights (in this case, NSIG Sunrise S.à.r.l.) and Simgui	L. 225-38 paragraph 2
Qingyu (Jeffrey) Wang	• Director of our Company, appointed on the proposal of the NSIG • Chief Executive Officer and Director of Simgui • Executive Vice-President of NSIG controlling NSIG Sunrise S.à.r.l. and Simgui	L. 225-38 paragraph 2
Kai Seikku	• Director of our Company, appointed on the proposal of NSIG • Executive Vice-President at NSIG controlling NSIG Sunrise S.à.r.l. and Simgui	L. 225-38 paragraph 2
Weidong (Leo) Ren	• Director of our Company, appointed on the proposal of NSIG (until May 7, 2019) • Executive at NSIG (until March 2019) controlling NSIG Sunrise S.à.r.l. and Simgui	L. 225-38 paragraph 2

5. With Shanghai Simgui Technology Co. Ltd. (Simgui)

On January 17, 2019, with the authorization of our Board of Directors on November 28, 2018, our Company signed an "Amended and restated bulk supply agreement" with Simgui for the supply of raw materials.

Its purpose is the supply of raw materials for the production of SOI wafers by our Company to Simgui in accordance with the terms of the licensing and technology transfer agreement indicated in paragraph 3 above.

It has been entered into retroactively from December 27, 2018, and for six-year term, *i.e.* until December 26, 2024.

Pursuant to the agreement, our Company invoiced Simgui 19,060,494.90 during the fiscal year ended March 31, 2020.

The persons concerned by this agreement include:

Identity	Reason	Applicable article of the French Commercial Code
National Silicon Industry Group (NSIG)	• Group controlling one of the shareholders of our Company, holding more than 10% of the voting rights (in this case, NSIG Sunrise S.à.r.l.) and Simgui	L. 225-38 paragraph 2
Qingyu (Jeffrey) Wang	• Director of our Company, appointed on the proposal of the NSIG • Chief Executive Officer and Director of Simgui • Executive Vice-President of NSIG controlling NSIG Sunrise S.à.r.l. and Simgui	L. 225-38 paragraph 2
Kai Seikku	• Director of our Company, appointed on the proposal of NSIG • Executive Vice-President at NSIG controlling NSIG Sunrise S.à.r.l. and Simgui	L. 225-38 paragraph 2
Weidong (Leo) Ren	• Director of our Company, appointed on the proposal of NSIG (until May 7, 2019) • Executive at NSIG (until March 2019) controlling NSIG Sunrise S.à.r.l. and Simgui	L. 225-38 paragraph 2

6. With the companies Bpifrance Participations, CEA Investissement and NSIG Sunrise S.à.r.l.

The execution of the Shareholders' Agreement dated March 7, 2016 as amended by the amendment dated April 29, 2016, signed between our Company and its three strategic investors, Bpifrance Participations, CEA Investissement and National Silicon Industry Group/NSIG Sunrise S.à.r.l., previously authorized by the Board of Directors on March 3, 2016, continued throughout the fiscal year ended March 31, 2020.

Our three major shareholders effectively retained their respective equity interests in our Company throughout the fiscal year.

This shareholders agreement primarily relates to the organization of our Company's corporate governance.

Those impacted by the shareholder agreement are:

Identity	Reason	Applicable article of the French Commercial Code
Bpifrance Participations	• Shareholder of our Company holding more than 10% of the voting rights • Director of our Company	L. 225-38 paragraph 1
Thierry Sommelet	• Director of our Company, appointed on the proposal of Bpifrance	L. 225-38 paragraph 2
CEA Investissement	• Shareholder of our Company holding more than 10% of the voting rights • Director of our Company	L. 225-38 paragraph 1
Christophe Gegout	• Director of our Company, appointed on the proposal of the CEA • Deputy Managing Director of CEA (until October 2018) • Chairman of the Board of Directors of CEA Investissement (until October 2018)	L. 225-38 paragraph 2
NSIG Sunrise S.à.r.l.	• Shareholder of our Company holding more than 10% of the voting rights	L. 225-38 paragraph 1
Qingyu (Jeffrey) Wang	• Director of our Company, appointed on the proposal of NSIG • Executive Vice-President at NSIG controlling NSIG Sunrise S.à.r.l.	L. 225-38 paragraph 2
Kai Seikku	• Director of our Company, appointed on the proposal of NSIG • Executive Vice-President at NSIG controlling NSIG Sunrise S.à.r.l.	L. 225-38 paragraph 2
Weidong (Leo) Ren	• Director of our Company, appointed on the proposal of NSIG (until May 7, 2019) • Manager within NSIG controlling NSIG Sunrise S.à.r.l. (until March 2019)	L. 225-38 paragraph 2

4.1.6.8 Related-party agreements between our corporate officers and/or shareholders with over 10% of voting rights and one of our subsidiaries

In accordance with Article L. 225-37-4, 2° of the French Commercial Code, please note that during the fiscal year ended March 31, 2020, there were no agreements on non-current transactions or concluded under abnormal conditions, either directly or by way of an intermediary, between any of our corporate officers or shareholders with more than 10% of our voting rights and one of our subsidiaries.

As a reminder, the agreements mentioned below concluded or renewed by our Company during the 2019-2020 fiscal year resulted in monetary flows to or from our subsidiaries. Their amounts are set out in note 3.5.3 "Related party disclosures" to the 2019-2020 consolidated financial statements in section 6.2.1.2 *Notes to the consolidated financial statements as of March 31, 2020* of this Universal Registration Document.

4.1.6.9 Service agreement disclosures

There are no service agreements granting future benefits between the members of our administrative or management bodies and our Company or any of our subsidiaries.

4.1.7 ETHICS

4.1.7.1 Duty of our directors

A. Representing our shareholders

The internal regulation of our Board of Directors stipulates that the latter collectively represents all of our shareholders and must act, in all circumstances, in our Company's interest.

Our directors, regardless of their mode of appointment or the functions that they may exercise elsewhere, must act as such with diligence.

B. Knowledge of their obligations by our directors

Our directors are required to acknowledge the general and specific obligations related to their functions. They must in particular know and comply with the applicable legal and regulatory provisions, as well as the rules specific to our Company resulting from our bylaws, internal regulations and Code of Good Conduct.

Our directors must also strive to comply with the recommendations of the AFEP-MEDEF Code.

C. Involvement of our directors

Under the terms of the Board's Internal Regulations, our directors commit to give the necessary time and attention to their duties.

They commit to regularly attend and participate in all meetings of the Board of Directors and meetings of any Committees to which they belong.

They must also attend Shareholders' General Meetings.

The terms for setting and distributing directors' fees adopted by our Board of Directors are stricter than the recommendations of the AFEP-MEDEF Code according to which the effective participation of Directors must account for a major share of their variable compensation. The total amount of Directors' fees allocated to our directors in respect of the fiscal year ended March 31, 2020 was weighted by their respective attendance rates during the year under consideration.

D. Confidentiality commitment

In accordance with Article L. 225-37 of the French Commercial Code, our directors, as well as any other natural persons invited to attend meetings of the Board and/or Committees, are bound to discretion concerning all confidential information which is identified as such by the Chairman of the meeting.

Beyond this simple legal discretion obligation, they are bound by a true confidentiality obligation with regard to the information, discussions and exchanges resulting from the meetings of our Board of Directors or its Committees.

In the case of a proven breach of confidentiality by one of our directors or any other person that attends meetings of our Board of Directors and/or its Committees, the Chairman of the Board of Directors is responsible for considering the consequences, which may be legal, regarding this breach.

4.1.7.2 Multiple offices

Our Company applies the provisions of Article L. 225-21 of the French Commercial Code relating to the number of offices held.

Throughout the year ended March 31, 2020 and to date, no member of the Board of Directors has held more than 5 directorships in joint stock-corporations having their registered office in France.

The Company also complies with the recommendation in section 19 of the AFEP-MEDEF Code, which requires that:

- *"An executive corporate officer shall not hold more than 2 other directorships in listed corporations, including foreign corporations, not affiliated with his or her group. He or she must also seek the opinion of the Board before accepting a new corporate office in a listed corporation."*
- *"A director should not hold more than 4 other directorships in listed corporations, including foreign corporations, not affiliated with his or her group."*

Throughout the year ended March 31, 2020 and to date, no member of our Board of Directors held more directorships than is recommended by the AFEP-MEDEF Code.

4.1.7.3 Limitations agreed to by the members of our administrative and management bodies with respect to their stakes in our Company's share capital

A. Number of shares owned by Company directors

Pursuant to Article L. 225-25 of the French Commercial Code, Article 13 of our Company's bylaws does not require directors to own at least one Soitec share.

However, our Board of Directors' internal regulation stipulates that our directors must arrange to hold a significant number of Company shares, namely 100, in registered form. This is compliant with the recommendation in section 19 of the AFEP-MEDEF Code.

B. Conditions concerning the retention period of free shares allocated to executive corporate officers

With respect to our Chief Executive Officer, pursuant to Article L. 225-197-1 of the French Commercial Code, our Board of Directors decided that 10% of the ordinary shares that may be allocated to Paul Boudre should he fulfill the conditions set out in the free preferred shares allocation plan implemented by the Board of Directors on July 26, 2016 must be held in registered form until the end of his duties as Chief Executive Officer of our Company.

Besides, Paul Boudre currently holds 41,100 Company shares, which are in majority deriving from free shares allocated in a context where our Board systematically required that 10% of vested shares be held and kept.

C. Standstill provision of our strategic investors

Our Company Shareholders' Agreement of March 7, 2016 between our strategic investors – Bpifrance Participations, CEA Investissement and National Silicon Industry Group/NSIG Sunrise S.à.r.l. – contains a standstill clause.

At the time, NSIG Sunrise S.à.r.l. undertook not to increase its share of equity or voting rights beyond 14.5% by means of purchasing existing shares or convertible bonds (OCEANE 2018). The restriction was applicable for a period of 3 years starting the day our Company increased its share capital with preferential subscription rights maintained on June 8, 2016 (the "Standstill Period").

The standstill clause was valid as long as none of our other shareholders crossed above this threshold, directly or indirectly, alone or in concert.

NSIG Sunrise S.à.r.l. was however free to subscribe for any increase in our share capital.

The Standstill Period having expired on June 7, 2019, should NSIG Sunrise S.à.r.l cross above the aforementioned 14.5% threshold at any time between that date and June 7, 2021, it will lose its corporate governance rights. As such, the commitment by our Company and our other two strategic investors to appoint NSIG Sunrise S.à.r.l. representatives to our governing bodies would become null and void.

Following the share disposals of June 28, 2017 and July 31, 2020, our three strategic investors now owns:

- NSIG Sunrise S.à.r.l : 10.93%
- Bpifrance Participations: 10.93%
- CEA Investissements: 7.73%

More information on our Company's shareholding structure is presented in section 7.1 *Our Shareholding structure* of this Universal Registration Document.

D. Prohibition of transfers to a competitor of our Company by our strategic investors

Our three strategic investors have undertaken not to transfer, by any means whatsoever, any shares or securities issued by our Company to one of our competitors throughout the duration of our Company Shareholders' Agreement.

This ban also applies to convertible bonds issued by our Company, namely OCEANE 2018 outstanding until August 2017 and OCEANE 2023 currently outstanding.

E. Orderly transfer of shares binding on our strategic investors

Our Company Shareholders' Agreement provided for a 90-day lock-up period during which shares must be kept. This period followed the settlement of shares acquired under the capital increase with preferential subscription rights maintained of June 8, 2016.

Since the end of the lock-up period, any sale of shares held by each of our three strategic investors is subject to a requirement for orderly transfers.

Accordingly, on June 28, 2017 our three strategic investors each disposed of an equal number of 757,788 Company shares amounting to 2,273,364 shares or 7.5% of our share capital.

The transaction was carried out by way of an accelerated book building reserved for institutional investors.

Levels of share capital and voting rights held by our strategic investors

Under our Company Shareholders' Agreement, each of our three strategic investors has pledged to keep their share of our Company's voting rights at or below their stake in our share capital throughout the duration of the Standstill Period (see above).

4.1.7.4 Compliance with stock market regulations

A. Prevention of breaches and insider trading – Close periods

Pursuant to Regulation (EU) no. 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse (called "MAR Regulation"), Article 4 i) of our Board of Directors' internal regulation prohibits our directors and executive corporate officers from trading in our Company's shares during periods before releases of results and, in general, as long as they are privy to inside information.

Focus on Article 4 i) of our Board of Directors' internal regulations

Prohibited transactions are any transactions carried out, directly or indirectly, on Company shares, debt securities, derivative instruments or any other related financial instrument by directors and officers, for their own account or on behalf of a third party:

- during the 30-day period preceding the dates of publication of the Company's annual consolidated financial statements or, failing this, its annual statutory financial statements, as well as its interim financial statements (half-yearly and, where applicable, quarterly);
- during the period between the date when the Company becomes aware of inside information and the date this information is made public.

The obligation to abstain from trading for a certain period ("close period") applies when directors are privy to confidential information, including data concerning the accounting and financial position of the Company.

The AMF therefore recommends that close periods applicable to directors be of at least 30 calendar days prior to the publication of the annual or half-yearly financial statements and at least 15 calendar days before the publication of quarterly information.

Directors who are subject to these close period restrictions are authorized to trade in Company securities only on the day following the publication of the information concerned, subject to compliance with the provisions of both the MAR Regulation and the French Monetary and Financial Code relating to insider trading.

B. Disclosure of securities transactions

Persons exercising executive responsibilities, including our corporate officers, are required to disclose to the AMF, by electronic means, within three working days after their completion, the acquisitions, disposals, subscriptions or exchanges of shares in our Company.

This disclosure obligation covers more generally all transactions carried out on their own behalf in shares of our Company or debt securities issued by it, or derivative instruments, as well as transactions conducted in related financial instruments.

In accordance with Article 223-23 of the AMF's General Regulations, only transactions whose cumulative amount exceeds €20,000 per current calendar year are subject to such a declaration.

4.1.7.5 Applicable sanctions against corporate officers

To our Company's knowledge, none of our corporate officers has been convicted of fraud or been associated with a bankruptcy, sequestration or liquidation in the past five years.

Furthermore, none of our corporate officers have been formally incriminated or been subject to an official public sanction by a statutory or regulatory authority or by a professional body.

Likewise, none of our corporate officers have been barred by a court from acting as a member of the administrative, management or supervisory body of an issuer or from being part of the management or conducting of an issuer's business.

4.2 COMPENSATION

4.2.1 COMPENSATION PAID TO OUR EXECUTIVE CORPORATE OFFICERS FOR THE PAST FISCAL YEAR 2019-2020

Rules applicable to the calculation and payment of the compensation of our executive corporate officers

Application of AFEP-MEDEF Code principles

At its meeting of December 8, 2008, our Board of Directors formally adopted the AFEP-MEDEF recommendations published on October 6, 2008, on the compensation of executive corporate officers of companies whose shares are traded on a regulated market.

Since then, our Board of Directors has determined the compensation of executive corporate officers in accordance with the principles stated in the AFEP-MEDEF Code, particularly in its section 25.

In doing this, it builds upon the Compensation Committee's proposals.

When our corporate officers are members of the Board of Directors, they do not participate in discussions on their own compensation and abstain from voting on these topics.

***Ex-ante* Say-on-pay** (Article L. 225-37-2, II of the French Commercial Code)

In accordance with Article L. 225-37-2 of the French Commercial Code, our Board of Directors establishes a policy on the compensation paid to corporate officers describing the principles and criteria for the determination, distribution and allocation of the fixed, variable and exceptional components of the total compensation and all benefits in kind that may be allocated to our corporate officers. This policy is submitted to our Shareholders' General Meeting for approval each year.

***Ex-post* Say-on-pay** (Article L. 225-100, II and III, of the French Commercial Code)

In accordance with Article L. 225-100 of the French Commercial Code, the Shareholders' General Meeting votes on a draft resolution relating to the information referred to in part I of Article L. 225-37-3 of said Code as well as on separate draft resolutions relating to the fixed, variable and exceptional components of the total compensation and all benefits in kind paid or allocated for the previous fiscal year to each of our executive corporate officers, *via* separate resolutions.

Variable and exceptional compensation allocated to each of the executive corporate officers for the past fiscal year cannot be paid until after it has been approved by the Shareholders' General Meeting.

4.2.1.1 Compensation of Paul Boudre, our Chief Executive Officer, the only executive corporate officer for the fiscal year 2019-2020

A. Framework applicable to the fiscal year ended March 31, 2020 (*ex-ante* Say-on-pay of July 26, 2019)

Pursuant to Article L. 225-37-2 of the French Commercial Code, the principles and criteria for the determination, distribution and allocation of the fixed, variable and exceptional components making up the total compensation and benefits of any kind attributable to Paul Boudre as Chief Executive Officer during the 2019-2020 fiscal year were subject to resolution 20 submitted for approval to the Shareholders' General Meeting held on July 26, 2019 (*ex-ante* Say-on-pay).

These principles and criteria were approved beforehand by our Board of Directors at its meeting of March 27, 2019 on the recommendation of the Compensation Committee.

This resolution 20 had been adopted at 99.03%, and thus Paul Boudre's compensation policy for the 2019-2020 fiscal year was approved by shareholders.

B. Summary of the components of compensation of Paul Boudre for the fiscal year ended on March 31, 2020

His 2019-2020 compensation comprises the following items:

- an annual fixed compensation of €550,000 gross, payable in twelve equal monthly installments during the fiscal year;
- a variable annual compensation according to the different targets:
  - to be allocated after the end of the fiscal year 2019-2020 end and to be paid only after approval by the Shareholders' General Meeting to be held on September 23, 2020,

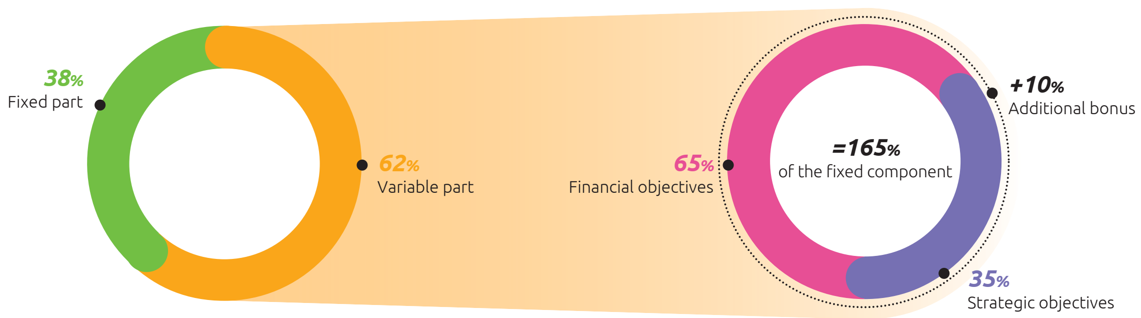
- representing 100% of the fixed part at target and up to 165% of the fixed part if the completion of the objectives is beyond targets and if the trigger for a 10% add-on factor is met, *i.e.* a total maximum of €825,000 gross.

C. Remarks on the annual fixed compensation of Paul Boudre for the fiscal year ended on March 31, 2020

The fixed compensation of Paul Boudre, as Chief Executive Officer, is awarded as payment for the duties and responsibilities inherent to such a position.

The amount of Paul Boudre's fixed compensation is not systematically revised each year. It had not been reviewed since January 1, 2019, date from which our Board of Directors had unanimously decided to increase the fixed part of the annual compensation of Paul Boudre from €450,000 to €550,000 gross.

Paul Boudre's annual fixed compensation is 550,000 euros for the fiscal year ended March 31, 2019.



Proportion of fixed and variable parts of the compensation in cash if the objectives are met at stretched level.

D. Remarks on the annual variable compensation of Paul Boudre for the fiscal year ended on March 31, 2020

During its meeting of March 27, 2019, our Board of Directors decided that the variable part of Paul Boudre's compensation for the 2019-2020 fiscal year, could range from 0% to 165% of the fixed part.

Achievement of the target values of the objectives set by our Board of Directors should entitle him to a variable part amounting to 100% of the fixed part. As in the previous two fiscal years 2017-2018 and 2018-2019, the achievement of budgetary commitments should account for 90% of the target financial criteria.

Exceeding target values of the objectives could be taken into account for up to 150%.

Finally, Paul Boudre's variable compensation could be increased by 10% if an additional strategic objective was reached, which could bring the variable part of his compensation to 165% of the fixed part. This objective was set by confidential criteria.

Type of objective and description	Weight
I. FINANCIAL OBJECTIVES	**65%**
1. **Level of revenue** *(in USD million)*	20%
2. **Level of consolidated EBITDA** *(absolute value in € million)*	20%
3. **Level of consolidated cash** *(in € million)*	25%
II. STRATEGIC OBJECTIVES	**35%**
5 contributions identified as our Group's main growth drivers including:	
• **3 strategic and commercial contributions:**	
1. Executing the FY20 financing plan to support the business plan;	*1 out of 5 = 0% achievement*
2. Adoption of FD-SOI: determining a roadmap and deploying it on targets;	*2 out of 5 = 50% achievement*
3. Achieving key milestones to confirm the long-term strategy including new products;	*3 out of 5 = 90% achievement*
• **2 CSR focused contributions:**	
1. Continue our Group's progress on gender equality and balance;	*4 out of 5 = 100% achievement*
2. Improve the quality of life at workplace of our employees.	*5 out of 5 = 150% achievement*
III. ADDITIONAL STRATEGIC OBJECTIVE	**INCREASE BY 10% OF THE TOTAL VARIABLE COMPENSATION**

At its meeting of June 10, 2020, in accordance with the recommendation of the Compensation Committee meeting the previous day, our Board of Directors set the variable part of Paul Boudre's compensation for the 2019-2020 fiscal year at 132.4% of the fixed part and amounts to €728,200 gross.

Our Board of Directors, on the recommendation of the Compensation Committee, noted the achievement of the financial criteria (representing 65% of the variable compensation) as follows:

- 89.5% for sales;
- 150% for EBITDA in euros;
- 150% for cash.

It is noted that the achievement of the values of the budget approved by the Board of Directors for the financial year 2019-2020 for these three criteria corresponded to 90% of the target.

With respect to the achievement of the strategic criteria, our Board of Directors noted, on the recommendation of its Compensation Committee, the achievement of the criteria relating to the implementation of the business plan financing plan, the determination and deployment of an action plan relating to the adoption of FD-SOI technology in China and the achievement of key milestones in support of the long-term strategy relating to emerging technologies.

With regard to CSR criteria, it also noted the achievement of the criteria relating to gender equality, which was based on an improvement compared to the calendar year 2018 either in the official equality index of the Ministry of Labour or in the ranking of companies in the SBF 120 index relating to the place of women in the management and the governance of the group published by the State Secretariat for Equality between Women and Men and the Fight against Discrimination. This ranking was exceptionally not carried out in 2019. On the other hand, the index rises to 89 out of a maximum of 100 points, an improvement over 2018 (84).

The criteria relating to the improvement of the quality of life at work was based on a score of at least 70/100 in the QWL survey conducted on all staff in our Group. As the survey planned for March 2020 to measure the perception of the progress achieved by the various measures implemented during the year could not be carried out due to the exceptional conditions in connection with the Covid-19, our Board of Directors considered that this criterion had not been met, so that with four out of five cirteria confirmed, the measurement of the strategic indicators was considered to have met the target, *i.e.* 100%, in proportion to 35% of the total represented by this component.

Finally, the 10% increase factor for the variable compensation, which was based on the execution of commercial contracts with some of our customers for major applications using FD-SOI technology, may apply given that several contracts have been signed in this respect.

E. Remarks on the other compensation items of Paul Boudre for the fiscal year ended on March 31, 2020

1. Benefits in kind

Our Chief Executive Officer had benefits in kind consisting of a company car, a voluntary insurance policy against employment loss and a key-person insurance in the event of death and disability for a total amount of €36,300 during the 2019-2020 fiscal year.

The public was also informed of the fact that our Board of Directors had decided to set up a death-disability insurance policy on Paul Boudre, covering his beneficiaries in the event of death or invalidity, through the payment of a capital amount of €1.5 million. It was stipulated that this key-person insurance would be backed by the one benefiting our Company under the same conditions. Lastly, it was indicated that the death-disability insurance premium corresponding to the coverage of Paul Boudre's beneficiaries would be treated as a benefit in kind granted to him as part of his compensation policy for the 2019-2020 fiscal year.

2. Allocation of free PS 2 on the basis of the joint-investment plan ("Topaz" plans)

As part of the joint investment plan put in place by our Board of Directors on December 18, 2019, making use of the delegation of authority granted by the Shareholders' General Meeting on July 26, 2019 *via* resolutions 33 and 35, Paul Boudre was allocated 31,982 free preferred shares granting access to the share capital of our Company (the "PS 2").

This free allocation formed part of Paul Boudre's compensation policy for the current 2019-2020 fiscal year.

On December 18, 2020, and each August 1st, from 2021 until 2022, a portion of these PS 2 would be definitively acquired by Paul Boudre, subject to him complying with a condition of presence and tenure of his duties as Chief Executive Officer, as specifically determined by the Board of Directors in the decisions dated December 18, 2019. According to such decision, in the event of termination of his duties as Chief Executive Officer, Paul Boudre shall lose his right to acquire the PS2 whose vesting date is later than twelve months following the termination of duties, unless the termination of the duties is due to (a) a resignation for personal reasons or (b) a revocation for gross misconduct, in which cases he shall lose his right to acquire all the PS 2 which are not definitively acquired on the date of the termination of duties.

These PS 2 would be convertible into ordinary shares in our Company, subject to the fulfillment of performance conditions based on the achievement of targets relating to EBITDA, revenue and the total shareholder return (or TSR) of our Company's ordinary shares compared to the Euro Stoxx 600 Technology index.

These stringent performance conditions, to be assessed at the end of a three year period, were set by our Board of Directors at its meeting held on June 12, 2019. These conditions were approved under the 33rd resolution of the Shareholders' General Meeting held on July 26, 2019, the content of which is reproduced in section 7.2.3.1, F *Co-investment program with free allocation of PS 2 ("Topaz Plans no. 1 and no. 2") and reserved issue of PS 2* of this Universal Registration Document.

3. Allocation of ordinary shares created by the conversion of the preferred shares awarded pursuant to the Long-Term Management Incentive Plan, or under the acronym "MIP"

We remind you that, for the fiscal year ended on March 31, 2017, a proportion of a free preferred shares allocation plan giving access to our Company's share capital (also known by the acronym "MIP"), with presence and performance conditions, had been awarded to him by the Board of Directors at its meeting of July 26, 2016, in the form of conditional rights to preferred shares.

In this context, during the fiscal year ended March 31, 2018, Paul Boudre vested the 44,947 preferred shares resulting from his conditional rights. Indeed he satisfied the presence condition and tenure as Chief Executive Officer, applicable to him pursuant to the plan's rules, on the definitive allocation date, *i.e.* on July 26, 2017.

According to the terms of a decision by our Chief Executive Officer dated July 29, 2019, all of his 44,947 preferred shares were converted into 218,442 ordinary shares in our Company, as a result of the expiry of the holding period on the same date and compliance with attendance and performance conditions.

The conversion ratio was set at 4.86 by our Board of Directors based on the following factors:

(i) 50% based on the achievement of objectives on the basis of the average of our Group's consolidated EBITDA levels (as derived from our consolidated financial statements in accordance with IFRS) for the fiscal years 2017-2018 and 2018-2019; and

(ii) 50% based on the achievement of the objectives on the basis of the weighted average of the volumes of the stock market prices of our Company's ordinary share during the 30 trading days following the date of publication of our Group's consolidated financial statements for the fiscal year ended on March 31, 2019.

These objectives were determined by the Combined Ordinary and Extraordinary Shareholders' General Meeting held on first notice on April 11, 2016 and on second notice on April 29, 2016.

4. Defined benefits retirement scheme - Article 83

Our Chief Executive Officer benefits from a defined contribution pension plan "Article 83" also applicable to all employees of the Social & Economic Unit comprising Soitec S.A. and Soitec Lab. This plan is presented in section 4.2.7 *Amounts provisioned by our Group for the payment of pension, retirement or smiliar benefits* of this Universal Registration Document.

Under this pension plan, the expense recorded by our Company for the 2019-2020 fiscal year for the Chief Executive Officer amounted to €12,730.71.

The essential components of this scheme are presented in section 4.2.7 *Amounts provisioned by our Group for the payment of pension, retirement or smiliar benefits* of this Universal Registration Document.

Our Chief Executive Officer also benefits from the "Article 39" defined benefit supplementary pension plan applicable to certain senior executives (senior executives III C and corporate officers). The essential components of this scheme are presented in section 4.2.7 *Amounts provisioned by our Group for the payment of pension, retirement or smiliar benefits* of this Universal Registration Document.

Pursuant to the Order No. 2019-697 dated as of July 3, 2019, this plan was closed since July 4, 2019 (there are therefore no new rights nor new beneficiaries under this plan since that date) and the rights of the beneficiaries were frozen as of December 31, 2019. No additional rights under the supplementary defined benefits retirement scheme will be granted in respect of periods of employment after January 1, 2020.

We inform you that, at the closing date of the financial year 2019-2020, the estimated amount of the pension that may be paid to Paul Boudre under the supplementary defined benefits retirement scheme "Article 39" amounts to €104 thousand, compared to €98 thousand at the closing date of fiscal year 2018-2019.

5. Absence of other compensation items

We disclose that Paul Boudre's term of office as director has not been compensated (including compensation allocated for his participation in meetings of the Board of Directors) in addition to the compensation he received as Chief Executive Officer.

Finally, Paul Boudre did not receive any additional compensation from companies controlled by our Company.

F. Say-on-pay *ex-post* to be submitted to our shareholders for approval on September 23, 2020 (6th resolution)

In accordance with the provisions of Article L. 225-100 of the French Commercial Code, our Board of Directors will propose to our shareholders, at their General Meeting to be held on September 23, 2020, to approve the fixed, variable and exceptional components comprising the total compensation and benefits of any kind paid or allocated to Paul Boudre, Chief Executive Officer, in respect of the fiscal year ended March 31, 2020 (Say-on-pay *ex-post*), as described above.

G. Commitments of any kind made by our Company to the benefit of Paul Boudre in connection with the assumption, termination or change of his duties

At the date of this report on corporate governance, Paul Boudre has an employment contract, which is suspended since his appointment as Deputy Chief Executive Officer. Pursuant to the applicable contractual provisions, Paul Boudre is bound by non-competition obligations for a period of one year following the termination of his employment contract, renewable once.

In the event of application of this non-competition clause, financial compensation corresponding to 60% of his gross compensation during the non-competition period would be paid to Paul Boudre.

Our Company has the right to release Paul Boudre from this non-competition undertaking, subject to the latter's agreement.

H. Standardized summary tables (AMF position-recommendation no. 2009-16)

In terms of the 11 tables referenced in AMF position-recommendation no. 2009-16 as updated on April 13, 2015, only those that are applicable to Paul Boudre are included below.

› *Table 1 – Summary of compensation, stock options and shares allocated to each executive corporate officer* (in euros)

Paul Boudre **Chief Executive Officer** *since January 16, 2015* **Chairman of the Board of Directors** *From September 1, 2015 to July 26, 2017* (1)	**Fiscal year 2018-2019**	**Fiscal year 2019-2020**
Compensation due for the fiscal year (details in table 2 below)	1,283,467	1,302,920
Valuation of stock options allocated during the fiscal year	N/A	N/A
Accounting valuation of performance shares allocated during the fiscal year (2)	N/A	2,691,924.94
Valuation of other long-term compensation plans	N/A	N/A
TOTAL	**1,283,467**	**3,994,844.94**

(1) As indicated above, Paul Boudre's corporate office as Chairman of the Board of Directors, which he combined with that of Chief Executive Officer during part of the 2017-2018 fiscal year, i.e. from April 1 to July 26, 2017, was not subject to any remuneration in addition to that received for his corporate office as Chief Executive Officer.
(2) The valuation of preferred shares corresponds to a valuation carried out under IFRS 2.

› *Table 2 – Summary of compensation of each executive corporate officer* (in euros)

Paul Boudre **Chief Executive Officer** *since January 16, 2015* **Chairman of the Board of Directors** *From September 1, 2015 to July 26, 2017*	**2018-2019 fiscal year**		**2019-2020 fiscal year**	
	Amounts due for the fiscal year 2018-2019	**Amounts paid during the fiscal year 2018-2019**	**Amounts due for the fiscal year 2019-2020**	**Amounts paid during the fiscal year 2019-2020**
Fixed compensation	475,000	475,000	550,000	550,000
Annual variable compensation	783,748 (1)	559,305 (2)	728,200 (3)	783,748 (1)
Variable/fixed percentage	165.00%	124.29%	132.4%	165%
Exceptional compensation	-	-	-	-
Directors' fees	N/A	N/A	N/A	N/A
Benefits in kind	24,720 (4)	24,720 (4)	36,300 (4 bis)	36,300 (4 bis)
TOTAL	**1,283,467**	**1,059,025**	**1,302,920**	**1,370,048**

(1) Variable compensation for fiscal year 2018-2019 paid during fiscal year 2019-2020.
(2) Variable compensation for fiscal year 2017-2018 paid during fiscal year 2018-2019.
(3) Variable compensation for fiscal year 2019-2020 that will be paid during the current 2020-2021 fiscal year, subject to prior approval of our shareholders' vote during their General Meeting to be held on September 23, 2020.
(4) The amount of these benefits in kind corresponds to the granting of a car and a voluntary insurance policy against employment loss.
(4bis) The amount of these benefits in kind corresponds to the granting of a car, a voluntary insurance policy against employment loss and the key-person insurance policy.

› Table 10 – History of free allocations of shares – Information on free share allocations

	2016 MIP plan (PS 1)	Topaz plan 1 and Topaz plan 2 (PS 2)
Date of Shareholders' General Meeting	04/11/2016 and 04/29/2016	07/26/2019
Date of Board of Directors' meeting	07/26/2016	12/18/2019
Total number of allocated shares, including the number that may be allocated to:	295,703 (1)	195,960 (6)
Paul Boudre	***44,947 (1)***	***31,982 (6)***
Date of conditional allocation	07/26/2016 (2)	12/18/2019 (2)
Acquisition date of the shares	07/26/2017 (3)	Acquisition of 40% of the PS 2 on 12/18/2020 Acquisition of 30% of the PS 2 on 08/01/2021 and acquisition Acquisition of 30% of the PS 2 on 08/01/2022 (3)
End of the holding period	07/26/2019 (4)	08/01/2022 (7)
Performance conditions	yes	yes
Number of vested shares as of March 31, 2020	218,442 (5)	-
Cumulative number of canceled or void shares	-	-
Performance shares remaining at the end of the fiscal year (March 31, 2020)	-	195,960

(1) Free PS 1.
(2) Date of allocation of contingent rights to PS 1 or PS 2.
(3) Date of vesting of PS 1 (for the MIP plan) of PS 2 (for the Topaz plan no. 2). The continued employment condition linked to the free PS 2 is assessed at the end of each vesting period and the performance conditions were defined by the Shareholders' General Meeting of July 26, 2019. The continued employment condition linked to free PS 1 is assessed when the plan comes to an end. The performance conditions were defined by the Shareholders' General Meeting of April 11, 2016.
(4) Availability date of the ordinary shares (after conversion of the preferred shares into ordinary shares).
(5) Ordinary shares created by the conversion of the preferred shares via a decision made by the Chief Executive Officer dated July 29, 2019.
(6) Free PS 2.
(7) In the event that the performance targets are not achieved such that the number of ordinary shares to which the PS 2 would entitle upon conversion by application of the Conversion Ratio (as this term is defined in the terms and conditions of the PS 2) would be equal to zero, the PS 2 may be repurchased by our Company and at its initiative at the latest on the 180th calendar day following the date of publication of our Group's consolidated financial statements for the year ending March 31, 2022 (the "Repurchase Date"), at their nominal value in accordance with the provisions of Article L. 228-12, III of the French Commercial Code.

› Table 11 – Employment contract, pension scheme and compensation related to termination of service or change in functions

	Employment contract		Supplementary pension scheme		Compensation or benefits due or likely to be due because of termination of service or change in functions		Compensation relating to a non-compete clause	
Executive corporate officers	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
Paul Boudre* **Chief Executive Officer** *since January 16, 2015*	✓		✓			×	✓	

* *Mr Paul Boudre's employment contract was suspended on the day he was appointed Chief Operating Officer, which took effect on June 1, 2008 (following the Board of Directors' decision at its meeting on May 16, 2008).*

4.2.1.2 Compensation paid to Éric Meurice, Chairman of our Board of Directors for the fiscal year 2019-2020

A. Framework applicable to the fiscal year ended March 31, 2020 (*ex-ante* Say-on-pay of July 26, 2019)

Pursuant to Article L. 225-37-2 of the French Commercial Code, the principles and criteria for the determination, distribution and allocation of the fixed, variable, and exceptional parts making up the total compensation and benefits of any kind attributable to the Chairman of the Board of Directors for the fiscal year 2019-2020 were subject to resolution 20 submitted for approval to the Shareholders' General Meeting held on July 26, 2019 (*ex-ante* Say-on-pay).

These principles and criteria were approved in advance by our Board of Directors at its meeting of March 27, 2019 on the recommendation of the Compensation Committee.

This resolution 20 had been adopted at 99,03% by the shareholders, thus approving the compensation policy of the Chairman of the Board of Directors for the 2019-2020 fiscal year.

B. Summary of the components of Éric Meurice's compensation for the fiscal year ended on March 31, 2020

Éric Meurice's compensation policy for the fiscal year 2019-2020 consisted of the following components:

- an annual fixed compensation of €50,000 gross, payable in one or more installments during the fiscal year; and
- directors' fees for attending meetings of the Board of Directors and the Committees of which he is a member, *i.e.* the Strategic Committee (of which he is the Chairman), the Nomination and Governance Committee, the Audit and Risks Committee and the Compensation Committee (of which he is the Chairman), under the same conditions as the directors of our Company other than Paul Boudre (who is not eligible for directors' fees due to his duties as Chief Executive Officer), all on a *prorata temporis* basis according to the duration of his positions within the Board of Directors for the fiscal year concerned.

Pursuant to this compensation policy, our Company paid Éric Meurice a total amount of €155,547 gross in directors' fees, for the 2019-2020 fiscal year.

C. *Ex-post* Say-on-pay submitted for our shareholders' approval on September 23, 2020

In accordance with the provisions of Article L. 225-100 of the French Commercial Code, our Board of Directors will propose that our shareholders, during their Shareholders' General Meeting to be held on September 23, 2020, approve the fixed, variable, and exceptional components of the total compensation and all benefits in kind paid or allocated to Éric Meurice, Chairman of the Board of Directors, for the fiscal year ended March 31, 2020 (*ex-post* Say-on-pay), as described above.

D. Standardized summary tables (AMF position-recommendation no. 2009-16)

In terms of the 11 tables referenced in AMF position-recommendation no. 2009-16 as updated on April 13, 2015, only those that are applicable to Éric Meurice are included below.

› ***Table 1 – Summary of compensation, stock options and shares allocated to each executive corporate officer*** *(in euros)*

Éric Meurice Chairman of the Board of Directors	2018-2019 fiscal year	2019-2020 fiscal year
Compensation due for the fiscal year (details in table 2 below)	40,661	155,547
Valuation of stock options allocated during the fiscal year	N/A	N/A
Accounting valuation of performance shares allocated during the fiscal year	N/A	N/A
Valuation of other long-term compensation plans	N/A	N/A
TOTAL	**40,661**	**155,547**

› ***Table 2 – Summary of compensation of each executive corporate officer*** *(in euros)*

Éric Meurice Chairman of the Board of Directors	2018-2019 fiscal year Amounts due for the fiscal year 2018-2019	2018-2019 fiscal year Amounts paid during the fiscal year 2018-2019	2019-2020 fiscal year Amounts due for the fiscal year 2019-2020	2019-2020 fiscal year Amounts paid during the fiscal year 2019-2020
Fixed compensation	685	N/A	50,000	685
Annual variable compensation	N/A	N/A	N/A	N/A
Variable/fixed percentage	N/A	N/A	N/A	N/A
Exceptional compensation	N/A	N/A	N/A	N/A
Directors' fees	39,976	N/A	105,547	39,976 (1)
Benefits in kind	N/A	N/A	N/A	N/A
TOTAL	**40,661**	**N/A**	**155,547**	**40,661**

(1) These amounts relate to the period when Éric Meurice was not Chairman of the Board.

4.2.2 PAY RATIOS – EVOLUTION OF COMPENSATION, COMPANY PERFORMANCE, AND PAY RATIOS

In accordance to Article L. 225-37-3, 6° and 7° of the Commercial Code, are communicated hereafter the ratios between the compensation levels of the Chairman of the Board of Directors and the Chief Executive Officer, and average and median compensation of Soitec's employees, along with the annual evolution of compensation, company performance, average employee compensation and these ratios, over the last five financial years.

4.2.2.1 Methodology

Ratios were established by applying recommendations published by the AFEP on January 28, 2020 in its guidelines on compensation multiples.

Despite changes occurred over the past five years, Mr Boudre was exclusively paid for his role as a Chief Executive Officer. During 2015-2016 financial year. Mr Paul Boudre was also appointed Chairman of the Board of Directors until July 11, 2016, date on which roles of Chairman of the Board of Directors and Chief Executive Officers were split with the appointment of Mrs Victoire De Margerie as Chairman of Board.

4.2.2.2 Scope

In accordance with the AFEP-MEDEF Code and the 26.2 "Annual Information" section, ratios were calculated on Soitec's Economic and Social Unit (ESU), which is representative of headcounts and different socio-professional categories of our Group in France. Soitec's ESUis composed of Soitec and Soitec Lab, which used to be a single entity until March 31, 2020 and represented at end of fiscal year, 88% of the total headcounts in France. Employees included in the calculations are employees on permanent contracts who were "continuously present" over two consecutives financial years. Their compensation changes reflect the compensation policy of our Group.

4.2.2.3 Compensation elements in scope for calculating numerator and denominator

Soitec ratios were calculated on comparable basis between corporate officers and rest of employees by analyzing the following elements:

- **compensation for Chief Executive Officer** includes compensation paid during the financial year N. It includes base salary, annual variable compensation paid during the financial year N due for the financial year N-1, exceptional premiums, benefits in kinds (company car allowance) and shares granted during the financial year N, valuated under IFRS 2, as recommended by the AFEP;
- **compensation for the Chairman of the Board of Directors** includes amounts defined in the remuneration policy of Board members with amounts due for the participation to meetings of the Boards and Specialized Committees (assuming a participation to 100% of these meetings);
- **for employees**, compensation is Full Time Equivalent paid during the financial year N. It includes base salary, seniority premiums, other fixed premiums, *prime de pouvoir d'achat*, variable compensation paid during financial year N, mandatory and non-mandatory profit sharing, employer matching contribution paid during the financial year N and shares granted during the financial year N valuated under IFRS 2.

In order to take into account Soitec's triennial performance shares grant policy, two ratios were calculated:

- the first ratio takes into consideration the valuation of all shares at the grant year;
- the second ratio annualizes that value over the vesting period of the plan in order to take into consideration the grant frequency and reflect more accurately Soitec's compensation policy.

4.2.2.4 Ratios

A. Changes in remunerations

In accordance to Article L. 225-37-3, 7°, compensation of corporate officers and compensation of employees are presented below:

	Changes on remuneration without long-term incentive annualization				
	2015-2016	**2016-2017**	**2017-2018**	**2018-2019**	**2019-2020**
Chairman of Board compensation	€123,654	-	€88,000	€119,000 (1)	€155,547 (1)
Change compared to previous fiscal year (N/N-1) (in %)	-	-	-	*35%*	*23.5%*
CEO compensation (2)	€1,042,916	€3,060,325 (3)	€1,012,305	€1,051,255	€4,042,089 (3)
Change compared to previous fiscal year (N/N-1) (in %)	-	*281%*	*-74%*	*4%*	*285%*
Average remuneration of Soitec employees	€49,279	€61,543	€62,731	€76,971	€66,817
Change compared to previous fiscal year (N/N-1) (in %)	-	*25%*	*2%*	*23%*	*-13%*

(1) Compensation policy for non-executive directors has evolved in 2018-2019. However, compensation increases are mainly linked to attendance at specialized committees. Chairmen of the Board of Directors were members of 2 committees in 2017-2018, 3 committees in 2018-2019 and 4 committees in 2019-2020.
(2) Mr Paul Boudre was deputy CEO of Soitec until January 15, 2015. Annual variable compensation for fiscal year 2015-2016 above, are annualized amounts due for his CEO mandate over the period.
(3) Changes in remunerations correspond to years in which long-term incentive were implemented. The last long-term incentive plan is a co-investment plan which valued amount must be put in perspective in regard with the personal investment of the Executive representing half of shares' valuation at €1,346 million.

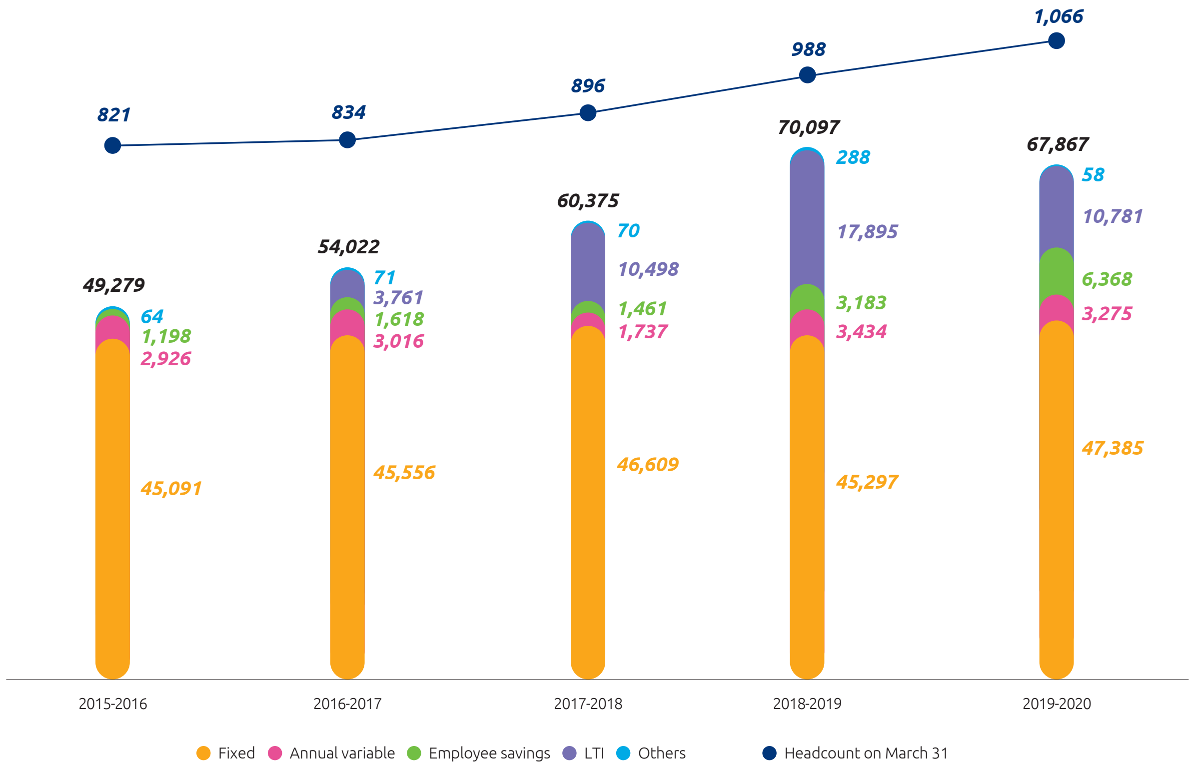
	Changes on remuneration with long-term incentive annualization				
	2015-2016	**2016-2017**	**2017-2018**	**2018-2019**	**2019-2020**
Chairman of Board remuneration	€123,654	-	€88,000	€119,000 (1)	€155,547 (1)
Change compared to previous fiscal year (N/N-1) (in %)	-	-	-	*35%*	*23.5%*
CEO compensation (2)	€1,042,916	€1,628,718	€1,728,109	€1,767,059	€2,247,473
Change compared to previous fiscal year (N/N-1) (in %)	-	*56%*	*6%*	*2%*	*27%*
Average compensation of Soitec employees	€49,279	€61,543	€62,731	€76,971	€66,817
Change compared to previous fiscal year (N/N-1) (in %)	-	*25%*	*2%*	*23%*	*-13%*

(1) Compensation policy for non-executive directors has evolved in 2018-2019. However, compensation increases are mainly linked to attendance at specialized committees. Chairmen of the Board of Directors were members of 2 committees in 2017-2018, 3 committees in 2018-2019 and 4 committees in 2019-2020.
(2) Mr Paul Boudre was deputy CEO of Soitec until January 15, 2015. Annual variable compensation for fiscal year 2015-2016 above, are annualized amounts due for his CEO mandate over the period.

B. Reminder of compensation paid to Chairmen of the Board over the 2015–2020 period

- During 2015-2016 financial year, Mr André-Jacques Auberton-Hervé (Chairman of the Board from March 1, 2015 to September 11, 2015) received on an annual basis, a total compensation of €123,654. The ratios are respectively at 3 and 3 compared to the average and the median of annualized employee compensation;
- During 2017-2018 financial year, Ms Victoire De Margerie (Chairman of the Board from July 26, 2017 to November 29, 2017) were paid €30,378 and Mr Thierry Sommelet (Chairman from November 29, 2017 to March 31, 2018) has waived his compensation of €29,654 due for that financial year. Based on compensation paid, ratios were respectively at 0.5 and 0.6 compared to the average and median of annualized employee compensation;
- During 2018-2019 financial year, Mr Thierry Sommelet (Chairman of the Board from March 1, 2018 to March 27, 2019) has waived his compensation of €96,629 due for that financial year. Based on compensation paid, ratios were 0 compared the average and median of annualized employee compensation;
- During 2018-2019 financial year, Mr Éric Meurice (Chairman of the Board as of March 27, 2019) has received a total compensation of €40,661 due for that financial year. Based on compensation paid, ratios were respectively 2.2 and 2.7 compared to the average and median of annualized employee compensation.

› *Changes in average employee compensation in euros and headcounts*



The first grant of long-term incentive plan to Mr Paul Boudre as Chief Executive Officer was initiated during 2016-2017 financial year and has yielded a significant increase in compensation compared to 2015-2016 financial year. Fixed compensation of the Chief Executive Officer was increased in 2018-2019, the last increase had occurred in 2010.

During 2017-2018 and 2018-2019 financial years, Soitec has implemented performance shares plans for all employees, including those employed in foreign entities for the plan granted on July 26, 2018, which explains average compensation increases over 10% for these two financial years. This reflects our Group's strategy in terms of shared value creation and long-term performance incentivization for employees. Beneficiaries of the MIP long-term plan, including the Chief Executive Officer, have waived their rights to receive these shares. Besides, the co-investment plan implemented during 2019-2020 financial year was open to all employees of entities owned at 100% in France and in Singapore.

During 2018-2019 financial year, Soitec has paid an exceptional premium *prime de pouvoir d'achat* to eligible employees which amount could reach €1,000. Finally, 2019-2020 financial year was the first year with the payment of the mandatory profit sharing ("participation") which comes up to the existing voluntary profit sharing.

The salary policy applied within the scope of consolidation is the result of agreements concluded with the representative trade union organizations for each of the years considered in this analysis. Non mandatory profit-sharing, the main criterion of which is our Group's financial performance (EBITDA), gave rise to three-year agreements signed by all the representative trade unions in 2016 and 2019.

C. Compensation ratios: including the entire value of the long-term incentive on the grant year

Chairman of Board	Without long term incentive annualization					Annual Growth 2015-2020
	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	
Pay ratio compared to average remuneration of Soitec employees (excluding corporate officers)	3	-	1	2	2	-7%
Pay ratio compared to median remuneration of Soitec employees (excluding corporate officers)	3	-	2	2	3	0%

Chairman	With long term incentive annualization					Annual growth 2015-2020
	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	
Pay ratio compared to average remuneration of Soitec employees (excluding corporate officers)	3	-	1	2	2	-7%
Pay ratio compared to median remuneration of Soitec employees (excluding corporate officers)	3	-	2	2	3	0%

Chief Executive Officer	Without long term incentive annualization					Annual growth 2016-2020 (4 fiscal years)
	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	
Pay ratio compared to average remuneration of Soitec employees (excluding corporate officers)	21	50	16	14	60	+5%
Pay ratio compared to median remuneration of Soitec employees (excluding corporate officers)	25	71	18	16	80	+3%

Chief Executive Officer	With long term incentive annualization					Annual growth 2016-2020 (4 fiscal years)
	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	
Pay ratio compared to average remuneration of Soitec employees (excluding corporate officers)	21	30	29	25	33	+3%
Pay ratio compared to median remuneration of Soitec employees (excluding corporate officers)	25	38	35	31	40	+1%

D. Company performance

Performance criteria selected for the comparison

Three criteria were selected in order to assess our Company performance in a way that is consistent with Soitec's variable compensation plans and financial communication:

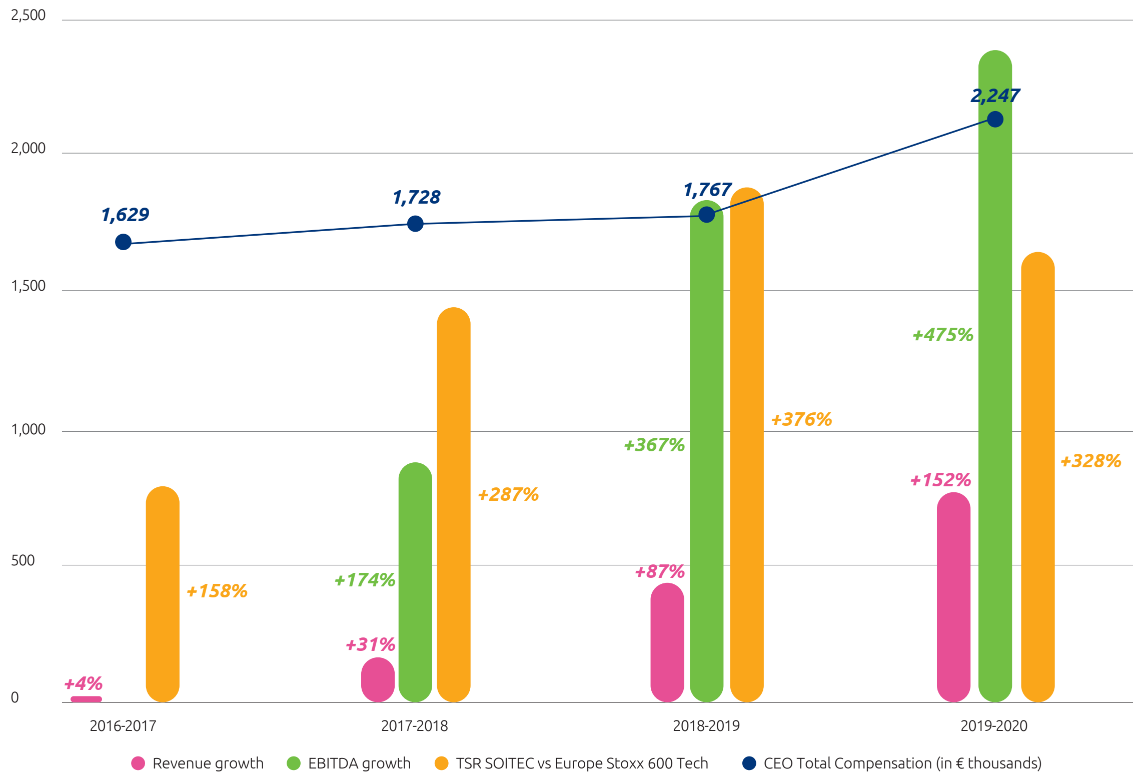
- two internal criteria: Revenues and EBITDA;
- one external relative criteria: Total Shareholder Return (TSR) of Soitec compared to the Europe Stoxx 600 Technology index.

	Financial performance over five years period				
	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
EBITDA *(in € million)*	(22,1)	32.1	88.0	149.8	184.5
Change compared to previous fiscal year (N/N-1) (in %)	-	*+245%*	*+174%*	*+70%*	*+23%*
Revenues *(in € million)*	237	245.7	310.6	443.9	597.5
Change compared to previous fiscal year (N/N-1) (in %)	-	*+4%*	*+26%*	*+43%*	*+35%*
TSR Soitec – TSR Europe Stoxx 600 Technology	-31%	+158%	+287%	+376%	+328%
Change compared to previous fiscal year (N/N-1) (in %)	-	-	*+82%*	*+31%*	*-13%*

Compensation of the Chief Executive Officer put in perspective with Group performance

Over the 2015-2020 period, the increase in the total compensation of the Chief Executive Office is correlated with Soitec's performance over this same period, with increases as follows:

- +152% in revenue;
- +€206.6 millions in EBITDA;
- +328% compared to the Europe Stoxx 600 Technology index.



4.2.3 COMPENSATION POLICY FOR CORPORATE OFFICERS FOR THE CURRENT FISCAL YEAR 2020-2021

Taking into account the ordinance no. 2019-1234 dated November 27, 2019 and decree n° 2019-1235 dated November 27, 2019 on the compensation of corporate officers of listed companies, the following are presented in this compensation policy:

- principles and rules for determining the compensation and benefits common to corporate officers;
- notable changes made to the compensation policies compared to those approved by the Shareholders' General Meeting of July 26, 2019;
- the specific compensation policy applicable to our Chief Executive Officer;
- the specific compensation policy applicable to our Chairman of the Board of Directors;
- the compensation policy for all other executive corporate officers potentially appointed during the 2020-2021 fiscal year; and
- the specific compensation policy applicable to the directors;

as approved by the Board of Directors on August 4, 2020 and which will be submitted to the Shareholders' General Meeting to be held on September 23, 2020.

4.2.3.1 Rules applicable to the determination and the payment of the compensation for our executive corporate officers

A. *Ex-ante* Say-on-pay to be submitted for our shareholders' approval on September 23, 2020

In accordance with Article L. 225-37-2 (II) of the French Commercial Code, at the Shareholders' General Meeting to be held on September 23, 2020, our Board of Directors will submit to our shareholders, for their approval, the compensation policy for our executive corporate officers, setting out the principles and criteria for the determination, allocation and distribution of the fixed, variable and exceptional components of the total compensation and all benefits in kind payable to the executive corporate officers of our Company for the performance of their duties, for the current fiscal year ending on March 31, 2021.

These principles and criteria as set out in this Section 4.2.1 of this report were adopted by our Board of Directors at its meeting of August 4, 2020, upon recommendation of the Compensation Committee.

B. *Ex-post* Say-on-pay to be submitted for our shareholders' approval in 2021

Pursuant to Article L. 225-100 II. of the French Commercial Code, the amounts which will result from the implementation of the principles and criteria indicated below, composing the compensation policy for our executive corporate officers for the current fiscal year ending on March 31, 2021, will be submitted to our shareholders for approval at their General Meeting to be held in 2021 to cast a vote on the financial statements for said fiscal year.

In addition, we remind you that, in accordance with Article L. 225-100, III paragraph 2 of the French Commercial Code, the payment of the variable and exceptional components of compensation of each executive corporate officer will be subject to the approval by our shareholders of individual resolutions relating to the fixed, variable and exceptional components comprising the total compensation and benefits of any kind paid or granted during the fiscal year 2020-2021, under the conditions provided for in Article L. 225-100, III paragraph 1 of the said Code.

The compensation policy is established with reference to the AFEP-MEDEF Code, which recommends, under the terms of its Article 25, compliance with the principles of comprehensiveness, balance, comparability, consistency, understandability and proportionality.

This compensation policy set by our Board of Directors is subject to an annual review on the recommendation of our Compensation Committee. The latter ensures the proper application of the above principles in the context of its work and its recommendations to the Board of Directors, both in the development of policies and in their implementation for the determination of the amounts or valuations of compensation or benefits.

The Chairman of the Board of Directors and the Chief Executive Officer abstain from participating in the deliberations and votes on the compensation policy that concern them, thereby helping to avoid a possible conflict of interest.

4.2.3.2 Notable changes made to the compensation policy compared to that approved by the Shareholders' General Meeting of July 26, 2019

The changes made by the Board of Directors to the policy approved by the Shareholders' General Meeting of July 26, 2019, are as follows:

- in accordance with the new regulations in force reforming the procedure for regulating the compensation of corporate officers (Say-on-pay *ex-post* and *ex-ante*):
  - since all corporate officers are now covered by this regulation, including the compensation of directors, a section on the specific compensation of directors has been added. It describes the principles, rules and criteria for distributing the fixed annual sum allocated by the Shareholders' General Meeting to compensate our directors,
  - commitments formerly subject to the procedure for regulated commitments (pension and provident schemes, benefits likely to be due on termination or change of position) are now included in the compensation policy;
- the modification of certain Paul Boudre's compensation items as detailed in this section;
- the modification of Éric Meurice's compensation as member of the Board of Directors and Committees as well as Chairman of the Board of Directors; and
- the modification of the *quorums* associated with the implementation of the rules for distributing the compensation allocated to our directors.

4.2.3.3 Compensation policy applicable to Paul Boudre, our Chief Executive Officer, the sole executive corporate officer

A. Annual fixed and variable compensation

Pursuant to his appointment as Chief Executive Officer, Paul Boudre's compensation policy for the current 2020-2021 fiscal year would be comprised of the following:

(i) an annual fixed part of €550,000 gross, payable in 12 equal monthly payments during the fiscal year, it being recalled that this amount was set by our Board of Directors on July 26, 2018 and entered into force on January 1, 2019; and

(ii) a variable annual part according to the different targets to be allocated after the fiscal year end and to be paid only after approval by the Shareholders' General Meeting, which may range between 0% and 165% of the fixed part, as for the previous fiscal year ended March 31, 2020.

As was the case for the four previous fiscal years:

- achievement of the target values for the objectives approved by our Board of Directors should give the right to a variable part corresponding to 100% of the fixed part;
- achievement of the budget objectives would correspond to 90% of the target for the financial criteria; and
- exceeding target values of the financial objectives may be taken into account for up to 150%.

As for the 2019-2020 fiscal year, an increase of 10% of the result obtained by the measurement of both the financial and strategic objectives would be provided in the event of achievement of an additional objective which is for the 2020-2021 fiscal year relating to the increase in market shares of the main Soitec SOI products which could bring the variable part of Paul Boudre's compensation to 165% of the fixed part.

The amount of compensation paid would be calculated on a gross basis.

Our Board of Directors will propose our shareholders to modify the weights of the objectives categories to be achieved as follows:

- the financial objectives would represent a weight of 60% of the total objectives used to assess the variable part, compared to 65% previously; and
- the strategic objectives would represent a weight of 40%, compared to 35% previously, and would in particular include various criteria notably linked to corporate social responsibility, in accordance with the recommendations of the AFEP-MEDEF Code.

The Board of Directors will also propose to introduce a minimum EBITDA target in order to allow for a variable part greater than 100% of the fixed part of Paul Boudre's compensation. In the event that this threshold is not reached, the variable part would be capped at 100% of such fixed part even if the level of achievement of the other objectives would have allowed for a variable part greater than 100% of such fixed part.

In summary, the variable part of Paul Boudre's compensation would be calculated according to achievement of the following objectives at the end of the 2020-2021 fiscal year:

Type of objective and description	Weight
I. FINANCIAL OBJECTIVES	60%
1. **Level of revenue** *(in USD million)*	20%
2. **Level of consolidated EBITDA** *(in % of revenue in euro at constant exchange rate)*	20%
3. **Level of operating cash** *(in € million)*	20%
II. STRATEGIC OBJECTIVES	40%
5 contributions identified as our Group's main growth drivers including:	
1. Innovation (3 objectives)	*15%*
2. Partnerships (2 objectives)	*6.7%*
3. Customer/design wins	*5%*
4. Leadership & governance (3 objectives)	*8.3%*
5. ESG (2 objectives: quality of life at the workplace and climate change)	*5%*
III. ADDITIONAL STRATEGIC OBJECTIVE **Increase in market share of certain Soitec products**	INCREASE BY 10% OF THE TOTAL VARIABLE COMPENSATION

B. Long term incentive – Free performance ordinary shares allocation

After having implemented in 2016 and 2019 long term incentives based on preferred shares to attract talents and sustain the growth of the company, the Board of Directors considers that a long-term incentive is particularly suited to the position of Chief Executive Officer in view of the direct contribution that he is expected to make to Soitec's long-term performance.

In this context Paul Boudre will be allocated with free performance ordinary shares. Except under specific circumstances, these allocations are granted on an annual basis and are limited on initial allocation to an allocated amount that corresponds to the book value calculated at fair value and which may not exceed 300% of the annual fixed remuneration.

The vesting will be subject to the fulfillment of performance conditions measures over a several-year period and based on the achievement of targets relating to EBITDA, revenue and the total shareholder return (or TSR) of our Company's ordinary shares compared to the Euro Stoxx 600 Technology index. Other criteria may be taken into account, based in particular on the Company's corporate social responsibility.

The vesting will also be subject to a *prorata temporis* presence condition (pursuant to certain terms and conditions to be decided by the Board of Directors).

The vesting period (*la période d'acquisition*) and, where applicable, the retention period (*la période de conservation*) applicable after vesting are defined by the Board of Directors at the time of allocation and comply with the authorisation of the General Meeting dated July 26, 2019 (thirty-second resolution).

In accordance with Article L. 225-197-1 of the French Commercial Code, the Chief Executive Officer is required to hold in registered form, for the duration of his term of office, a number of vested shares whose value has been set by the Board of Directors as equivalent to 10% of his annual fixed compensation at the date the shares are delivered.

These free performance ordinary shares allocation criteria contribute to the objectives of the remuneration policy since they are in line with the Company's corporate interest, they contribute to its sustainability and they are aligned with its business strategy.

C. Additional compensation items

Paul Boudre would receive benefits in kind including in particular a company car, a voluntary insurance policy against employment loss and a key-person insurance in the event of death and disability.

As a director, he would not be the subject of any compensation in addition to that received for his duties as Chief Executive Officer.

Similarly, Paul Boudre would receive no additional compensation or directors' fees from the companies controlled by our Company.

D. Supplementary pension plans

Paul Boudre would be eligible for a so-called Article 83 defined contribution pension plan, which also applies to all employees of the Soitec's Economic and Social Unit of the plan is described in Section 4.2.7 of this report.

Paul Boudre would remain a potential beneficiary of the benefit supplementary retirement plan defined "Article 39" presented in Section 4.2.7 of this report, without any additional right being attributed to him in respect of periods of employment after January 1, 2020.

E. Commitments of all kinds undertaken by our Company for Paul Boudre in respect of commencement, termination or change in his executive corporate officer functions

On January 15, 2007, Paul Boudre entered into an employment contract with Soitec that has been suspended since June 1, 2008, the date on which he was appointed deputy general manager (*Directeur général délégué*) of the Company.

The termination of this employment contract gives the right, in particular in the event of rupture conventionnelle or dismissal, to a notice period and/or payment of compensation, in application of the provisions of the French Labour Code and the Collective Agreement for Engineers and Managers in the Metallurgy Industry.

Under this employment contract, Paul Boudre is bound by non-compete obligations for one year as of the termination of his employment contract, and this period may be renewed once. In the event that this non-compete clause is applied, Paul Boudre shall be paid financial compensation corresponding to 60% of his gross compensation during the non-compete period.

Our Company has the option to release Paul Boudre from this non-compete provision, subject to the agreement of the latter.

To comply with the provisions of the AFEP-MEDEF Code, which recommends that when an employee becomes Chief Executive Officer of the company, the employment contract binding this individual to the Company or a company of the Group should be terminated (paragraph 22.1 of the AFEP-MEDEF Code), Paul Boudre stated that he will resign from his employment contract entered into on January 15, 2007 (and suspended since June 1, 2008) during fiscal year 2020-2021 subject to the following specific adjustments of his Chief Executive Officer's term of office.

At its meeting of August 4, 2020, our Board of Directors decided, on the recommendation of the Compensation Committee, to set, as part of the 2020-2021 compensation policy, the additional components from which Paul Boudre would benefit as Chief Executive Officer if he ceases his functions in respect of his employment contract:

i. the implementation of severance payment corresponding to one-year of his gross annual compensation (including the fixed and variable compensation paid to the Chief Executive Officer) paid on the basis of the previous fiscal year:
   - payment of this compensation would be subject to the achievement of a performance condition of at least 75% of the cumulative EBITDA objective over the two fiscal years preceding Paul Boudre's departure,
   - payment of this compensation would be due and payable under any circumstances of forced departure (*départ contraint*) regardless the form of such departure,
   - as an exception, this severance payment would not be payable in the event of a willful misconduct;

ii. the implementation of a non-compete clause for a one-year period compensated in an amount of 50% of his gross annual compensation (including the fixed and variable compensation paid to the Chief Executive Officer) paid on the basis of the previous fiscal year, the Board of Directors being entitled to waive such non-compete obligation on a discretionary basis and without any financial compensation.

In addition, as CEO, Paul Boudre has undertaken to resign from his functions in respect of his employment contract and thus to terminate such employment contract subject to the above compensation clause being approved by the shareholders and implemented by the Board of Directors.

4.2.3.4 Compensation policy of Éric Meurice, Chairman of our Board of Directors

A. Annual fixed remuneration and director's fee

In his capacity as Chairman of the Board of Directors, Éric Meurice would receive, subject to the increase decided retroactively as described below, an annual fixed compensation amounting to €50,000 gross, payable in one or more installments during the fiscal year.

Furthermore, he would be eligible for the payment of directors' fees for attending meetings of the Board of Directors and the Committees of which he is a member/the Chairman, under the same conditions as the directors of the Company other than Paul Boudre (who is not eligible for directors fees due to his duties as Chief Executive Officer).

Given the current positions of Éric Meurice and given an attendance rate of 100% for the 2020-2021 fiscal year, his total compensation would comprise the following components:

Type of compensation and related duties	Amount (gross)
Chair of the Board of Directors Annual fixed compensation	€50,000
Member of the Board of Directors Compensation paid to a member of the Board of Directors	€26,000
Chair of the Strategic Committee Compensation paid to the Chairman of the Strategic Committee	€17,000
Member of the Strategic Committee Compensation paid to a member of the Strategic Committee	€13,000
Chair of the **Compensation Committee** Compensation paid to the Chairman of the Compensation Committee	€17,000
Member of the **Compensation Committee** Compensation paid to a member of the Compensation Committee	€13,000
Member of the **Nomination & Governance Committee** Compensation paid to a member of the Nomination & Governance Committee	€13,000
Member of the **Audit and Risks Committee** Compensation paid to a member of the Audit and Risks Committee	€13,000
Member of the Restricted Strategic Matters Committee Compensation paid to a member of the Restricted Strategic Matters Committee	N/A
TOTAL	**€162,000**

For the sake of clarity, please note that should Éric Meurice take other positions within the Committees of our Board of Directors during the current 2020-2021 fiscal year, his compensation would be adjusted as a result, in accordance with the currently applicable allocation rules for directors' fees.

B. Proposed change effective April 1, 2021 with possible retroactive application – annual fixed compensation and compensation allocated as a director

The members of the Compensation Committee unanimously decided (except for Éric Meurice who left the meeting) to recommend to the Board of Directors to approve and submit to the Shareholders' General Meeting the increase of the compensation of the Chairman which is currently composed of a fixed and a variable part for his participation in Board meetings, and committees.

At its meeting on August 4, 2020, our Board of Directors decided, as a consequence, to redefine the compensation of its Chairman.

The compensation of Éric Meurice would be composed only of an annual fixed compensation of €230,000 gross as Chairman of the Board of Directors, prorated to the length of tenure of this Corporate office on a daily basis, and would not be any more eligible to any variable compensation related to his participation to Board or committee meetings. This compensation will not be part anymore of the budget set for directors' compensation by the Shareholders' General Meeting of July 2018 but submitted separately to the *ex-ante* and *ex-post* Say-on-pay votes of the shareholders of the Company.

This compensation of the Chairman of the Board of Directors would therefore correspond to a median reference level against a list of 28 comparable companies from the CAC Mid 60 Index.

However, in view of the current economic uncertainties due to the Covid-19 crisis, our Board of Directors will propose our shareholders to postpone the increase to be effective for the year April 1, 2021 - March 31, 2022. It will also be proposed to authorize the effective implementation of the aforementioned increase retroactively from April 1, 2020 in the event of an increase in the Company's turnover for the year April 1, 2020 - March 31, 2021.

For the financial year 2019-2020, his compensation was €155,547 gross, it being specified that it does not reflect the shareholding in year full membership of certain Committees that the Chairman joined during the year (member and Chairman of the Compensation Committee, and member of the Audit and Risks Committee) and was also based on a smaller number of meetings of the Board of Directors and of the Board of Directors' committees than the current number. In particular, during the last financial year, the Board of Directors met nine times versus seven times during the 2018-2019 fiscal year and an additional meeting of the Board of Directors is now institutionalized for the month of September. The change in his compensation is therefore justified by the increase in the number of Board and committee meetings in which he participates, as well as with regard to the compensation allocated to non-executive Chairmen in comparable companies.

4.2.3.5 Compensation policy for all other executive corporate officers potentially appointed during the current 2020-2021 fiscal year

If our Company were to appoint another executive corporate officer during the current 2020-2021 fiscal year, such as a deputy general manager (*Directeur général délégué*), for example, his/her compensation policy could be set based on the principles and criteria for determining, allocating and distributing the fixed, variable and exceptional components similar to those comprising the total compensation and benefits of any kind attributable to Paul Boudre for the exercise of his duties as Chief Executive Officer for the fiscal year ending March 31, 2021 as presented above.

4.2.3.6 Compensation policy for our directors

A. Principles

The level of compensation paid to the directors is outlined in the Company's bylaws (Article 18).

In accordance with the law, the Shareholders' General Meeting sets the total annual amount that can be allocated to the directors as compensation for their activities (the "Budget"). This Budget is set by the Shareholders' General Meeting *via* a resolution submitted for approval.

The Budget thus approved by the Shareholders' General Meeting remains applicable and unchanged for each successive fiscal year until modified by the shareholders *via* a new resolution submitted for their approval.

The rules governing the distribution of this Budget are set by the Board of Directors and are also submitted to the Shareholders' General Meeting for the approval of this policy. The Rules of distribution take into account the effective participation by the directors in the work of the Board and the Committees, and therefore are mainly variable. The total compensation must be adapted in response to the degree of responsibility held by the directors and to the time which they must devote to their duties.

B. Rules governing distribution

According to the rules governing distribution approved by our Board of Directors, the Budget is distributed in whole or in part as follows:

- the Budget shall be allocated exclusively to directors who have no operational and/or executive duties within our Group;
- the compensation allocated to each director will be pro-rated to the actual length of that director's term of office, with regard to the compensation period under consideration;
- each year, the Board of Directors acknowledges the overall and individual distribution of the compensation resulting from the application of the distribution rules;
- regular attendance at the meetings of the Board of Directors and the Committees is rewarded (100% of the compensation is based on the attendance ratio);
- participation in meetings *via* conference call or video conferencing is considered equivalent to physical attendance.

Our Shareholders' also agreed that those amounts owed by our Company in respect of (i) the share of any potential social security payments and contributions and (ii) any company contributions for which our Company is responsible on the basis of the payment of directors' fees to its directors, shall not be included in this Budget. These shall therefore be paid in addition by our Company.

C. Reimbursement of expenses

Each member of the Board of Directors is entitled to have any travel costs incurred in the context of the performance of his or her duties reimbursed upon presentation of receipts.

Quorums associated with the Budget approved at the Shareholders' General Meeting of July 26, 2018

As a reminder, on March 27, 2019, further to a recommendation made by the Compensation Committee, our Board of Directors decided to set the rules governing the distribution of directors' compensation as follows, with retroactive effect to April 1, 2018:

Functions	Compensation relating to an attendance rate of 100%
Seat on the Board of Directors	€26,000 (gross)
Seat on a Committee (other than the Restricted Strategic Matters Committee)	€13,000 (gross)
Chairing a Committee	€17,000 (gross)

It being stipulated that the distribution shown above is based on an attendance rate of 100% for our directors over the whole of the fiscal year in question.

These distribution rules shall remain unchanged and continue to apply for the compensation allocated to our directors for the fiscal year 2020-2021 (except, as the case may be, in the event of an increase in the Company's turnover for the year April 1, 2020 - March 31, 2021 in which case the Board could decide to retroactively implement the new Budget describe below as from April 1, 2020).

Quorums associated with the Budget that will be proposed to the Shareholders' General Meeting of September 2020

Our shareholders will be requested, on the basis of a resolution proposed to the Shareholders' General Meeting convened on September 23, 2020, to vote on a new Budget to be awarded to the members of our Board of Directors totaling €780,000 gross, compared with €720,000 gross for the previous fiscal year ended March 31, 2020 (being specified that the compensation of the Chairman would not be part anymore of this Budget).

In view of the current economic uncertainties due to the Covid-19 crisis, our Board of Directors will propose our shareholders to postpone the increase to be effective for the year April 1, 2021 - March 31, 2022. It will also be proposed to authorize the effective implementation of the aforementioned increase retroactively from April 1, 2020 in the event of an increase in the Company's turnover for the year April 1, 2020 - March 31, 2021.

This new Budget would take into account an increase in the remuneration allocated to the Board members, from €26,000 to €46,000. Indeed, after analysis of the market practices both in France and in Europe, it appeared that the amount corresponding to attendance at Board meetings of €26,000 per year was well below practices. The €46,000 proposal would place Soitec at the average of comparable French companies (survey of 14 CAC Mid 60 companies) and 80% of the median of a panel of 20 European companies, mostly from the semiconductor sector.

Moreover, this proposed increase in the compensation includes in particular the increase in the number of meetings of the Board of Directors (nine meetings held during fiscal 2019-2020 compared with seven in fiscal 2018-2019) and of certain Committees.

Should this modification to the compensation paid to directors be approved by our shareholders at the Shareholders' General Meeting to be held on September 23, 2020, our Board of Directors has decided, at a meeting held on August 4, 2020, to set the rules governing the distribution of directors' fees as follows, with deferred effect as from April 1, 2021 (except, as the case may be, in the event of an increase in the Company's turnover for the year April 1, 2020 - March 31, 2021 in which case the Board could decide to retroactively implement this Budget as from April 1, 2020):

Functions	Compensation relating to an attendance rate of 100%
Seat on the Board of Directors	€46,000 (gross)
Seat on a Committee (other than the Restricted Strategic Matters Committee)	€13,000 (gross)
Chair of a Committee	€17,000 (gross)

The distribution above is based on an attendance rate of 100% for our directors over the whole of the fiscal year in question.

If this Budget of €780,000 (gross) is approved by our shareholders at the Shareholders' General Meeting on September 23, 2020, this shall apply as from to April 1, 2021 (except, as the case may be, in the event of an increase in the Company's turnover for the year April 1, 2020 - March 31, 2021 in which case the Board could decide to retroactively implement this Budget as from April 1, 2020). If not, the Budget of €720,000 shall continue to apply.

4.2.4 COMPENSATION AND ALL BENEFITS PAID TO OUR DIRECTORS ON THE BASIS OF THE FISCAL YEAR 2019-2020

4.2.4.1 Compensation paid to members of the Board of Directors

A. Amount of directors fees that may be allocated

Despite the increase in the number of directors during the fiscal year 2016-2017 (with the Board of Directors increasing from 7 to 13 members at the time, and comprising 12 at present), our Shareholders have not been asked to vote on an increase in the value of the directors' fees which can be awarded to our directors other than the Chairman of the Board of Directors between 2012 and 2018.

Therefore, at the Shareholders' General Meeting held on July 26, 2018, our Shareholders were asked to re-assess the overall annual amount of the directors' fees allocated to our Board of Directors, by setting this at €720,000 from the fiscal year beginning on April 1, 2018.

This proposal was adopted and therefore applies until a new resolution is adopted by the Shareholders' General Meeting (see in this respect the increase proposed to the Shareholders' General Meeting to be held on September 23, 2020).

Our Shareholders' also agreed that those amounts owed by our Company in respect of (i) the share of any potential social security payments and contributions and (ii) any company contributions for which our Company is responsible on the basis of the payment of directors' fees to its directors, shall not be included in this €720,000 envelope. These shall therefore be paid in addition by our Company.

B. Compensation paid

Please note that, in accordance with the rules regarding the distribution of the Envelope awarded to directors, our Chief Executive Officer, Paul Boudre, has not received any directors' fees for the last 3 fiscal years.

The Chairman of the Board of Directors, Éric Meurice, received compensation for the performance of his duties as Chairman of the Board of Directors equal to €50,000 gross as well as compensation pursuant to his participation in the Board meetings and Committees.

During the 2019-2020 fiscal year, the total amount of the Budget allocated to the other directors totaled €454,232 (gross), compared with €494,960 (gross) for the previous fiscal year ended on March 31, 2019.

Details of these payments are shown in the table below:

C. Table 3 of the AMF position-recommendation no. 2009-016

› *Table summarizing the compensation paid to our non-executive corporate officers* *(in euros)*

	Amount paid on the basis of the 2018-2019 fiscal year	Amount paid on the basis of the 2019-2020 fiscal year
Monica Beltrametti		
Compensation paid on the basis of his/her position as member of the Board of Directors and of Committees	68,147	24,224
Other compensation	-	-
Françoise Chombar		
Compensation paid on the basis of his/her position as member of the Board of Directors and of Committees	-	26,746
Other compensation	-	-
Bpifrance Participations (represented by Sophie Paquin)		
Compensation paid on the basis of his/her position as member of the Board of Directors and of Committees	52,000	42,508
Other compensation	-	-
CEA Investissement (represented by Guillemette Picard)		
Compensation paid on the basis of his/her position as member of the Board of Directors and of Committees	49,111	39,619
Other compensation	-	-
Laurence Delpy		
Compensation paid on the basis of his/her position as member of the Board of Directors and of Committees	95,000	93,143
Other compensation	-	-
Shuo Zhang		
Compensation paid on the basis of his/her position as member of the Board of Directors and of Committees	-	41,605
Other compensation	-	-
Nadine Foulon-Belkacémi		
Compensation paid on the basis of his/her position as member of the Board of Directors and of Committees	69,908	18,973
Other compensation	-	-
Nabeel Garreb		
Compensation paid on the basis of his/her position as member of the Board of Directors and of Committees	17,096	N/A
Other compensation	-	N/A
Christophe Gegout		
Compensation paid on the basis of his/her position as member of the Board of Directors and of Committees	65,286	66,111
Other compensation	-	-
Éric Meurice		
Compensation paid on the basis of his/her position as member of the Board of Directors and of Committees	40,661	155,547
Other compensation	-	-
Satoshi Onishi		
Compensation paid on the basis of his/her position as member of the Board of Directors and of Committees	18,571	20,222
Other compensation	-	-
Thierry Sommelet		
Compensation paid on the basis of his/her position as member of the Board of Directors and of Committees	-	-
Other compensation	-	-
Weidong (Leo) Ren		
Compensation paid on the basis of his/her position as member of the Board of Directors and of Committees	59,841	1,971
Other compensation	-	-
Kai Seikku		
Compensation paid on the basis of his/her position as member of the Board of Directors and of Committees	-	47,676
Other compensation	-	-
Qingyu (Jeffrey) Wang		
Compensation paid on the basis of his/her position as member of the Board of Directors and of Committees	-	31,434
Other compensation	-	-
TOTAL	**535,621**	**609,779**

4.2.4.2 Travel costs

Travel costs incurred by our directors in the performance of their duties will be reimbursed by our Company, upon presentation of receipts.

4.2.5 COMPENSATION AND ALL BENEFITS OF OUR EXECUTIVE COMMITTEE (EXCOM) MEMBERS

As of March 31, 2020, our Executive Committee (EXCom) had 11 members, excluding corporate officers (11 as of March 31, 2019), resulting in an average headcount of 10.5 over the year. The total gross compensation paid by our Group to members of the ExCom, excluding corporate officers, and including direct and indirect benefits of executives was €7,625 thousand for the fiscal year ended March 31, 2020.

(in € thousand)	March 31, 2020	March 31, 2019
Short-term benefits and remunerations	3,796	3,499
Post-employment benefits	-	-
Accounting valuation of share-based payments	3,829	4,043
TOTAL GROSS REMUNERATION PAID TO GROUP EXECUTIVES	**7,625**	**7,542**

4.2.6 INTERESTS HELD BY OUR ADMINISTRATIVE AND MANAGEMENT BODIES

4.2.6.1 Interests in our Company's share capital held by the administrative and management bodies

Number of Company shares held by the administrative and management bodies

At June 10, 2020 our administrative and management bodies owned the following number of shares making up our share capital:

Full name/Company name	Capacity	Number of shares owned
Éric Meurice	Chairman of the Board of Directors	1,000
Paul Boudre	Chief Executive Officer and Director	41,100
Françoise Chombar	Director	-
Bpifrance Participations (represented by Sophie Paquin)	Director	3,636,007
CEA Investissement (represented by Guillemette Picard)	Director	2,571,007
Laurence Delpy	Director	675
Shuo Zhang	Director	-
Christophe Gegout	Director	-
Satoshi Onishi	Director	100
Kai Seikku	Director	2,000
Thierry Sommelet	Director	-
Jeffrey Wang	Director	-

4.2.6.2 Transactions in our Company's securities carried out by our executives and those closely connected to them

In accordance with Article L. 621-18-2 of the French Monetary and Financial Code and with Articles 223-23 and 223-26 of the AMF's General Regulation, the tables set out below present in chronological order a summary of all transactions carried out on the shares of our Company during fiscal 2019-2020 and up until June 12, 2020, by our corporate officers, certain executives of our Company, and those closely connected to them.

Please note that these transactions are declared only to the extent that the aggregate value thereof is more than €20,000 per declaring individual over the course of a calendar year.

Declaring individual	Kai Seikku	Paul Boudre
Capacity	Director	Chief Executive Officer
Issuer	Soitec	Soitec
LEI	969500ZR92SQCU9TST26	969500ZR92SQCU9TST26
Type of financial instrument	Ordinary shares	Ordinary shares
Financial instrument identification code	FR0013227113	FR00132271133
Number of financial instruments	2,000	196,597
Type of transaction	Acquisition	Assignment
Transaction date	July 29, 2019	September 16, 2019
Place of transaction	Euronext Paris	Euronext Paris
Unit price	€93.5000	€91.000
Total amount of the transaction	€187,000	€17,890,327

Declaring individual	Éric Meurice	Paul Boudre
Capacity	Chairman of the Board of Directors	Chief Executive Officer – Director
Issuer	Soitec	Soitec
LEI	969500ZR92SQCU9TST26	969500ZR92SQCU9TST26
Type of financial instrument	Ordinary shares	Ordinary shares
Financial instrument identification code	FR0013227113	FR0013227113
Number of financial instruments	1,000	6,000
Type of transaction	Acquisition	Donations
Transaction date	December 4, 2019	December 3, 2019
Place of transaction	Euronext Paris	Euronext Paris
Unit price	€94.3516	€90.8500
Total amount of the transaction	€94,351.60	€545,100

4.2.7 AMOUNTS PROVISIONED BY OUR GROUP FOR THE PAYMENT OF PENSION, RETIREMENT OR SIMILAR BENEFITS

In addition to compulsory supplementary schemes, our Company has set up the schemes described below for all or certain employees of our Company as well as for our Chief Executive Officer, Paul Boudre.

These schemes are compliant with the recommendations of the AFEP-MEDEF Code about supplementary retirement schemes for the corporate officers.

- **Article 83 – Supplementary defined contribution retirement scheme**

  Within this retirement scheme, the rights are individualized according to the contribution rate. This plan benefits all employees of the Soitec's Economic and Social Unit.

  Our Company's commitment is limited to the payment of its share of contributions to the insurance company which manages the plan.

  The rights are vested even in case of resignation or dismissal.

  On retiring, annuity settlement is compulsory.

  In case of death before retirement, the designated beneficiary shall receive a capital lump sum.

  In case of death after retirement, if the reversion has been chosen, all or part of the pension is paid to the partner in life or to other beneficiaries if the agreement so provides.

  The cost of this scheme is borne 100% by our Company *via* contributions to tranches A, B and C of compensaton (3.07%, 3.43% and 4.71% respectively).

  Paul Boudre benefits from this plan under the same conditions as employees, up to the tranche C cap of his compensation, *i.e.* €12,730.71 for the 2019-2020 fiscal year.

- **Article 39 – Supplementary defined benefits pension scheme set up for certain senior executives (of which there are 8 as of December 31, 2019) and for Paul Boudre (closed and frozen scheme)**

  This is a defined benefit collective pension plan, mentioned in Article L. 137-11 of the French Social Security Code, implemented with effect from October 1, 2004 and financed by our Company.

  This plan applies to certain senior executives (senior executives III C and corporate officers).

  To be eligible for a pension under this plan, beneficiaries must be at least 60 years of age and must have settled their pensions of social and complementary security AGIRC-ARRCO. The benefit of this supplementary scheme is subject to a condition of presence of the beneficiary in our Company at the time when he or she claims his or her rights: the rights relating to defined benefits are lost in the event of leaving our Company before retirement. However, this presence condition does not apply in the event of early retirement, disability or the departure of a beneficiary over 55 years at our Company's initiative, with no return to work until retirement.

  Entitlements under this plan are expressed as a percentage of a reference salary equal to the last gross annual compensation paid during the last 12 months prior to leaving our Company, excluding exceptional compensation or bonuses.

  This pension plan provides its beneficiaries with a pension equal to 9.80% of the reference salary, after deduction of the pension paid by the defined contribution plan.

  On retiring, annuity settlement is compulsory.

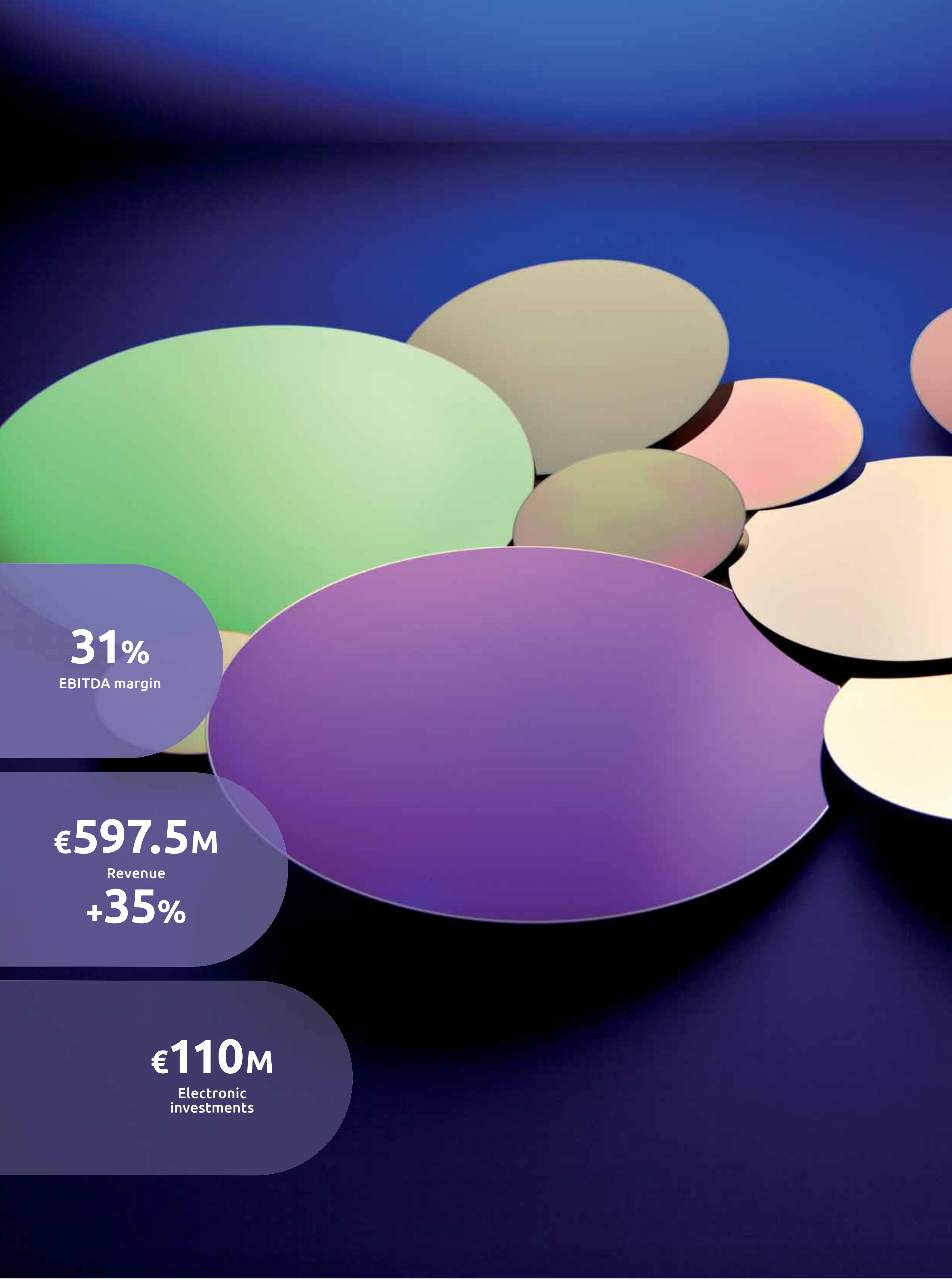
  This plan is entirely financed by our Company through premiums paid on an insurance contract (external management). These premiums are subject to the specific contribution to be paid by our Company as provided for in Article L. 137-11 of the French Social Security Code, at a rate of 24%.

  In accordance with the provisions of Order No. 2019-697 as of July 3, 2019, this scheme has been closed since July 4, 2019 (there is therefore no longer potential new beneficiaries since that date) and the rights of the beneficiaries were frozen as from December 31, 2019 (no additional rights under this supplementary defined benefit pension could be granted for periods of employment after January 1, 2020).

  Paul Boudre benefits from this plan under the conditions described above (conditions identical to those of the beneficiary employees, without any additional benefit). At the closing date of the 2019-2020 financial year, the estimated amount of the pension that may be paid to Paul Boudre under the "Article 39" plan is €104 thousand, compared to €98 thousand at the closing date of the financial year 2018-2019.

  On March 31, 2020, the sums provisioned by our Company for the purpose of the payment to Paul Boudre of pension, retirement, or other benefits totaled to €2,997 thousand, compared to €2,649 thousand for the previous fiscal year.

  At the same date, provisions for the payment of pensions, retirement or other benefits for the seven employees eligible to this scheme amounted to €2,880 thousand, compared with €2,447 thousand for the previous year.


31%
EBITDA margin
€597.5M
Revenue
+35%
€110M
Electronic investments

5. Comments on the fiscal year

5.1 ANALYSIS OF THE FINANCIAL POSITION AND CONSOLIDATED RESULTS FOR THE FISCAL YEAR

This chapter is part of our Company management report. It should be read in parallel with the Group's consolidated annual financial statements for the fiscal year ended March 31, 2020, which are presented in section 6.2 *Consolidated financial statements.*

Pursuant to Regulation (EC) no. 1606/2002 of July 19, 2002 on the application of international accounting standards, the consolidated financial statements of our Group have been prepared in accordance with the standards and interpretations published by the International Accounting Standards Board (IASB), adopted by the European Union and made compulsory for the approval of accounts.

This reference framework, available on the European Commission's website (http//ec.europa.eu/internal_market/accounting/ias/index_fr.htm), incorporates the international accounting standards (IAS and IFRS), the Standing Interpretations Committee – SIC, and the International Financial Reporting Interpretations Committee – IFRIC.

The accounting rules and methods applied to prepare the financial statements are the same as those used in the consolidated financial statements for the fiscal year ended March 31, 2019, after taking account of, or with the exception of, the new standards and interpretations described in note 2 to the consolidated financial statements.

The Other Business segment, which includes discontinued operations, and in particular, business from the Solar Energy division, is shown in the financial statements under discontinued operations, in line with IFRS 5.

5.1.1 SUMMARY OF THE BUSINESS AND CONSOLIDATED RESULTS

5.1.1.1 Main trends that have impacted operations during the 2019-2020 fiscal year

A. Overview

The 2019-2020 fiscal year continued to see strong growth in business (+35%, *i.e.* 28% on a like-for-like basis, compared with the 2018-2019 fiscal year), high profitability, in line with our expectations, and continued investment efforts, in France and Singapore or *via* external growth transactions with the acquisition of EpiGaN n.v. in May 2019 (EpiGaN n.v. has changed its name to Soitec Belgium n.v. in June 2020).

The restart of our Singapore site continued during the fiscal year. An initial pilot production line of FD-SOI and RF-SOI wafers was installed, as a first step to a larger scale and longer-term production of 300mm wafers, and our site has been qualified by several of our clients. Additional capacities for refresh and epitaxy were also set up during the year.

As planned, a production line for POI substrates was installed and qualified at our Bernin 3 plant. During the third quarter, we started delivering products and recognized revenue on this business. This increase in production capacity will enable us to meet our customers' growing demand for 4G and 5G smartphone filters.

On May 13, 2019, Soitec acquired EpiGaN n.v.., the leading European supplier of gallium nitride (GaN) epitaxial wafers, to expand its engineered substrate portfolio into gallium nitride and thus accelerate its penetration across high-growth 5G, power and sensors market segments. EpiGaN n.v.'s gallium nitride substrates are used primarily within RF 5G, power electronics, and sensor applications.

B. Covid-19

Since the beginning of the Covid-19 health crisis, our Group's priority has been to protect the health of its employees as well as those of its various partners, subcontractors, customers and all the communities with which our Group interacts. All of our teams have maintained, and continue to maintain, ongoing exchanges with all of our Group's suppliers, customers and partners in order to ensure continuity of operations in all businesses. Strictly applying the instructions given by the various countries in which it operates, our Group has required its employees to work remotely from home when physical presence was not necessary. At the same time, our Group remains determined to support its customers in this difficult environment and has so far been able to maintain production, in particular at the Bernin and Singapore sites, by implementing drastic health and safety measures. Our Group has always maintained to deliver products to its customers to meet their requirements. Our Group is also pursuing all its major R&D projects to meet their scheduled progress.

The assumptions for closing the financial statements have each been reviewed in relation to the information relating to the Covid-19 crisis without any significant impact on the financial statements as of March 31, 2020. Our Group's handling of the Covid-19 health crisis has demonstrated the robustness of the semiconductor supply chain in which our Group operates, but is nevertheless creating uncertainty around the overall level of consumption.

5.1.1.2 Income statement for the 2019-2020 fiscal year

(in € million)	2019-2020	2018-2019	2017-2018
Revenue	**597.5**	**443.9**	**310.6**
Gross profit	195.4	165.0	106.9
Current operating income/(loss)	**117.7**	**108.4**	**67.4**
as % of revenue	*19.7%*	*24.4%*	*21.7%*
Other operating income and expenses	1.8	0.5	4.1
Operating income (EBIT)	**119.5**	**108.9**	**71.5**
as % of revenue	*20.0%*	*24.5%*	*23.0%*
Income/(loss) from discontinued operations*	(0.9)	0.3	(5.6)
NET PROFIT (LOSS) (GROUP SHARE)	**109.7**	**90.2**	**86.5**
as % of revenue	*18.4%*	*20.3%*	*27.8%*

* *Restatement in application of IFRS 5 of the solar businesses.*

Sharp increase in revenue

+35%

EBITDA growth

€185.4

million

(€152.3 million in 2018-2019*)

Net profit

€109.7

million

(€90.2 million in 2018-2019)

* *EBITDA of the Electronics business.*

EBITDA

(in € million)	2019-2020	2018-2019
EBITDA Electronics	185.4	152.3
EBITDA margin Electronics	31.0%	34.3%
EBITDA Other businesses	(0.9)	(2.5)
EBITDA Group	184.5	149.8
EBITDA margin - Group	30.9%	33.7%

EBITDA represents operating income (EBIT) before depreciation, amortization, non-monetary items related to share-based payments and changes in provisions on current assets and provisions for risks and contingencies, and excluding income from asset disposals. The impact of the first adoption of IFRS 15 for the 2018-2019 fiscal year is included in EBITDA. This indicator is a non-IFRS quantitative measure used to measure our Company's ability to generate cash from its operating activities.

5.1.1.3 Revenue growth of 35%

Total consolidated revenue increased strongly by 35% to €597.5 million in 2019-2020 compared to €443.9 million in 2018-2019.

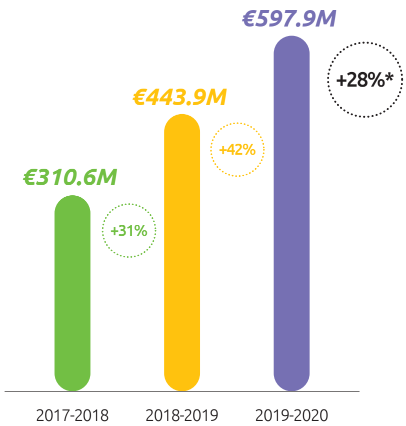
It grew by 28% at constant scope and exchange rates (1).

In particular, it reflects:

- growth of 20% at constant scope and exchange rates (1) of sales of 200mm wafers;
- and growth of 38% at constant scope and exchange rates (1) of sales of 300mm wafers.

Our Electronics division represents the whole Group revenue for the 2019-2020 fiscal year (as in the previous fiscal year).

› ***Revenue*** *(in € million)*



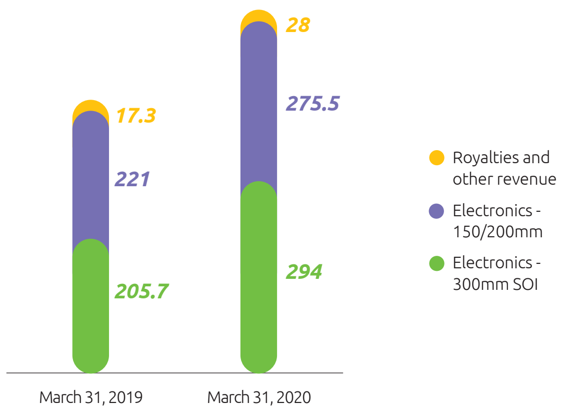
* At constant perimeter and exchange rates.

› ***Breakdown by products of the Electronics division's sales***

(in € million)	Sales March 31, 2020	Sales March 31, 2019	Annual change *(in %)*	Key customers	Income	Application
Electronics – 300mm SOI	294	206	43%	Global Foundries, ST Microelectronics, TowerJazz, UMC	PD-SOI, FD-SOI, RF-SOI, Imager-SOI, Photonics-SOI	Servers, PC, Games Consoles, Smartphones
Electronics - 150/200mm	276	221	25%	TowerJazz, UMC, GlobalFoundries, NXP, SSMC, Sony, TSMC	RF-SOI, Power-SOI	Smartphones, Tablets, Automobile, Industrial
Royalties and other revenue*	28	17	62%			
TOTAL ELECTRONICS	**598**	**444**	**35%**			
Total revenue	598	444	35%			

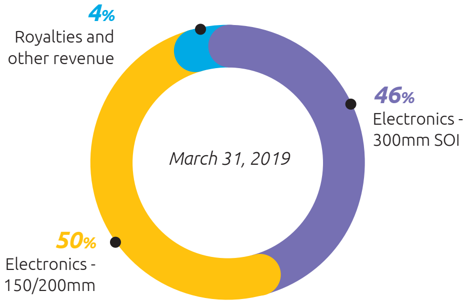
* *Including sales related to Dolphin Design.*

› ***Breakdown and change of revenue by wafer type*** *(in € million)*

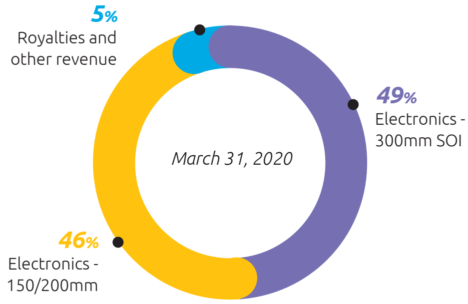


(1) *Change at constant exchange rates and comparable scope of consolidation; the scope effects relate to the acquisition of EpiGaN in May 2019 and of assets and certain liabilities of Dolphin Integration in August 2018, with the corresponding revenue recognized in the "Royalties and other revenue" segment.*

› *Breakdown of turnover as at March 31, 2019*



› *Breakdown of turnover as at March 31, 2020*



Compared to the previous fiscal year, **sales of small-diameter wafers (150 and 200mm)** increased by 24% to €276 million compared to €221 million.

+€54
million
+24%
compared to 2018-2019

- Growth is mainly driven by sustained demand for RF-SOI substrates (radio frequency applications) specifically designed for the mobility and automotive markets.
- This increase is the result of higher volumes and a more favorable product mix.
- The agreement signed with our Chinese subcontractor Simgui (our Group partner which uses our Smart Cut™ technology in its Shanghai plant) now gives access to additional industrial capacity to meet growing demand.
- During the fiscal year, our Group recorded its first sales of 150mm POI substrates for filters, produced at Bernin 3.

Sales of 300mm wafers grew by 43% to €294 million compared to €205.7 million for the 2018-2019 fiscal year.

- This increase comes from significantly higher volumes of 300mm RF-SOI substrates and Photonics-SOI wafers.
- The growth in sales of 300mm RF-SOI wafers has been driven by an increase in the amount of RF-SOI surface area required for radio frequency applications, due to the ever-growing 4G market and the deployment of first generation 5G networks and smartphones. While RF-SOI has become the market standard, 5G communication protocols require a significantly higher number of radio-frequency components such as switches, antenna tuners and LNA amplifiers (Low Noise Amplifiers).
- Our 300mm wafer production site in Singapore has now been validated by several of our clients.

+€88
million
+43%
compared to 2018-2019

Market adoption of FD-SOI continues to progress for various applications, such as Artificial Intelligence Embedded in Connected Objects (AIoT) or applications related to connectivity or the automotive industry Demand for Imager-SOI continues to be driven by the continued demand for 3D imaging applications for mobile devices. Finally, the demand for Photonics-SOI is supported by the increase in data transmission speed and the increase in bandwidth for optical transmissions required by the new generations of data centers.

› *Income from licenses and other income*

Thanks to the acquisition of the assets of Dolphin Integration (*via* Dolphin Design) in August 2018, and, to a lesser extent, to that of EpiGaN n.v. in May 2019, income from royalties and other income reached €28.3 million for the fiscal year 2019-2020 compared to €17.3 million for 2018-2019. At constant exchange rates and scope this revenue increased by 18% thanks to the development of Dolphin Design's business.

› *Geographic breakdown of revenue from our Electronics division*

	2019-2020	2018-2019	2017-2018
United States	20%	19%	25%
Europe	25%	44%	41%
Asia	55%	37%	33%

› *Breakdown of revenue by customer*

	2019-2020	2018-2019	2017-2018
Top five customers	64%	56%	57%
Customers 6 to 10	24%	28%	25%
Other customers/Royalties	12%	16%	18%

The top five customers represented 64% of sales during the 2019-2020 fiscal year, compared to 56% during the previous year.

Other Businesses

This sector includes the Solar Energy and Equipment businesses. These sectors have not recorded any significant revenue over the last three fiscal years.

Pursuant to IFRS 5 on discontinued operations, the results of the Other Businesses are no longer provided in detail, but incorporated in a single line item in the consolidated income statement, representing the impact on Group net profit/loss.

5.1.1.4 Gross margin: 32.7% of revenue

Gross margin corresponds to total revenue minus the total cost of sales.

The **cost of sales** is equal to the sum of the following costs:

- **production costs**: these costs include the cost of raw materials, mainly silicon, manufacturing costs, including direct labor costs, depreciation and maintenance costs on production equipment and clean room infrastructure, and overhead costs allocated to production;
- **distribution costs**; and
- **patent royalties** (mainly to CEA-Leti for the use of Smart Cut™ technology).

The gross margin reached €195.4 million (*i.e.* 32.7% of revenue) in 2019-2020 fiscal year, compared to €165 million (*i.e.* 37.2% of revenue) in fiscal year 2018-2019. Despite a favorable exchange rate effect and the positive impact of operating leverage linked to better utilization of industrial capacity at Bernin, our Group recorded, as anticipated, a slight decrease in its gross margin rate resulting from:

- the increase in costs incurred by the ramp up of our Singapore plant;
- the dilutive effect on margins of the use of Simgui sub-contracting (which increased in order to meet the demand for 200mm wafers);
- the increase in purchase prices of certain raw materials following the end of some long-term supply agreements; and
- the impact of the increase in depreciation and amortization expenses due to the high level of investment over the last few months.

5.1.1.5 R&D costs up significantly (+€12.5 million)

R&D costs are recorded as expenses as and when they occur, if the criteria imposed by IAS 38 allowing their recording in the balance sheet are not met.

R&D costs are essentially made up of the following:

- salaries and social contributions of R&D employees, including share-based payments;
- operating costs of clean room equipment and equipment required for R&D;
- material used for finalizing and manufacturing prototypes;
- subcontracting to public research centers or private laboratories, cooperation agreements; and
- costs relating to maintaining and strengthening our Group's intellectual property rights.

Amounts received under subsidy contracts are deducted from gross R&D costs to arrive at a net amount charged to the income statement.

Our Group receives tax research credits. These are deducted from R&D costs in the income statement in accordance with IAS 20.

R&D costs amounted to €32.5 million during the 2019-2020 fiscal year, up by €12.5 million compared to €20 million in the 2018-2019 fiscal year. They represented 5.4% of consolidated revenue for the fiscal year just ended, compared to 4.5% for the previous fiscal year. This increase is mainly the result of:

Gross R&D expenditure

11.2% of revenue

over 2019-2020

- a higher level of gross R&D expenses (+€15.6 million compared to the 2018-2019 fiscal year), in large part due to the Dolphin Design consolidation for the entire fiscal year (seven months out of 2018-2019) and, to a lesser extent, EpiGaN n.v., as well as by the increased development effort for 2019-2020 (hiring and also subcontracting with the CEA);
- such expenses having been partially offset by a level of subsidies and repayable advances recognized in the income statement of €25.4 million (+ €3.4 million compared to the 2018-2019 fiscal year).

These expenditures reflect the continually reaffirmed strategy to develop Soitec with a unique positioning through its new product generations.

5.1.1.6 Sales and marketing expenses

Sales and marketing expenses remained relatively stable, amounting to €10.1 million over 2019-2020, compared with €9.8 million over 2018-2019. They represent 1.7% of revenue as of March 31, 2020, compared to 2.2% as of March 31, 2019.

5.1.1.7 General and administrative expenses

General and administrative expenses for the Electronics business increased by €8.2 million to €35 million for fiscal year 2019-2020, compared with €26.8 million for the previous fiscal year.

This increase is mainly due to:

- scope effects: consolidation of Dolphin Design for the full year and acquisition of EpiGaN n.v. in May 2019;
- the increase in personnel-related costs due to growth-supporting recruitment, as well as to employee share ownership plans and other compensation items.

The increase in general, administrative and marketing costs, however, remained limited: compared to the revenue, these costs declined from 6% of revenue for the 2018-2019 fiscal year to 5.9% for 2019-2020.

General and administrative expenses

5.9% of revenue

over 2019-2020

6%

over 2018-2019

5.1.1.8 Current operating income at €117.7 million (+€9.3 million)

Current operating income/(loss) is calculated by deducting net R&D costs, general and administrative expenses and sales and marketing expenses from gross margin.

Current operating income/loss

€117.7

million

+€9.3

million

Impacted by the significant increase in gross margin, partly offset by the increase in net R&D costs and general and administrative costs, **current operating income amounted to €117.7 million** with an increase of €9.3 million compared to the 2018-2019 fiscal year when it was €108.4 million. It represented 19.7% of our revenue for the 2019-2020 fiscal year.

5.1.1.9 Operating income of €119.5 million (20% of revenue)

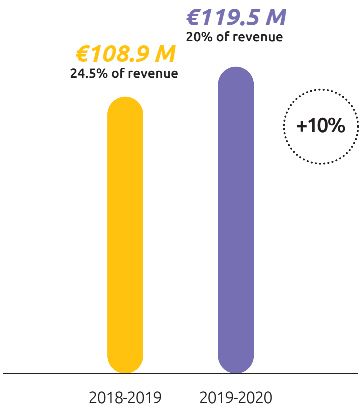
Operating income consists of the current operating income and other operating income and expenses.

These other operating income and expenses amounted to +€1.8 million and mainly comprised the capital gain on the sale of the Villejust industrial site (site not used for four years).

As of March 31, 2019, other operating income and expenses mostly comprised the capital gain on the sale of the land (net income of €0.6 million).

Operating income was €119.5 million, up €10.6 million compared to the previous fiscal year when it amounted to €108.9 million.

› ***Operating income/(loss)*** *(in € million)*



5.1.1.10 EBITDA

For the fiscal year ended March 31, 2019, EBITDA for the Electronics business amounted to €152.3 million (34.3% of revenue).

As our Group announced, the level of EBITDA as of March 31, 2020, was impacted by the downturn in gross margin rates as a percentage of revenue (excluding the impact of depreciation and amortization expenses) and the increase in general and administrative costs in value.

EBITDA from continuing operations (Electronics) amounted to €185.4 million as of March 31, 2020, or 31% of revenue, fully in line with our expectations given the favorable exchange rate effect.

5.1.1.11 Financial income/(expense)

Over the 2019-2020 fiscal year, our Group posted a net financial expense of €4.1 million compared to a net expense of €8.1 million for the previous fiscal year.

This net expense was mainly due to the following:

- €4.3 million in interest expenses related to the unwinding of the discounting of the OCEANE 2023 convertible bond and the amortization of the issuance expenses compared to an expense of €3.2 million for the previous fiscal year due to the "full year" effect;
- €1.9 million in income from the revaluation of non-consolidated shares at fair value;
- foreign exchange gains of €0.6 million (compared to a loss of €4.6 million for the 2018-2019 fiscal year).

5.1.1.12 Income/loss from discontinued operations

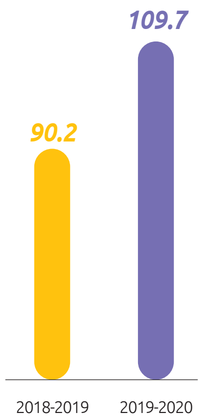
For the 2019-2020 fiscal year, the net income/(loss) from discontinued operations was a loss of €0.9 million, compared to a profit of €0.3 million for the 2018-2019 fiscal year.

This profit is mainly due to:

- the capital gain on the sale of shares in our Company owning a power plant in South Africa (as well as the repayment of the associated loan) of €0.6 million;
- offset by negative exchange rate effects due to the depreciation of the ZAR against the euro.

5.1.1.13 Profit/(loss) and taxes

Our Group recorded a net profit (Group share) of €109.7 million, €19.5 million higher than the net profit for the 2018-2019 fiscal year.



5.1.1.14 Balance sheet

(in € million)	2019-2020	2018-2019	2017-2018
Non-current assets	445	374	216
Current assets	366	258	120
Cash	191	175	120
Assets held for sale	-	17	24
TOTAL ASSETS	**1,003**	**824**	**480**
Equity	552	398	279
Financial debt	245	222	67
Provisions and other non-current liabilities	42	21	11
Operating debts	164	176	111
Liabilities related to assets held for sale	-	6	12
TOTAL EQUITY AND LIABILITIES	**1,003**	**824**	**480**

Non-current assets mainly comprise fixed assets, financial assets (equity investments) and deferred tax assets. The €72.2 million increase of non-current assets compared to March 31, 2019 is mainly due to:

- an increase in net intangible assets by €49 million:
  - €29.9 million following Group consolidation of EpiGaN n.v. (of which €11.9 million in goodwill and €18 million in customer relationship and technology identified during the acquisition),
  - €17.5 million of capitalized development costs,
  - €10.4 million of software acquisitions,
  - partially offset by €9.1 million in amortization and depreciation during the fiscal year;
- an increase in net property, plant and equipment by €43.6 million;

High level of investment over 2019-2020

- €73.1 million of acquisitions (including new leases):
  - industrial equipment both for the Bernin site (plants dedicated to 200mm and 300mm wafers but also the Bernin 3 plant for POI substrates) and in Singapore mainly for the implementation of the 300mm SOI production line (for RF-SOI and FD-SOI products),
  - equipment used for R&D,
  - fittings and fixtures;
- integration of the EpiGaN n.v. assets: +€4.2 million (on the acquisition date);
- €3.1 million in exchange rate impacts;
- partially offset by disposals for €0.3 million and €36.5 million in amortization and depreciation;
- an increase in non-current financial assets by €3.4 million. Non- current financial assets comprise investments in non-consolidated companies and the fair value of currency hedges with a maturity of more than 12 months. The increase is due to:
  - additional investments in the Technocom 2 and Technocom 3 investment funds (€1.2 million),
  - the revaluation at fair value of equity investments held as of March 31, 2020 (€2.1 million),
  - the increase in deferred tax assets for €11.6 million (particularly with the additional activation of deferred tax assets on tax loss carry-forwards of €7 million);
- other non-current assets decreased by €35.4 million (€9 million as of March 31, 2020 and €44.4 million as of March 31, 2019) mainly as a result of the use of tax receivables (research tax credit and competitiveness and employment tax credit) for the payment of corporate income tax installments.

The changes in current assets and liabilities are described in note 3 to the consolidated financial statements.

As of March 31, 2020, there were no more assets held for sale (solar business) following the sale of the shares of CPV Power Plant No. 1 held at 20% for ZAR 125 million and the repayment of the debt associated with this holding of ZAR 194 million during March 2020. This disposal generated a capital gain of €0.6 million in our consolidated financial statements.

The provisions relating to the commitments underlying the solar business have been reclassified with the other provisions in the balance sheet following the disposal of the solar assets.

Financial debt excluding discontinued operations went from €221.8 million as of March 31, 2019 to €244.7 million as of March 31, 2020, mainly due to:

- the drawdown of part of our credit lines (+€20 million);
- finance lease arrangements entered into during the year (+€24.7 million);
- the repayment of finance lease borrowings (-€10.1 million) and pre-financing lines for the research tax credit (-€21.1 million);
- the accretion of the debt related to the OCEANE 2023 bond issue (+€4.3 million).

The net debt position (financial debt less cash and cash equivalents) went from a net debt of €46.5 million to a net debt of €53.7 million. This increase remains limited given the high level of investment in the 2019-2020 fiscal year.

The gearing (net financial debt/equity ratio) thus improved from 11.7% at the end of March 2019 to 9.7% at the end of March 2020.

Please refer to note 3.15 to the consolidated financial statements for details on the financial debt section (6.2.1.2 Notes to the consolidated financial statements as of March 31, 2020 of this Universal Registration Document).

At the same time, shareholders' equity increased from €398.3 million as of March 31, 2019 to €551.7 million as of March 31, 2020, mainly as a result of the profit for the year and capital increases.

5.1.2 INVESTMENTS

Our Group's investment policy is designed to maintain production capacity in line with the demand expressed by customers or anticipated from market trends, while ensuring the profitability of the investment.

In general, our Group launches a new production line when more than 80% of the capacity of the existing lines is used.

Most of the production equipment used by our Group is standard equipment in the semiconductor industry. Therefore, there is little risk of a supply or support disruption. The manufacturing lead times of the equipment suppliers are generally six to nine months.

Equipment of the same type is used both for R&D work for the development of new products and for the pre-industrialization of new products.

Finally, capital expenditures in information systems remain high (automated production management, logistic flows) even though our Group has made intensive use of IT services hosted in the cloud.

5.1.2.1 Main capital expenditures during the 2019-2020 fiscal year

During the past financial year and until the date of this Universal Registration Document, significant investments were committed: €110 million, plus the acquisition of EpiGaN n.v. for €34 million.

In line with past fiscal year, investments were mainly dedicated to increasing our 300mm wafer production capacity at the Bernin and Pasir Ris sites in order to adapt to the need for growth in wafer sales as well as to the progressive increase of our 150mm capacity (POI).

Bernin 1	Bernin 2	Bernin 3	Pasir Ris (Singapore)
Electronics - 200mm	Electronics - 300mm SOI	POI (new engineered substrates for filters)	Fully-Depleted 300mm SOI wafers 300-mm materials recycling lines Epitaxy
Finalization of investments to reach the annual capacity of 950,000 wafers Renewal investments	Increase in capacity to 650,000 wafers per year	Construction of a production line for Piezo-On-Insulator (POI) substrates for marketing products	Anticipating increases in production capacity beyond the Bernin site Limiting the risk of dependency on our raw materials supply for silicon wafers by setting up 300mm and epitaxy materials recycling capacity.
€9 million in capital expenditure	€25 million in capital expenditure	€13 million in capital expenditure	€26 million in capital expenditure

In addition to these industrial investments, there are also IT investments, R&D, investments (in particular for the start-up of the SIC business), as well as investments related to EpiGaN n.v. and Dolphin Design.

5.1.2.2 Main expected capital expenditure

During fiscal year 2020-2021, our Group will continue its ongoing investments, expecting its capital expenditure to reach more than €100 million over the fiscal year as a whole.

From the industrial point of view:

More than
€100
million
in investments planned
for 2020-2021

- in Bernin:
  - the investments will also concern the Bernin 3 unit dedicated to new engineered filter substrates for the ramp up of POI products,
  - and investments related to obsolescence as well as to the improvement of security, carbon footprint, etc.;
- in Singapore, investments will continue to be dedicated to the progressive addition of 300mm wafer production capacity as part of the plant's restart plan and with a view to reaching an annual production capacity of 1,000,000 wafers to meet the demand for 300mm FD-SOI and RF-SOI wafers over the long term as well as the installation of additional Epi capacity;
- in Belgium, the investments will concern the increase in production capacity based on Gan substrates and will of course be subject to customer commitments.

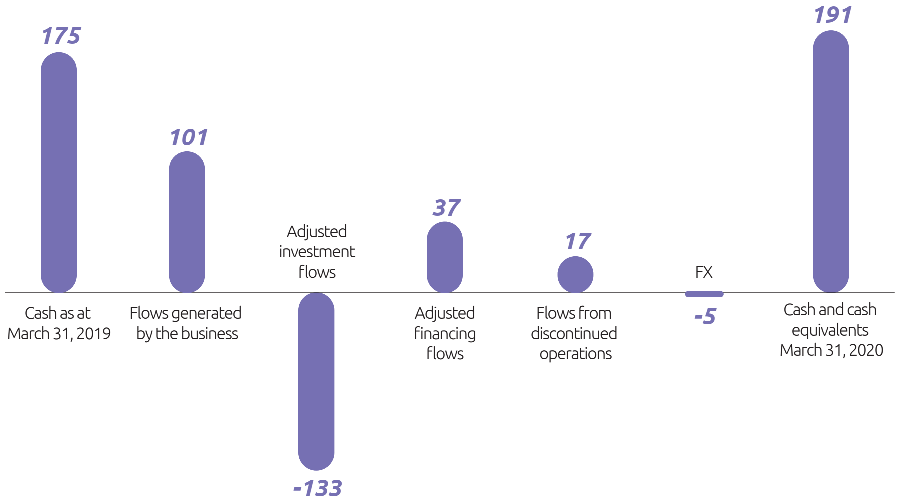
In addition, we also plan to invest in IT and R&D (equipment and capitalized costs).

5.1.3 CASH FLOWS AND FINANCIAL STRUCTURE

5.1.3.1 Cash flows

During the 2018-2019 fiscal year, our Group's available cash and cash equivalents increased from €175 million as of March 31, 2019 to €191 million as of March 31, 2020.

› ***Strong improvement in cash generated by the business: €100.7 million over 2019-2020 (€59.3 million over 2018-2019)***



The above investment and financing cash flows are taken from the IFRS cash flow statement adjusted to include new finance leases in the financing cash flow in the case of lease-back transactions (and not net of investments).

The cash balance as of March 31, 2020 includes ZAR 125 million (€6.4 million), related to the sale of the shares held in our South African subsidiary, held in our lawyer's bank account in South Africa pending the repatriation of these funds to France.

- positive cash flows generated by the business during the fiscal year for €100.1 million, a very strong increase compared to the 2018-2019 financial year (€57.1 million). Net profit, corrected for non-monetary items, is partly offset by an increase of €59.1 million in the working capital requirement, principally because of:
  - an increase of €51.9 million in inventories in line with the strong increase in the business (mainly on 300mm products) and the will to have a sufficient stock of raw materials to avoid the risk of supply shortages,
  - an increase in account receivables of €33.8 million due to increased revenue with a very high level of billing at the end of the fiscal year (€56.9 million over the 2018-2019 fiscal year).

  These increases are partly offset by:
  - a decrease in other current assets of €11.1 million explained by the receipt of research tax credit receivables partly offset by an increase of €7.7 million in grants receivable,
  - an increase of €3.7 million in other operating debts mainly due to the increase in social debts,
  - an increase of 11.8 million in trade payables (business effect);
- adjusted flows linked to financing reached €37 million, mainly resulting from:
  - capital increases following the implementation of our employee shareholding plans (€22 million),
  - €24.7 million in new leasing arrangements (as these are leaseback transactions, they have an impact on our cash flow),
  - less repayments of lines of credit and finance leases;
- cash flows from discontinued operations relate mainly to the disposal of solar assets (€17 million);
- these positive cash flows are partially offset by adjusted cash flows from investments of €133 million (including €25.5 million for the acquisition of EpiGaN n.v.), and disbursements related to investments were partially offset by cash inflows from the sale of the Villejust site (€1.9 million).

5.1.3.2 Sources of financing

A. Overview

Our Group's primary objective is to have the necessary and sufficient financial resources to fund the growth of its business. As such, it systematically reinvests its earnings to promote an industrial growth strategy oriented toward strong product innovation. It has in the past called on its shareholders, or other investors, to finance its capital spending through capital increases and convertible bond issues.

As a result of the net profit and the capital increases related to employee shareholding plans, our Group continued to strengthen its shareholders' equity, which amounted to €551.7 million as of March 31, 2020 compared to €398.3 million as of March 31, 2019.

As of March 31, 2020, our Group has a comfortable level of liquidity:

- available cash of €191 million;
- financial indebtedness increased to from €221.8 million as of March 31, 2019 to €244.7 million as of March 31, 2020, mainly explained by the drawdowns of €20 million on our credit lines to increase our Group's liquidity and to finance investments pending additional financing (please refer to section 5.1.1.14 *Balance Sheet*, and note 3.15 in section 6.2.1.2 *Notes to the consolidated financial statements as of March 31, 2020* for details on the financial debt).

Our Group also established new bank credit lines worth €65 million with six banks (€20 million of which were drawn down at end March 2020). These credit lines are repayable *in fine* no later than March 2024. No covenant is attached to them.

Our Group finances a portion of its industrial capital expenditure through finance lease contracts (€24.7 million in additional financing in 2019-2020).

Furthermore, our Group tries to get as much funding as possible for its R&D expenses through grants.

B. A long-term loan of €200 million by the Banque des Territoires

On March 27, 2020, Soitec was granted a €200 million 12-year loan from the Banque des Territoires (Caisse des Dépôts Group) pursuant to the *Programme d'investissements d'avenir* (PIA) as part of the Nano 2022 plan. Drawdowns from this credit line will be staggered over the next few years to support both the financing of R&D programs and investments in first-time industrialization infrastructure projects in France.

The Nano 2022 support plan for technological developments up to their pre-industrialization phase, marks France's recognition of the importance of a solid, innovative electronic and microelectronic sector nationally to improve industrial competitiveness. Nano 2022 is the French component of a very large Important Project of Common European Interest (IPCEI). Within this IPCEI, Soitec is one of the seven industrial leaders and coordinates technological projects related to "high energy efficiency electronic components".

Further information on the financing of our Company and our Group is provided in note 3.15 to the consolidated financial statements (section 6.2.1.2 Notes to the consolidated financial statements as of March 31, 2020 of this Universal Registration Document).

5.2 SUBSEQUENT EVENTS

None.

5.3 TRENDS AND OBJECTIVES

5.3.1 OUTLOOK FOR THE GROUP IN THE 2020-2021 FISCAL YEAR

In the context of the current situation related to the Covid-19 crisis, our Group expects its revenue for fiscal year 2020-2021 to be stable at constant scope and exchange rates compared to fiscal year 2019-2020 and the Electronics EBITDA margin to reach around 30%.

Soitec is confirming its sales guidance for FY22 to approximately €800 (figure based on a EUR/USD exchange rate of 1.13).

For expected capital expenditure, please refer to section 5.1.2.1 Main capital expenditures during the 2019-2020 fiscal year and section 5.1.2.2 Main expected capital expenditure of this Universal Registration Document.

5.3.2 EXISTENCE OF ANY KNOWN TRENDS, UNCERTAINTIES OR DEMANDS OR ANY COMMITMENTS OR EVENTS REASONABLY LIKELY TO AFFECT THE COMPANY'S OUTLOOK

Please refer to the different risk factors to which our Group is exposed, which are described in Chapter 2 of this Universal Registration Document.

5.4 ANALYSIS OF THE FINANCIAL POSITION AND RESULTS OF THE COMPANY

This section should be read in parallel with the annual financial statements for the fiscal year ended March 31, 2020 presented in Chapter 6.3 (Statutory Financial Statements) of this Universal Registration Document.

The annual financial statements for the fiscal year ended March 31, 2020, have been prepared in accordance with the presentation rules and assessment methods pursuant to current regulations. The presentation rules and assessment methods used are the same as those for the previous fiscal year.

Our Company is the parent company of our Group.

Our Company, as a production plant, supplies some of its subsidiaries. It also undertakes certain sales activities worldwide in addition to those of subsidiaries and retailers.

The relations between our Company and our subsidiaries are formalized through contracts, both with regard to the distribution of our Company's products and the operation of the subsidiaries.

5.4.1 ACCOUNTING ASPECTS

The annual financial statements of our Company as of March 31, 2020, are presented pursuant to the accounting principles generally accepted in France for annual financial statements.

5.4.2 OUR COMPANY'S FINANCIAL POSITION

Our Company's total net revenue has increased from €449 million in the 2018-2019 fiscal year to €577 million in the 2019-2020 fiscal year. *For additional information on our Company's business during the 2019-2020 fiscal year, please refer to section 5.1.1 Summary of the business and consolidated results of this Universal Registration Document.*

5.4.3 MAIN CHANGES IN OUR COMPANY'S BALANCE SHEET

The main changes in the balance sheet for the 2019-2020 fiscal year were a sharp increase in capitalized development costs recognized as intangible assets for this fiscal year, the increase in our financial assets due to the acquisition of EpiGaN n.v. and the increased financing for the Singapore plant, as well as a significant increase in current assets due to continued strong business growth.

During the 2019-2020 financial year, our Company acquired EpiGaN n.v. for €34.4 million, and strengthened its equity investments in the Technocom 2 and 3 funds and Dolphin Design for €0.175 million, €1 million and €0.3 million respectively. It also increased the capital of its subsidiaries Frec|n|sys and Soitec Asia Holding by incorporating their current accounts for €1.124 million and €126.4 million respectively.

In addition, our Company also increased its stake in Soitec Lab (formerly Soitec Newco 1) through a partial contribution of assets for an amount of €2.165 thousand.

5.4.3.1 Balance sheet assets

A. Total non-current assets

Fixed assets increased from €264.64 million as of March 31, 2019, to €391.4 million as of March 31, 2020.

Intangible assets include €27 million of development projects capitalized as of March 31, 2020 in accordance with Article 311-3.2 of the General Accounting Plan, of which €15 million were recognized in the previous year.

B. Current assets

Current assets increased from €406 million as of March 31, 2019, to €419 million as of March 31, 2020.

Current assets vary significantly mainly due to the following:

- an increase in inventories in line with the strong growth in business (mainly related to 300-mm products);
- a decrease in account receivables due to our customers' respecting the payment deadlines at the end of the year;
- a slight decrease in other receivables explained by the systematic charging of our tax research credit receivables against corporate income tax.

The marketable securities decreased to €20 million as of March 31, 2020.

Our Company's available cash increased to €127 million compared with €95 million during the previous fiscal year.

5.4.3.2 Balance sheet liabilities

A. Equity

Equity stood at €432 million as of March 31, 2020 compared to €310 million as of March 31, 2019. The change consists mainly of a profit of €99.7 million and an increase in share-related premiums of €21.2 million.

B. Provisions for contingencies and expenses

Provisions for contingencies and expenses amounted to €2.5 million as of March 31, 2020, compared to €4 million as of March 31, 2019. The provision for losses on futures market made as of March 31, 2019 for €1.5 million was reversed during the fiscal year.

C. Debts

The issuance costs for the OCEANE 2023 bonds (bonds convertible into or exchangeable for new or existing shares (OCEANE) maturing on June 28, 2023) amounting to €2.4 million have been amortized for €0.5 million over the 2019-2020 fiscal year.

5.4.4 FORMATION OF THE COMPANY'S OPERATING PROFIT

Our Company's revenue amounted to €577.4 million, compared to €448.7 million for the previous fiscal year, representing an increase of 29%.

Total operating income amounted to €636.5 million, compared to €502.7 million for the previous fiscal year, representing an increase of 27%. This change is mainly due to the higher sales of wafers and the increase in subsidy revenue recognition.

Operating costs for the fiscal year amounted to €541 million compared to €395 million the previous fiscal year, and operating profit was €96 million, compared to €108 million the previous fiscal year.

The financial statements for the 2019-2020 fiscal year show a profit of €99,727,192.64 compared to a profit of €108,459,703.18 for the previous fiscal year.

5.4.5 PROPOSAL FOR APPROPRIATING THE INCOME FOR THE 2019-2020 FISCAL YEAR

Our Board of Directors contemplates to submit the following proposal for approval by our shareholders at the Shareholders' General Meeting to be held on September 23, September 2020:

- appropriate €379,513.15 to the legal reserve, bringing it up to 10% of the share capital, which would be increased from €6,276,207.05 to €6,655,720.20; and
- appropriate the balance of €99,347,679.49 to "Retained earnings", which would be increased from €153,124,369.71 to €252,472,049.20.

5.4.6 NON-TAX DEDUCTIBLE EXPENSES

In accordance with the provisions of Article 223 *quater* of the French General Tax Code, please note that there is a sum of €124,507 corresponding to non-tax deductible expenses for the fiscal year.

5.4.7 INFORMATION REQUIRED BY ARTICLE D. 441-4 ART 1 OF THE FRENCH COMMERCIAL CODE ON THE PAYMENT TERMS OF SUPPLIERS AND CUSTOMERS

5.4.7.1 Information on terms of payment at March 31, 2020

Invoices received not settled on the closing date of the last fiscal year

	0 day (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	Total (1 day and over)
(A) Late payment ranges						
Number of invoices concerned	1,607					295
Total amount of invoices concerned € inc. taxes	39,388,428	1,365,175	1,379,900	365,307	1,065,929	4,176,312
% of total purchase amount for the year	8.55%	0.30%	0.30%	0.08%	0.23%	0.91%
(B) Invoices excluded from (A) relating to disputed and unrecorded debts and receivables						
Number of invoices excluded						
Total amount of excluded invoices			None			
(C) Reference payment terms used						
Payment terms used to calculate late payments	Contractual terms (mainly 45 days after issue date of the supplier invoice)					

Unpaid invoices issued on the closing date of the fiscal year that has expired

	0 day (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	Total (1 day and over)
(A) Late payment ranges						
Number of invoices concerned	356					59
Total amount of the invoices concerned € inc. taxes*	100,060,342	135,893	492,586	86,494	630,179	1,345,155
% of sales for the year	18.26%	0.02%	0.09%	0.02%	0.11%	0.25%
(B) Invoices excluded from (A) relating to disputed and unrecorded debts and receivables						
Number of invoices excluded						
Total amount of excluded invoices			None			
(C) Reference payment terms used						
Payment terms used to calculate late payments			Contractual terms			

* *Downpayments are considered immediately due.*

5.4.7.2 Information on terms of payment at March 31, 2019

Invoices received not settled on the closing date of the last fiscal year

	0 day (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	Total (1 day and over)
(A) Late payment ranges						
Number of invoices concerned	1,790					268
Total amount of invoices concerned € inc. taxes	39,174,632	909,563	351,187	90,034	945,588	2,296,373
% of total purchase amount for the year	9.8%	0.23%	0.09%	0.02%	0.24%	0.57%
(B) Invoices excluded from (A) relating to disputed and unrecorded debts and receivables						
Number of invoices excluded						
Total amount of excluded invoices			None			
(C) Reference payment terms used						
Payment terms used to calculate late payments	Contractual terms (mainly 45 days after issue date of the supplier invoice)					

Unpaid invoices issued on the closing date of the fiscal year that has expired

	0 day (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	Total (1 day and over)
(A) Late payment ranges						
Number of invoices concerned	314					123
Total amount of the invoices concerned € inc. taxes*	133,426,430	(4,665,197)	(1,386,636)	232,986	2,821,532	(2,997,365)
% of sales for the year	28.84%	-1.01%	-0.30%	0.05%	0.61%	-0.65%
(B) Invoices excluded from (A) relating to disputed and unrecorded debts and receivables						
Number of invoices excluded						
Total amount of excluded invoices			None			
(C) Reference payment terms used						
Payment terms used to calculate late payments			Contractual terms			

* *Downpayments are considered immediately due.*

6. Financial statements

6.1 HISTORICAL FINANCIAL INFORMATION

Pursuant to Article 9.6 of the European Regulation (EU) no. 2017/ 1129, the following information is included in this Universal Registration Document:

- our Group's consolidated financial statements at March 31, 2018 and the corresponding audit reports appearing on pages 179 *et seq.* and pages 181 *et seq.* of the Registration Document filed with the AMF on June 18, 2018 under number D.18-0586;
- our Group's consolidated financial statements at March 31, 2018 and the corresponding audit reports appearing on pages 146 *et seq.* and 177 *et seq.* of the Registration Document filed with the AMF on June 18, 2018 under number D.18-0586;
- our Group's annual financial statements at March 31, 2019 and the corresponding audit reports appearing on pages 206 *et seq.* and pages 224 *et seq.* of the Registration Document filed with the AMF on July 4, 2019 under number D.19-0649;
- our Group's consolidated financial statements at March 31, 2019 and the corresponding audit reports appearing on pages 166 *et seq.* and 203 *et seq.* of the Registration Document filed with the AMF on July 4, 2019 under number D. D.19-0649.

The parties not included in these documents are either not relevant for the investor, or are covered elsewhere in this Universal Registration Document.

The Registration Documents cited above are available on our Company's website and the AMF's website (www.soitec.com) (www.amf-france.org).

6.2 CONSOLIDATED FINANCIAL STATEMENTS

6.2.1 OUR GROUP CONSOLIDATED FINANCIAL STATEMENTS

6.2.1.1 Consolidated financial statements as of March 31, 2020

A. Consolidated income statement

(in € thousand)	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
Sales	**3.1**	**597,549**	**443,946**
Cost of sales	-	(402,123)	(278,917)
Gross margin	**-**	**195,426**	**165,029**
Sales and marketing expenses	-	(10,195)	(9,792)
R&D costs	4.2	(32,494)	(20,017)
General and administrative expenses	-	(35,042)	(26,815)
Current operating income/(loss)	**-**	**117,695**	**108,405**
Other operating income	4.4	1,911	566
Other operating expenses	4.4	(100)	(106)
Operating income/(loss)	**3.1**	**119,506**	**108,865**
Financial income	4.5	3,229	1,956
Financial expense	4.6	(7,302)	(10,038)
Financial income/(expense)	**-**	**(4,073)**	**(8,082)**
Profit/(loss) before tax	**4.7**	**115,433**	**100,783**
Income tax	4.7	(4,885)	(10,932)
Net profit/(loss) from continuing operations		**110,548**	**89,851**
Net profit/(loss) from discontinued operations	4.9	(867)	336
CONSOLIDATED NET PROFIT/(LOSS)	**-**	**109,681**	**90,187**
NET PROFIT (LOSS) (GROUP SHARE)	**-**	**109,681**	**90,187**
Basic earnings/(loss) per share *(in €)*	4.8	3.40	2.88
Diluted earnings/(loss) per share *(in €)*	4.8	3.32	2.69

Basic earnings per share is €3.40, divided between continuing operations (+€3.43) and discontinued operations (-€0.03).

Diluted earnings per share is €3.32, divided between (+€3.35) for continuing operations and (-€0,03) for discontinued operations.

Other items of comprehensive income

(in € thousand)	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
Consolidated net profit/(loss)	-	**109,681**	**90,187**
Items of comprehensive income that may be reclassified to the income statement	-	**4,129**	**(426)**
• of which: foreign exchange gains/(losses) on translation of foreign operations	-	4,411	6,880
• of which: changes in the fair value of hedging instruments	-	(415)	(11,143)
• of which: tax on items recognized in other comprehensive income	-	133	3,837
Items of comprehensive income that may not be reclassified to the income statement	-	**(1,545)**	**(1,471)**
• of which: actuarial gains/(losses) on defined benefit plans	-	(2,088)	(1,759)
• of which: changes in the fair value of non-current assets	-	-	(485)
• of which tax impact	-	543	773
Income and expenses recognized in other comprehensive income	-	**2,584**	**(1,897)**
COMPREHENSIVE INCOME FOR THE PERIOD	-	**112,265**	**88,290**
Total comprehensive income (Group share)	-	*112,265*	*88,290*

B. Consolidated statement of financial position

Assets *(in € thousand)*	Notes	March 31, 2020	March 31, 2019
Non-current assets			
Intangible assets	3.2	87,471	38,479
Tangible fixed assets	3.3	297,154	253,593
Non-current financial assets	3.5	14,428	11,018
Other non-current assets	3.6	8,997	44,351
Deferred tax assets	4.7	37,176	25,560
Total non-current assets	-	**445,226**	**373,001**
Current assets			
Inventories	3.7	123,291	72,333
Trade receivables and related accounts	3.8	167,409	139,344
Other current assets	3.9	73,945	45,601
Current financial assets	3.10	351	255
Cash and cash equivalents	3.11	190,998	175,308
Total current assets	-	**555,994**	**432,841**
Assets held for sale	3.12	-	16,697
TOTAL ASSETS	-	**1,001,220**	**822,539**

Equity and liabilities *(in € thousand)*	Notes	March 31, 2020	March 31, 2019
Equity			
Share capital	3.13	66,558	62,762
Share premium	3.13	82,426	61,200
Reserves and retained earnings	-	395,355	269,553
Other reserves	3.13	7,387	4,802
Equity (Group share)	-	551,726	398,317
Total equity	-	**551,726**	**398,317**
Non-current liabilities			
Long-term financial debt	3.15	192,521	199,178
Provisions and other non-current liabilities	3.16	40,515	21,431
Total non-current liabilities	-	**233,036**	**220,609**
Current liabilities			
Short-term financial debt	3.15	52,182	22,605
Trade payables and related accounts	3.17	76,318	62,239
Provisions and other current liabilities	3.18	87,958	112,596
Total current liabilities	-	**216,458**	**197,440**
Liabilities directly related to assets held for sale	3.12	-	6,173
TOTAL EQUITY AND LIABILITIES	-	**1,001,220**	**822,539**

C. Statement of changes in equity

(in € thousand)	Share capital	Share premium	Treasury shares	Reserves and retained earnings	Other reserves	Equity (Group share)	Total equity
March 31, 2018	**62,762**	**61,200**	**(432)**	**148,721**	**6,325**	**278,576**	**278,576**
First-time adoption of IFRS 15	**-**	**-**	**-**	**-**	**375**	**375**	**375**
Adjusted opening balance	62,762	61,200	(432)	148,721	6,700	278,951	278,951
Items of comprehensive income that may be reclassified to the income statement	**-**	**-**	**-**	**-**	**(426)**	**(426)**	**(426)**
• of which: foreign exchange gains/(losses) on translation of foreign operations	-	-	-	-	6,880	6,880	6,880
• of which: changes in the fair value of hedging instruments	-	-	-	-	(11,143)	(11,143)	(11,143)
• of which: tax on items recognized in other comprehensive income	-	-	-	-	3,837	3,837	3,837
Items of comprehensive income that may not be reclassified to the income statement	**-**	**-**	**-**	**-**	**(1,471)**	**(1,471)**	**(1,471)**
• of which: changes in the fair value of non-current assets	-	-	-	-	(485)	(485)	(485)
• of which: actuarial gains/(losses) on defined benefit plans	-	-	-	-	(1,759)	(1,759)	(1,759)
• of which tax impact	-	-	-	-	773	773	773
Total income and expenses in the fiscal year recognized in other comprehensive income	**-**	**-**	**-**	**-**	**(1,897)**	**(1,897)**	**(1,897)**
Income/(loss) for the period from continuing operations	-	-	-	89,851	-	89,851	89,851
Income/(loss) for the period from discontinued operations	-	-	-	336	-	336	336
COMPREHENSIVE INCOME FOR THE PERIOD	**-**	**-**	**-**	**90,187**	**(1,897)**	**88,290**	**88,290**
Share-based payments	-	-	-	17,957	-	17,957	17,957
OCEANE 2023 convertible bonds (net of issue expenses and deferred tax liabilities)	-	-	-	13,359	-	13,359	13,359
Other	-	-	-	(239)	-	(239)	(239)
MARCH 31, 2019	**62,762**	**61,200**	**(432)**	**269,985**	**4,803**	**398,317**	**398,317**

(in € thousand)	Share capital	Share premium	Treasury shares	Reserves and retained earnings	Other reserves	Equity (Group share)	Total equity
March 31, 2019	**62,762**	**61,200**	**(432)**	**269,985**	**4,803**	**398,317**	**398,317**
Items of comprehensive income that may be reclassified to the income statement	**-**	**-**	**-**	**-**	**4,129**	**4,129**	**4,129**
• of which: foreign exchange gains/(losses) on translation of foreign operations	-	-	-	-	4,411	4,411	4,411
• of which: changes in the fair value of hedging instruments	-	-	-	-	(415)	(415)	(415)
• of which: tax on items recognized in other comprehensive income	-	-	-	-	133	133	133
Items of comprehensive income that may not be reclassified to the income statement	**-**	**-**	**-**	**-**	**(1,545)**	**(1,545)**	**(1,545)**
• of which: changes in the fair value of non-current assets	-	-	-	-	-	-	-
• of which: actuarial gains/(losses) on defined benefit plans	-	-	-	-	(2,088)	(2,088)	(2,088)
• of which tax impact	-	-	-	-	543	543	543
Total income and expenses in the fiscal year recognized in other comprehensive income	**-**	**-**	**-**	**-**	**2,584**	**2,584**	**2,584**
Income/(loss) for the period from continuing operations	-	-	-	110,548	-	110,548	110,548
Income/(loss) for the period from discontinued operations	-	-	-	(867)	-	(867)	(867)
COMPREHENSIVE INCOME FOR THE PERIOD	**-**	**-**	**-**	**109,681**	**2,584**	**112,265**	**112,265**
Capital increase	3,796	21,226	-	(3,187)	-	21,835	21,835
Share-based payments and tax impact	-	-	-	20,295	-	20,295	20,295
Change in debt on commitment to repurchase the non-controlling interests	-	-	-	(981)	-	(981)	(981)
Other	-	-	55	(60)	-	(5)	(5)
MARCH 31, 2020	**66,558**	**82,426**	**(377)**	**395,732**	**7,387**	**551,726**	**551,726**

D. Statement of cash flows

(in € thousand)	Notes	March 31, 2020	March 31, 2019
Net profit/(loss) from continuing operations		110,548	89,851
Net profit/(loss) from discontinued operations		(867)	336
CONSOLIDATED NET PROFIT/(LOSS)		**109,681**	**90,187**
Adjustments for:			
Depreciation and amortization expenses	3.2, 3.3 and 4.3	45,520	24,597
Reversals of impairment of fixed assets and accelerated depreciation and amortization	3.3	32	414
Provisions, net	3.5 - 3.7 - 3.8	1,854	(53)
Provisions for retirement benefit obligations	5.1	(207)	685
Income on asset disposal	4.4	(790)	(556)
Income tax	4.7	4,884	10,931
Financial income/(expense)	4.5-4.6	4,073	8,082
Share-based payments		19,526	17,957
Impact in equity of first-time application of IFRS 15		-	379
Non-cash items relating to discontinued operations		(79)	(2,845)
Changes in:			
Inventories		(51,914)	(32,971)
Trade receivables and related accounts		(33,794)	(56,936)
Other receivables		11,096	(19,827)
Trade payables and related accounts		11,790	18,281
Other liabilities		3,749	12,723
Change in working capital requirement and tax paid on discontinued operations		(139)	256
Income tax paid		(25,649)	(14,215)
NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES		**99,633**	**57,089**
of which continuing operations		*100,718*	*59,342*
Purchases of intangible assets		(31,085)	(21,627)
Purchases of property, plant and equipment		(53,037)	(99,024)
Proceeds from sales of intangible assets and property, plant and equipment		2,217	1,555
Acquisition of subsidiary, net of cash acquired		(25,502)	1,845
(Acquisition) and disposal of financial assets		(1,175)	(3,447)
(Investment)/divestment flows related to discontinued operations		17,085	1,132
NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES		**(91,497)**	**(119,566)**
of which continuing operations		*(108,582)*	*(120,698)*
Convertible bond (net of issuance expenses) – OCEANE 2023		-	147,577
Capital increase		21,834	-
Financing received from minority shareholders		900	400
Drawings of credit lines		22,274	8,922
Repayment of borrowings (including leases)		(31,320)	(41,975)
Interest received		437	1,096
Interest paid		(1,998)	(875)
Financing flows related to discontinued operations		18	2,104
NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES		**12,145**	**117,249**
of which continuing operations		*12,127*	*115,145*
Effects of exchange rate fluctuations		(4,591)	577
CHANGE IN NET CASH POSITION		**15,690**	**55,349**
of which continuing operations		*(328)*	*54,366*
Cash at beginning of the period		**175,308**	**119,959**
Cash at end of the period		**190,998**	**175,308**

6.2.1.2 Notes to the consolidated financial statements at March 31, 2020

NOTE 1. OVERVIEW OF OUR COMPANY AND BUSINESS

Soitec S.A. is a joint stock company (*société anonyme*) governed by French law and listed on Euronext Paris in compartment A. Soitec S.A. and its consolidated subsidiaries are hereinafter referred to as "our Group". Our Company, Soitec S.A., is hereafter referred to as our "Company".

During fiscal year 2019-2020, our Group operated in two business segments:

- **Electronics**: historical activity in the semiconductor sector, representing the production and marketing of substrates and components for the semiconductor industry;
- **Other Activities**: operations that have largely been discontinued by our Group, including mainly the Solar Energy sector. It included in particular the financing activities related to the Touwsrivier solar power plant in South Africa (sold during the financial year, see note 2.4 (Highlights)) and includes some ongoing maintenance activities, primarily in Europe and the United States.

On June 10, 2020, the Board of Directors adopted our Group's annual consolidated financial statements for the year ended March 31, 2020, which will be submitted for approval at the Shareholders' General Meeting to be held in September 2020.

NOTE 2. ACCOUNTING POLICIES

2.1 Statement of compliance

Pursuant to Regulation (EC) no. 1606/2002 of July 19, 2002 on the application of international accounting standards, the consolidated financial statements of our Group have been prepared in accordance with the standards and interpretations published by the International Accounting Standards Board (IASB), adopted by the European Union and made compulsory for the approval of accounts.

This reference framework, available from the European Commission website, incorporates international accounting standards (IAS and IFRS) and the interpretations of the Standing Interpretations Committee (SIC) and of the International Financial Reporting Interpretations Committee (IFRIC).

2.2 Basis of preparation

Presentation currency

Our Group's presentation currency is the euro. The consolidated financial statements are stated in thousands of euros and all amounts are rounded to the nearest thousand unless stated otherwise.

Change in accounting policies

The accounting policies are identical to those applied in the consolidated financial statements for the period ended March 31, 2019.

The standards, amendments and interpretations used to prepare the consolidated financial statements for the period ended March 31, 2020, are those published in the Official Journal of the European Union (OJ) before March 31, 2020, and mandatory on that date. This reference framework is available from the European Commission website.

Our Group has applied the following standards, amendments and interpretations, published by the IASB and adopted by the European Union, and mandatory for reporting periods beginning on or after April 1, 2019:

- IFRIC 23 – Uncertainty over Income Tax Treatments;
- amendments to IFRS 9 regarding prepayment features with negative compensation;
- amendments to IAS 28 regarding long term interests in associates and joint ventures;

- amendments to IAS 19 regarding plan amendments, curtailments or settlements;
- annual improvements to IFRS 2015-2017 cycle (amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23).

These new standards and interpretations have had no material impact on our Group's financial statements for the fiscal year ended March 31, 2020.

As a reminder, our Group has chosen to early adopt IFRS 16 "Leases" for the fiscal year ended March 31, 2019 (date of application as at April 1, 2018).

Standards, interpretations and amendments to existing standards applicable in advance to fiscal years beginning on or after January 1, 2020

The new standards, interpretations and amendments to existing standards applicable to fiscal years beginning on or after January 1, 2020, were not early adopted by our Group on March 31, 2020. These concern the amendments to IAS 1 and IAS 8 "Definition of Material". No significant impact is expected on our Group's financial statements.

2.3 Significant accounting judgments

As part of the normal process of preparing consolidated financial statements, the determination of certain items requires Group Management to make estimates and assumptions that affect the amounts reported for assets and liabilities, as well as the disclosures provided in certain notes as of the reporting date and the amounts reported for income and expenses. In particular they apply to:

- the impairment of non-current assets;
- the valuation of the cost of the free preferred share allocation plan;
- the impairment of inventories;
- the recognition of tax loss carryforwards;
- the amount of provisions for contingencies and charges; or
- for provisions for employee benefits and trade obligations.

These assumptions, estimates or assessment are prepared on the basis of available information or situations prevailing on the reporting date of the consolidated financial statements for the period ended March 31, 2020. Depending on changes in the assumptions used or economic conditions that differ from those existing as of that date, in particular given the current environment in relation to Covid-19 leading to a certain degree of uncertainty regarding the future, the amounts presented in our Group's future financial statements could differ significantly from the current estimates.

2.4 Highlights of the year

Please refer to the paragraph entitled "Highlights" of our Company's financial statements as of March 31, 2020 (Section 6.3.1.2, B *Notes to our Company financial statements – Highlights* of this Universal Registration Document).

Exit from the solar business

On May 7, 2019, Soitec signed an agreement to sell its 20% stake in CPV Power Plant No. 1 (CPV #1), the project company for the Touwsrivier solar power plant in South Africa, to Pele Green Energy. This disposal was completed during the fiscal year, on March 30, 2020. These shares were valued at ZAR102 million in our Group's financial statements.

On July 25, 2019, an agreement was signed with Pele Green Energy in relation to the repayment of the loan featured in our Group's financial statements for ZAR184 million.

These transactions generated capital gains of €589 thousand recorded in our Group's financial statements.

Acquisition of EpiGaN n.v.

On May 13, 2019, Soitec announced that it had acquired 100% of the share capital of EpiGaN n.v., the leading European supplier of gallium nitride (GaN) epitaxial wafers, to expand its engineered substrate portfolio into gallium nitride and thus accelerate its penetration across high-growth 5G, power and sensors market segments. EpiGaN n.v.'s gallium nitride substrates are used primarily within RF 5G, power electronics, and sensor applications.

On the date it was acquired, our Company had seven employees and three corporate officers.

This acquisition was for an amount of €30,479 thousand in cash, with part of the payment being deferred (€2,540 thousand).

As of March 31, 2020, EpiGaN n.v.'s co-founders-directors hold 3.39% of the share capital. The shareholder agreement provides for a cross put/call option for these directors at a price that will be determined according to the level of achievement of performance criteria. This debt has been assessed at fair value on the acquisition date (€1,013 thousand). Our Group used the early acquisition method.

Total goodwill amounted to €11,947 thousand as of March 31, 2020 after recognition of technology valued at €18 million. See note 3.2 (Intangible assets) for further details.

In addition, the purchase contract provides for the payment of a variable amount to the directors on the basis of performance and continuing employment conditions. This amount will be recognized in profit and loss gradually and in line with the services rendered.

Employee shareholding plans

CONVERSION OF PREFERRED SHARES INTO ORDINARY SHARES

The Combined Shareholders' General Meetings of April 11, 2016, and April 29, 2016, authorized the Board of Directors to grant free preferred shares to certain employees and corporate officers. This plan, whose purpose was to collectively encourage its beneficiaries to pursue their efforts and to align their interests with those of the shareholders, was implemented for a period of three years. Therefore, as from July 26, 2016, conditional rights to preferred shares have on several occasions been granted free of charge by the Board of Directors to employees and corporate officers of our Group.

At the end of the three-year period following the allocations made under this plan, and further to the approval of the financial statements for the year ended March 31, 2019, by the Shareholders' General Meeting of July 26, 2019, the conversion ratio of preferred shares into ordinary shares was set by the Board of Directors at its meeting on the same date. It was based for 50% on the achievement of objectives based on our Group's average consolidated EBITDA for the 2017-2018 and 2018-2019 fiscal years; and for 50% on the achievement of a certain level of the volume-weighted average of the stock market prices of our Company's ordinary shares over the 30 trading days following the publication date of the last consolidated annual accounts, *i.e.* June 12, 2019.

- on July 26, 2019, our Company converted 256,796 preferred shares with a par value of €0.10 into 1,248,019 newly issued ordinary shares with a par value of €2.00 (the "Ordinary Shares");
- on December 6, 2019, our Company converted 6,630 preferred shares with a par value of €0.10 into 32,220 newly issued ordinary shares with a par value of €2.00;
- on March 28, 2020, our Company converted 32,277 preferred shares with a par value of €0.10 into 156,861 newly issued ordinary shares with a par value of €2.00.

ALLOCATION OF FREE SHARES

In the context of the authorizations granted by the Combined Shareholders General Meeting held on July 26, 2019, the Board of Directors of our Company, at a meeting held on December 18, 2019, resolved to grant a total of 23,953 ordinary shares to the employees and corporate officers of our Company and its affiliates within the meaning of Article L. 225-197-2 of the French Commercial Code.

Then, at its meeting on March 25, 2020, the Board of Directors of our Company allocated 14,863 ordinary shares to the employees and corporate officers of our Company and its affiliates within the meaning of Article L. 225-197-2 of the French Commercial Code.

The primary objective of these allocations was to enable the creation of a long-term profit-sharing award based on the results of our Group, in favor of certain employees of our Company and its affiliates.

These allocations are accompanied by:

- a continued employment condition until August 1, 2022;
- performance conditions based on:
  - EBITDA and revenue objectives for the fiscal year ending March 31, 2022,
  - and the performance of the Total Shareholder Return (TSR) of our Company's ordinary shares based on the Euro Stoxx 600 Technology index between July 26, 2019, and the reporting date of our Group's consolidated financial statements for the fiscal year ending March 31, 2022.

"TOPAZ" CO-INVESTMENT PLAN

The Extraordinary Shareholders' General Meeting of July 26, 2019 created a new category of preferred shares (PS 2) convertible into ordinary shares based on the achievement of targets relating to EBITDA, revenue and the Total Shareholder Return (TSR) performance of our Company's ordinary shares compared to the Euro Stoxx 600 Technology index (resolution no. 33).

Based on the delegation granted by the Extraordinary Shareholders' General Meeting of July 26, 2019 (resolution no. 34), the Board of Directors decided on December 18, 2019 to grant Topaz's participants with 195,960 PS 2 (including 31,982 PS2 to Mr Paul Boudre, Chief Executive Officer of the Company).

Subject to a presence condition, such PS 2 granted for free will be definitively acquired by each Topaz's participants at the end of three acquisition periods:

- 40% of the PS 2 granted on December 18, 2019 will be definitively acquired on December 18, 2020;
- 30% of the PS 2 granted on December 18, 2019 will be definitively acquired on August 1, 2021; and
- 30% of the PS 2 granted on December 18, 2019 will be definitively acquired on August 1, 2022.

Based on the delegation granted by the Extraordinary Shareholders' General Meeting of July 26, 2019 (resolution no. 35), the Board of Directors decided on December 18, 2019 a share capital increase of the Company through the issue of PS 2. In this context, Topaz's participants subscribed for 97,980 PS 2 (including 15,991 PS2 subscribed for by Mr Paul Boudre; Chief Executive Officer of our Company) at a unit price of €84.17, as determined by an external independent accountant). Such subscription generated a share capital increase of €8,247 thousand on December 18, 2019.

"JADE 2020" SHARE-BASED EMPLOYEE SAVINGS PLAN

Further to a delegation of authority granted by the Shareholders' General Meeting on July 26, 2019, the Board of Directors decided on the same date to issue ordinary shares to employees having joined a Group savings plan. The transaction, entitled "Jade 2020", consists of a single leveraged offer with guaranteed capital. Employees of our Group have the option to subscribe, *via* a company mutual fund, for a certain number of ordinary shares with a 30% discount. Those subscribing for the offer must retain the units in our Company mutual fund for five years, *i.e.* until February 28, 2025, other than in the event of a case of early release.

206,007 ordinary shares in our Company were subscribed for by employees and the structuring bank, leading to an increase of €14,013 thousand in the share capital. The subscription price (€68.02) was calculated on the basis of the average price from the 20 stock market trading sessions prior to January 23, 2020, after application of a 30% discount.

FREE SHARES ALLOCATION PLANS FOR OUR EMPLOYEES

Our Board of Directors of March 28, 2018 set up two free ordinary share plans for all Group employees to recognize and reward their efforts in creating value. Under these two plans, subject to continued employment and length of service conditions but no performance conditions, 0.6% of our Company's share capital as of such date was allocated to employees for their loyalty and contribution to efforts made in recent years.

The ordinary shares thus allocated (170,247 shares) were vested by beneficiaries subject to continued employment by our Company on the first working day following March 28, 2020.

Summary of the capital increases

Further to these transactions, the share capital is now comprised of 33,180,921 ordinary shares with a par value of €2.00 each and 97,980 preferred shares (PS 2) with a par value of €2 each, *i.e.* a total of €66,557,802.

Increase in the POI production capacity at Bernin 3

On September 13, 2019, our Company announced an increase in production capacity for its piezoelectric-on-insulator (POI) substrates at Bernin 3 in order to meet the growing demand from customers for 4G and 5G smartphone filters. 4G and 5G networks use an increasing number of frequencies to enable the fast transmission of data. As a consequence, smartphones must integrate a higher number of filters with enhanced performance to ensure signal integrity and reliable communication. POI substrates enable 4G and 5G smartphone filters to combine high-performance and integration on an industrial scale. They incorporate a temperature compensation mechanism and allow the integration of multiple filters on a single die.

Next-generation silicon carbide substrates joint development program with Applied Materials

Further to the announcement of a joint development program with Applied Materials, a pilot line dedicated to innovative silicon carbide substrates is currently being installed at the Substrate Innovation Center on the CEA-Leti site. Our Group expects to deliver the first samples of silicon carbide substrates produced using its Smart Cut™ technology in the second half of 2020. The aim is to overcome challenges relating to the supply, yield, and cost of silicon carbide substrates in order to meet the growing demand generated by electric car, telecommunications, and industrial application requirements.

A long-term loan of €200 million by the Banque des Territoires

On March 27, 2020, Soitec was granted a €200 million 12-year loan from the Banque des Territoires (Caisse des Dépôts Group) pursuant to the *Programme d'investissements d'avenir* (PIA) as part of the Nano 2022 plan. Drawdowns from this credit line will be staggered over the next few years to support both the financing of R&D programs and investments in first-time industrialization infrastructure projects in France.

The Nano 2022 support plan for technological developments up to their pre-industrialization phase, marks France's recognition of the importance of a solid, innovative electronic and microelectronic sector nationally to improve industrial competitiveness. Nano 2022 is the French component of a very large Important Project of Common European Interest (IPCEI). Within this IPCEI, Soitec is one of the seven industrial leaders and coordinates technological projects related to "high energy efficiency electronic components."

Covid-19

While concentrating on its employees' safety, since the beginning of the Covid-19 health crisis, our Group's priority has been to protect the health of its own employees as well as that of the people employed by its various partners, subcontractors, customers and all the communities with which our Group interacts. All of our teams have maintained, and continue to maintain, ongoing exchanges with all of our Group's suppliers and partners in order to ensure continuity of operations in all businesses. Strictly applying the instructions given by the various countries in which it operates, our Group has required its employees to work remotely from home when physical presence is not necessary. At the same time, firmly determined to support its customers in this difficult environment, our Group has so far been able to maintain production, in particular at the Bernin and Singapore sites, by implementing drastic safety measures. Our Group has continued, and continues, to deliver to its customers to meet their requirements. Our Group is also pursuing all its major R&D projects to secure their progress schedule.

As of the date of the adoption by the Board of Directors of the financial statements, our Group has therefore not been significantly impacted, the assumptions for closing the financial statements have each been reviewed regarding the information relating to the Covid-19 crisis without any significant impact on the financial statements as of March 31, 2020.

The Covid-19 health crisis has demonstrated the robustness of the semiconductor supply chain in which our Group operates, but is nevertheless creating uncertainty around the overall level of consumption.

Tax inspection

Since December 24, 2019, Soitec's financial statements and all of its tax returns covering the period from April 1, 2016 to March 31, 2019 have been audited and the results subject to corporate income tax for the period from April 1, 2015 to March 31, 2016 that contributed to our Company's overall deficit have been audited in accordance with the provisions of Article L. 169 paragraph 7 of the Book of Tax Procedures.

Due to the exceptional situation related to the Covid-19 outbreak, audit operations are suspended until further notice.

No evidence of a provision for any risk was raised at this stage of the audit.

2.5 Significant accounting policies

A. Consolidation principles and scope

All the entities that our Group controls are fully consolidated.

Our Group considers that it has exclusive control over an entity when (i) it has power over the entity, (ii) it is exposed to or has rights to variable returns through its links to this entity, and (iii) it has the ability to affect those returns through its power over the entity.

The financial statements of our subsidiaries are included in the consolidated financial statements from the date control is effectively transferred until the date that control ceases.

As of March 31, 2020, the consolidated financial statements included the financial statements of our Company and the subsidiaries listed below:

Entity	Date of consolidation	Percentage interest	Country	Functional currency
Soitec USA LLC	1997	100%	United States	US dollar
Soitec Japan Inc.	June 2004	100%	Japan	Japanese yen
Soitec Microelectronics Singapore Pte Ltd.	June 2006	100%	Singapore	US dollar
Soitec Korea LLC	July 2011	100%	South Korea	US dollar
Soitec Corporate Services SAS	July 2012	100%	France	Euro
Soitec Trading Shanghai Co., Ltd.	November 2013	100%	China	Yuan
Frec|n|sys SAS	October 2017	100%	France	Euro
Dolphin Design SAS (1)	August 2018	100%	France	Euro
Dolphin Ltd. (1)	August 2018	100%	Israel	Shekel
Dolphin Inc (1)	August 2018	100%	Canada	Canadian dollar
Soitec Lab (2)	March 2019	100%	France	Euro
Soitec Newco 2 SAS	March 2019	100%	France	Euro
Soitec Newco 3 SAS	March 2019	100%	France	Euro
Soitec Newco 4 SAS	March 2019	100%	France	Euro
Soitec Asia Holding Pte Ltd.	March 2019	100%	Singapore	US dollar
EpiGaN n.v. (3)	May 2019	100%	Belgium	Euro
Entities of the Solar Energy segment				
Soitec USA Holding Inc.	December 2009	100%	United States	US dollar
Soitec Solar Industries LLC	December 2009	100%	United States	US dollar
Soitec Solar Development LLC	September 2010	100%	United States	US dollar
Soitec Solar RSA Ltd.	April 2011	100%	South Africa	Rand
Soitec Solar France SAS	October 2011	100%	France	Euro
Concentrix Holding SAS	March 2018	100%	France	Euro
Project entities in the solar segment (4)				
CPV Power Plant No. 2 (Pty) Ltd.	September 2010	100%	South Africa	Rand

(1) Acquisition of 60% of the shares but a commitment has been made to repurchase all non-controlling interests.
(2) Soitec Newco 1 SAS was re-named Soitec Lab.
(3) Acquisition of 96.7% of the shares but a commitment has been made to repurchase all non-controlling interests.
(4) As part of its Solar Energy business, our Group established special purpose entities to hold the permits, administrative authorizations, costs and income associated with a solar power plant project. In general, the intention was to sell these legal entities to investors once the projects were sufficiently advanced.

DEPARTURES FROM SCOPE

- Soitec Solar Chile S.p.A (solar business) was liquidated in January 2020. This liquidation has had no impact on the consolidated financial statements of our Group.
- Our Group has sold its interests in the companies CPV Power Plant No. 1 Ltd. (Touwsrivier) and CPV Power Plant No. 1 Bond SPV Ltd. during the fiscal year in the context of its withdrawal from solar activities. See note 2.4 (Highlights).

Balances and transactions between Group companies are eliminated in the consolidated financial statements.

Business combinations are accounted for using the acquisition method. In the event of an acquisition, the acquired entity's identifiable assets and liabilities that meet the IFRS 3 recognition criteria are carried at fair value as determined at the acquisition date, except for any non-current assets classified as assets held for sale which are recorded at fair value, less selling costs.

Accounting rules regarding business combinations and transactions with non-controlling interests include the following:

- acquisition costs are expensed at the acquisition date;
- the impact of repurchases of non-controlling interests in a subsidiary that is already controlled and of divestments of interests with no loss of control is recognized directly in equity without impacting goodwill or income;
- changes in the value of assets and liabilities relating to acquisitions recognized on a provisional basis (due to independent appraisal reports or further analyses not yet having been completed) are recorded as a retrospective adjustment to goodwill if they occur within 12 months of the acquisition date. After this period, any changes are recorded directly in income statement. Contingent considerations (earn-outs) are measured at acquisition-date fair value. If the obligation to pay a contingent consideration meeting the definition of a financial instrument was classified in equity it is not remeasured and is recognized in equity when settled. Otherwise, any contingent considerations are measured at fair value at the end of each period and any potential changes are recorded directly as profit/(loss). Changes in the value of debt linked to non-controlling interest commitments, other than the impact of accretion, are recorded as other comprehensive income items.

B. Conversion of the financial statements of foreign subsidiaries

Our Group's presentation currency is the euro. Our Company's functional currency is the euro and the functional currency of each subsidiary is specified in the previous paragraph.

The financial statements of Group entities with functional currencies other than the euro are translated into euros as follows:

- assets and liabilities are translated at the closing rate on March 31, 2020;
- income statement items of each foreign operation are translated at the average exchange rate for the period or fiscal year which is deemed to represent the rate applicable on the effective transaction date;
- exchange differences resulting from the application of these different rates are recognized in other items of comprehensive income and accumulated in reserves under "Foreign exchange gains/(losses) on translation of foreign operations."

Monetary items forming part of a net investment in a foreign operation include debt, loans and receivables denominated in foreign currencies that relate to a foreign business and for which settlement is neither planned nor probable in the foreseeable future. Exchange differences relating to these items are recognized among other items of comprehensive income (OCI), under "Foreign exchange gains/(losses) on translation of foreign operations".

C. Intangible assets

GOODWILL

After initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purposes of impairment testing, goodwill is allocated to each of the cash-generating units (CGU) or groups of CGUs that are expected to benefit from the combination. Goodwill is not amortized but is tested for impairment at the end of each reporting period or whenever there are indications that its value may be impaired. Impairment losses recognized against goodwill cannot be reversed.

OTHER INTANGIBLE ASSETS

Intangible assets acquired separately by our Group are recognized at their acquisition cost, which corresponds to their acquisition-date fair value for assets acquired through business combinations. They mainly include software applications, which are accounted for at their purchase price and amortized using the straight-line method (one to five years) and project development costs (amortized over their estimated useful lives, typically between 8 and 10 years).

In accordance with IAS 38, development costs are capitalized if the following criteria are met:

- our Group has the intention and technical ability to complete the development project;
- it is highly probable that the future economic benefits attributable to the development costs will flow to our Group, generally evidenced by current orders or contracts;
- the costs can be measured reliably;
- our Group has the capacity to use or sell the intangible asset;
- our Group has the necessary resources to complete the project.

R&D costs that do not fully meet the above criteria are recognized in the income statement under the "R&D costs" item, as expenses for the fiscal year when incurred.

Our Group has defined an eight-stage life cycle for R&D projects. Upon the completion of each stage (milestone), a decision is made to either continue or discontinue the project. The first five stages cover exploratory research (evaluation of technologies), while the following two phases correspond to product development, generally in conjunction with a potential customer. The final stage involves high-volume industrialization of the product.

Costs incurred during exploratory research phases are recognized in the income statement, development costs are capitalized if they meet the criteria of IAS 38, otherwise they remain expensed. Costs incurred in the industrialization phase are recognized in cost of sales.

Prototype sales and subsidies (including the research tax credit) relating to capitalized development costs are initially recorded as deferred income and then recognized in the income statement as and when the associated development costs are amortized.

D. Property, plant and equipment

Property, plant and equipment are measured, in accordance with IAS 16, at their acquisition cost less accumulated depreciation and any impairment losses. Subsequent expenditure is included in the carrying amount of the asset or, where applicable, recognized as a separate asset when it is probable that the future economic benefits associated with the asset will flow to our Group and the cost of the asset can be measured reliably. The carrying amount of replaced components is derecognized. All repair and maintenance costs are recognized in the income statement.

Depreciation is calculated on a straight-line basis over the following estimated useful lives:

Buildings, fixtures and fittings	15 to 30 years
Equipment and tooling	3 to 8 years
Other fittings and fixtures	5 to 10 years
Transport equipment	5 years
IT and office equipment	3 to 7 years
Office furniture	5 to 10 years

Residual value may be recognized where appropriate. The assets' residual value, useful life and depreciation method are reviewed at the end of each annual reporting period and amended on a prospective basis where applicable.

E. Leases

When signing an agreement, our Group determines whether this constitutes or contains a lease agreement. Any agreement which constitutes or contains a lease agreement grants the right to control the use of the asset identified for a certain period of time, in exchange for a consideration. To determine whether an agreement grants the right to control the use of an identified asset, our Group applies the definition of a lease provided by IFRS 16.

The value of the asset (corresponding to the right of use of the underlying asset) and the lease liability (corresponding to the obligation to make lease payments) are initially measured at the present value of future lease payments, as well as estimated payments at the end of the contract. The lease term is defined contract by contract and corresponds to the non-cancellable period of the commitment, taking into account any optional periods if the exercise of such option is reasonably certain.

Lease payments are apportioned between payments of the interest and the principal of the outstanding liability. The assets linked to rights of use are depreciated over the term of the lease agreement plus any optional periods for which there is a reasonable certainty of exercise.

Our Group applies the exemptions provided for by IFRS 16 for leases with a lease term of 12 months or less and for leases whose underlying asset is of low value when new (less than US$5,000). These rents are recognized directly as expenses.

F. Fixed asset acquisition expenses

Acquisition costs increase the value of property, plant and equipment, intangible assets and investment property, as the case may be.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use or sale (generally over six months) are included in the cost of that asset. All other borrowing costs are expensed as incurred.

G. Impairment of non-current assets

IAS 36 defines the procedures that a company must apply to ensure that the carrying amount of its assets does not exceed their recoverable amount, which is the amount that is expected to be recovered from their use or sale. Besides goodwill and intangible assets with an indefinite life that are systematically tested for impairment each year, the recoverable amount of an asset is estimated whenever there is an indication that the asset's value may be impaired.

CASH-GENERATING UNITS (CGU)

A cash-generating unit is the smallest group of identifiable assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

In the Electronics business segment, our Group has identified three CGUs, each of which was centrally managed with production capacity organized so as to optimize utilization regardless of geographical location. These CGUs are:

- *Electronics 300mm*, primarily serving the digital market and leveraging the production capacity of the Bernin 2 plant and the Singapore plant;
- *Electronics small diameter*, primarily serving the radio frequency and power market and leveraging the production capacity of the Bernin 1, Bernin 3, Frec|n|sys (Besançon) and Hasselt (Belgium) plants for the GaN business;
- *Integrated circuits design*: design of low-power electronic circuits, (Dolphin Design business).

IMPAIREMENT INDICATORS

Our Group regularly compares actual results to forecast results for all of its businesses in order to detect any impairment.

DETERMINING THE RECOVERABLE AMOUNT

When circumstances or events indicate that a non-current asset may be impaired, our Group reviews the recoverable amount of the asset (or of our Group of assets to which it belongs).

Capitalized development costs, if not yet commissioned, are subject to impairment tests at least once a year.

The recoverable amount is the higher of its fair value less costs to sell and its value in use. It is estimated separately for each asset. Where this is not possible, assets are pooled into groups of CGUs for which the recoverable amount is then calculated.

Fair value less selling costs is the amount that could be obtained from the sale of an asset in an arm's length transaction between knowledgeable willing parties, less costs to sell.

Value in use is the present value of the future cash flows expected to be derived from the continuous use of an asset and from its disposal at the end of its useful life. Value in use is determined using cash flows estimated on the basis of business plans or budgets typically drawn up for a period of five years, taking into account the specific risks inherent to the technological nature of our Group's business activity.

IMPAIRMENT

An impairment loss is recognized as soon as the carrying amount of an asset or the CGU to which it belongs exceeds its recoverable amount. Impairment losses are expensed under "Other operating income and expenses".

Except in the case of goodwill, impairment losses recognized in previous years may be reversed if, and only if, there has been a change in the estimates used to calculate the recoverable amount of the asset since the previous recognition of an impairment loss. However, the reversal of an impairment loss must not result in the carrying amount of the asset exceeding the carrying amount that would have been determined had no impairment been recognized for the asset in previous years.

H. Financial assets

In accordance with IFRS 9, financial assets are divided into three categories on the basis of type and holding intention:

- assets measured at amortized cost;
- assets measured at fair value through profit or loss;
- assets measured at fair value through other comprehensive income.

IFRS 9 stipulates that financial assets are generally classified based on the business model of holding the asset and the characteristics of its contractual cash flows.

Financial assets	Classification according to IFRS 9
Non-consolidated investments	Assets measured at fair value through profit or loss
Derivative financial instruments (positive fair value)	Fair value – hedging instrument
Deposits and guarantees	Assets at amortized cost
Other	Assets at amortized cost
Trade receivables and related accounts	Assets at amortized cost
Cash and cash equivalents	Assets at amortized cost

A financial asset is measured at amortized cost if it meets both of the following criteria and if it is not designated at fair value through profit or loss:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows;
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are measured at amortized cost according to the effective interest rate. The amortized cost is net of impairment. Interest revenue, foreign exchange gains and losses and impairment are recognized in profit or loss. Gains and losses resulting from derecognition are recorded in profit or loss.

A financial instrument is measured at fair value through other comprehensive income if it meets both of the following criteria and it is not designated at fair value through profit or loss:

- the asset is held within a business model whose objective is achieved by both the collection of the contractual cash flows and by the sale of financial assets;
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are measured later at fair value. Interest revenue calculated by applying the effective interest rate method, foreign exchange gains or losses and impairment are recognized in profit or loss. The other gains and losses are recognized in other comprehensive income. At derecognition, the gains and losses cumulated in other comprehensive income are reclassified to profit or loss.

The term "principal" refers to the fair value of the financial asset when it was initially recognized. "Interest" refers to the consideration for the time value of money, the credit risk associated with the principal amount outstanding for a given period, and the other risks and expenses related to a base loan and a margin.

All financial assets that are not classified as such at amortized cost or at fair value through other comprehensive income are measured at fair value through profit or loss. These assets are measured at fair value. Net gains and losses, including interest or dividends collected, are recognized in profit or loss.

All standard purchases and sales of financial assets are recognized at the settlement date.

I. Financial liabilities

Financial liabilities are classified into two categories:

- financial liabilities at amortized cost;
- financial liabilities at fair value through profit or loss.

Financial liabilities	Classification according to IFRS 9
Derivative financial instruments	Fair value – hedging instrument
Other borrowings and debt	Amortized cost
OCEANE convertible bonds	Amortized cost
Committed credit line used	Amortized cost
Other financial liabilities	Amortized cost
Trade payables and related accounts	Amortized cost

FINANCIAL LIABILITIES AT AMORTIZED COST

Loans and other financial liabilities (including trade payables) are accounted at amortized cost by applying the effective interest rate method. Issuance costs and premiums as well as redemption premiums are included in the amortized cost of loans and debt. They are presented in reduction or increase of the loans, as appropriate, and are amortized on an actuarial basis.

FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

A financial liability is classified as a financial liability at fair value through profit or loss if it is held for the purposes of transactions, whether it is a derivative or designated as such at the time of its initial recognition. Financial liabilities measured at fair value through profit or loss are measured at fair value, and the resulting net gains and losses, taking into account interest expense, are recognized in profit or loss.

J. Financial instruments

HEDGING DERIVATIVES INSTRUMENTS

Our Group hedges its currency risk on some of its transactions denominated in US dollars through derivatives (forward sales, options contracts). These derivative instruments are solely designed to hedge currency risks on fixed commitments or highly probable future transactions.

Derivatives are initially recognized at fair value upon acquisition. Attributable transaction costs are recognized in the income statement when incurred. In the absence of a hedging relationship, following the initial recognition, the changes in the fair value of derivatives are immediately expensed.

If the derivative is designated as a hedge of the fair value of assets or liabilities recognized in the consolidated balance sheet, changes in the value of the derivative and of the hedged item are recognized in profit or loss in the same period.

If the derivative is designated as a cash flow hedge, changes in the value of the effective portion of the derivative are recognized in other comprehensive income. It is recognized in income when the hedged item is itself recognized in profit or loss. However, the ineffective portion of the derivative is immediately recognized in financial income/(expense).

FAIR VALUE OF FINANCIAL INSTRUMENTS

Our Group applies IFRS 7 regarding financial instruments measured at fair value in the balance sheet. Fair value measurements are broken down by level in the fair value hierarchy, as follows:

- Level 1: the instrument is quoted in an active market;
- Level 2: fair value is determined using valuation techniques based on observable inputs, other than the prices quoted in level 1, either directly (prices) or indirectly (pricing data);
- Level 3: at least one significant fair value component is based on non-observable inputs.

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service or regulatory agency, and those prices represent regularly occurring market transactions. These instruments are classified in Level 1.

The fair value of financial instruments not quoted in an active market (*e.g.*, over-the-counter derivatives) is calculated using valuation techniques. These valuation techniques maximize the use of observable market data if available and rely as little as possible on our Group's own estimates. If all inputs required to calculate the fair value of an instrument are observable, the instrument is classified in Level 2 of the fair value hierarchy.

If one or more of the principal inputs is not based on observable market price data, the instrument is classified in Level 3.

K. Inventories

Inventories of raw materials and consumables are stated at acquisition cost. A provision for impairment is booked for obsolete or surplus items.

Finished goods are carried at production cost except for those whose cost exceeds their selling price during the start-up phase of production and obsolete or surplus items. A provision for impairment writes down the carrying amount of finished goods to their realizable value less proportionate selling expenses.

Work-in-progress is measured using the same principles in accordance with the percentage of completion of production.

L. Trade receivables

Trade receivables are measured initially at the transaction price if they do not have a significant financing component. After initial recognition, they are carried at amortized cost calculated using the effective interest rate method.

Trade receivables in foreign currencies are re-evaluated at the closing rate.

IMPAIRMENT

A provision for loss is recorded if there is an objective indication based on a case-by-case analysis that our Group might not be able to recover part of or all of its receivables.

M. Assets held for sale

Non-current assets held for sale (or disposal groups) are classified as "Assets held for sale" when it is highly likely that they will be recovered principally through a sale transaction rather than through continuing use. Assets held for sale may consist of an entity, a disposal group or a separate non-current asset.

At their initial classification as held for sale, non-current assets and disposal groups are accounted at the lower of their carrying amount and their fair value less selling costs.

Impairment losses resulting from the classification of an asset (or a group of assets and liabilities) as held for sale or distribution plus gains and losses from subsequent revaluations are recognized in profit or loss. Once classified as assets held for sale, intangible assets and property plant and equipment are no longer depreciated.

The fair value of the assets held for sale is estimated by our Group management on the basis of multiple criteria including in particular some values from recent acquisition proposals and from reports by experts involved in the preparation for the sale of these assets to a third party.

N. Cash and cash equivalents

Cash and cash equivalents primarily consist of interest-bearing accounts and term deposits readily convertible into cash that are not exposed to a significant interest rate risk.

Investments with a maturity of more than three months with no early exit options along with investments in money-market UCITS (OPCVM) which do not meet the criteria for recognition as cash equivalents under IAS 7 are classified within other financial assets.

O. Equity

EQUITY INSTRUMENTS AND COMPOUND INSTRUMENTS

Classification in equity depends on a specific analysis of the characteristics of each instrument issued.

TRANSACTION COSTS ON EQUITY INSTRUMENTS

External costs directly related to capital transactions or equity instruments are recognized net of income tax as a deduction from equity. Other costs are expensed as incurred.

TREASURY SHARES

Purchases of treasury shares are recorded as a deduction from our Group equity based on their acquisition cost. Any gains or losses upon disposal or use are recognized in other reserves. When treasury shares are used as payment for an acquisition, the value used for accounting purposes corresponds to their market price at the transaction date.

SHARE-BASED PAYMENTS

In accordance with IFRS 2 "Share-based Payment", equity-settled transactions are measured at the grant date. The fair value of these instruments, determined by an independent expert, is calculated using a model that reflects the instrument's characteristics. This valuation model takes into account the exercise price and life of the option, the price of the underlying shares, the expected volatility of the share price and the risk-free interest rate over the life of the option. The value of these options is recognized on a straight-line basis in employee-related costs between the grant date and the acquisition date, with a corresponding adjustment to equity, since the options are equity-settled plans.

Regarding free share plans, their fair value is also determined based on the characteristics of the plan, stock market data at allocation date and an assumption of the employee's continuing presence on the payroll at the end of the vesting period. If the plan does not specify the vesting arrangements, the expense is recognized in full as soon as the plan is awarded. Otherwise, the expense is recognized over the vesting period as and when the vesting conditions are met.

P. Provisions

A provision is recognized when our Group has a current contractual or implicit obligation arising from a past event, the amount of which can be estimated reliably, and the settlement of which is expected to result in an outflow of resources representing economic benefits for our Group. The provisions are updated when the impact of the update is significant.

A provision for restructuring is only recognized when there is an implicit obligation to a third party, originating from a decision of Management materialized before fiscal year-end by the existence of a detailed and formalized plan and the announcement of this plan to the persons concerned.

Contingent liabilities consist of a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the control of the entity, or a present obligation for which an outflow of resources is unlikely. Contingent liabilities are not recognized but are disclosed in the notes.

Q. Retirement benefit obligations and related benefits

RETIREMENT INDEMNITIES AND RELATED BENEFITS

French law provides for a payment of a lump-sum retirement indemnity. This indemnity is determined depending on the years of service and the level of compensation at the time of retirement. Only employees who reach retirement age while on our Company's headcount are entitled to this indemnity.

OTHER PENSION PLANS

Our Group has entered into an agreement to supplement statutory retirement benefits. In addition to statutory benefits, our Group operates a complementary pension plan for certain employees. This defined benefit plan is managed by an outside agency.

In the US, Soitec USA Inc. pays into a funded pension plan under section 401(k) of the US Internal Revenue Code. This defined contribution pension plan is exempt from tax and covers the majority of our US employees.

Defined benefit plans are measured on an actuarial basis using the projected unit credit method, which factors in demographic (salary trends, age upon retirement, staff turnover, mortality rate) and financial (discount and inflation rate) assumptions. Actuarial gains and losses resulting from the revision of calculation assumptions are immediately recognized in other items of comprehensive income (equity) under "Actuarial gains/(losses) on defined benefit plans".

For defined contribution plans, payments are expensed as incurred. There are no actuarial liabilities to this end.

R. Revenue recognition

All trade receivables are reported under "Trade and other receivables".

Contract liabilities mostly consist of prepayments from customers or credit notes to be drawn up as well as goods sent to customers for which control has not been transferred before fiscal year end.

In accordance with IFRS 15, revenue is recognized when control of goods or services is passed to customers in exchange for the consideration to which our Group expects to be entitled. Recognition is based on a five-step analysis:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract;
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract;
- recognize revenue when (or as) the entity satisfies a performance obligation.

Revenue recognition comes mainly from the sales of products. It is supplemented by income from licenses and developments. Revenue recognition criteria and conditions are as follows:

- silicon wafer sales are recognized as revenue when the control of goods passes to the customer under the terms of sale set out in the customer contracts. Revenue is generally recognized when the customer accepts delivery of the goods at their facilities or when the goods leave the warehouses of our Group's entities, depending on the Incoterm in use;
- licensing revenue is recognized on a straight-line basis over the period during which the rights are granted or may be recognized on the basis of a percentage of sales as defined in the contract. When the license agreements provide, in addition to royalties, for payments of advances or interim invoices allowing for the financing of the developments implemented to respond to the specific needs of a customer, these are recorded as earnings over the foreseeable duration of the use by the customer of the transferred technology;
- development sales (income from Dolphin Design, principally):
  - sales of IP (virtual component)/off-the-shelf licenses with no or very few modifications. Revenue from these sales is recognized fully when IP is delivered,
  - sales of more complex IP (virtual component) requiring a significant development effort. Revenue is recognized in line with the progression of incurred costs versus total estimated costs,
  - sales of design services for components principally used in the aerospace and defense industries. Revenue from these contracts is recognized by stage of completion.

Our Group may find itself in a position of a principal stakeholder on contracts related to consignment inventories. In this case, our Group will analyze the control transfer criteria stipulated in IFRS 15, and, in particular:

- reason for implementing such an arrangement (intention of the parties);
- storage and identification of products within the dedicated areas;
- products being ready for physical transfer to the customer within a very short period of time;
- impossibility of selling the products to other customers.

When these criteria are met, revenue is recorded.

S. Gross margin

Gross margin represents "income from ordinary activities" less the total cost of sales. Cost of sales includes the cost of resources used in the production of goods sold (raw materials, consumables, employee-related costs, depreciation and amortization, energy and fluids).

T. Sales and marketing expenses

Sales and marketing expenses comprise costs incurred by the Sales & Business Development and the Strategic Marketing Departments. They primarily consist of employee-related costs and expenses relating to trade fairs, consulting and travel.

U. R&D expenses

This item includes costs that do not meet the criteria for capitalization as defined in note C. "Intangible assets". These costs are net of prototype sales made as part of the R&D activity, any research tax credits and grants recognized in profit or loss for the period.

Subsidies received (for which financing agreements have been signed and administrative authorizations obtained) are recorded as deferred income in the balance sheet (if they relate to projects meeting IAS 38 criteria). Grants are invoiced to the relevant bodies following project reviews, based on the milestones set out in the grant agreements.

If they do not pertain to capitalized projects, the subsidies are recognized immediately in profit or loss based on the progress of the projects in question.

Support for R&D activities may also take the form of repayable advances. These advances are recorded as financial liabilities in the balance sheet if the related projects meet the criteria for capitalization as R&D costs or if it is likely that the advance will be repaid. If the criteria are not met, redeemable advances are treated in the same way as subsidies received.

V. General and administrative expenses

General and administrative expenses comprise costs incurred by support functions less the portion allocated to production costs. These support functions include General Management, finance, human resources, legal, communications, quality and IT.

W. Other operating income and expenses

This item shows the effects of major events occurring during the accounting period that are liable to skew analyses of our Group's recurring performance. This includes a limited number of income and expenses of unusual character, infrequent occurrence and significant amount. It includes non-recurring restructuring costs, impairment losses charged against non-current assets and goodwill, and transaction costs related to acquisitions of equity interests.

X. Financial income/(expense)

Financial income/(expense) comprises the cost or income of debt, dividends received from non-consolidated subsidiaries, changes in the fair value of financial assets excluding cash and derivatives not eligible for hedge accounting, gains and losses on the disposal of financial assets, gains and losses on discounting and foreign exchange gains and losses on items not included in net debt.

Y. Income tax and deferred taxes

Income tax expense represents the sum of income tax due by our Group's companies and deferred taxes. Income tax is recognized in profit and loss except where it relates to items recognized in other items of comprehensive income. Then, it is also recognized in other items of comprehensive income.

Deferred tax is accounted for using the balance sheet approach. The amount of tax expense calculated is influenced by the change in the receivable or liability due to the change in the income tax rate from one year to the next (liability method of tax allocation).

A deferred tax asset is recognized when the following conditions are met:

- the entity has sufficient taxable temporary differences involving the same taxation authority and the same taxable entity or tax group, which will result in taxable amounts against which the unused tax credits or tax losses may be utilized before they expire;
- it is probable that the entity will generate taxable income before the unused tax credits or tax losses expire.

No deferred tax asset is recognized to the extent that it is unlikely that the entity will post taxable income against which the unused tax credits or tax losses can be utilized.

Z. Earnings per share

Earnings per share are calculated based on the weighted average number of shares depending on the date of issuance of shares during the fiscal year, less any treasury shares held. Diluted earnings per share are calculated using the treasury stock method, which adds to the denominator the number of shares that would result from dilutive instruments (options), less the number of shares that may be bought back at market price using the funds raised from exercising the relevant instruments. The number of shares used to compute diluted earnings per share takes into account the weighted average number of ordinary shares outstanding during the period, adjusted for the impact of the potential ordinary shares that could result from the exercise of options, share warrants and other financial instruments that may be converted into ordinary shares, where their impact is dilutive.

Dilutive instruments are not taken into account in the calculation of diluted earnings per share when they lead to a reduction in the loss per share based on the average number of shares outstanding.

AA. Discontinued operations

A discontinued operation is a component of an entity that has either been disposed of or is classified as held for sale, and:

- represents either a separate major line of business or a geographical area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively for resale.

The discontinued operation classification must be used as soon as the operation has been sold or the business meets the conditions to be classified as held for sale.

The discontinued operation classification results in the separate presentation of "Net income/(loss) from discontinued operations" in the income statement.

This line comprises the following items:

- income generated by the discontinued operation as well as any expenses directly attributable to the operation, net of income tax, for the entire period presented;
- any impairment losses recognized when evaluating the assets and liabilities identified as held for sale in accordance with IFRS 5;
- any gain or loss on disposal when these assets and liabilities are effectively derecognized.

The net cash flows attributable to operating, investing and financing activities of discontinued operations are calculated as the difference between these aggregate amounts and the amounts of continuing operations in the statement of cash flows and separately in the notes to the financial statements.

Since the criteria set out in IFRS 5 are met, the net income/(loss) from the discontinued operations are therefore shown separately within "net profit/(loss) from discontinued operations" in the income statement. The share of income/(loss) of equity-accounted companies, which concerns assets held for sale in the Solar Energy business segment, is also shown within "Net income/(loss) from discontinued operations".

AB. Consolidated statement of comprehensive income

The main components of comprehensive income are changes in the fair value of financial assets for which changes in fair value are recognized under this heading, actuarial gains or losses on defined benefit plans, changes in the fair value of cash flow hedges and changes in translation adjustments arising from subsidiaries whose accounts are denominated in currencies other than the euro.

Other comprehensive income is broken down by distinguishing the components of other comprehensive income that are required to be reclassified to net profit/(loss) at a later date from those that cannot be reclassified to net profit/(loss).

NOTE 3. NOTES TO THE BALANCE SHEET

3.1 Segment reporting

Segment reporting is presented in accordance with IFRS 8.

As discussed in "Overview of our Company and business", our Group has two business segments:

- production and sale of substrates and components for the semiconductor industry ("Electronics");
- other discontinued operations of our Group (Other Activities). These consist mainly of the Solar Energy business (operation and maintenance of photovoltaic installations).

EBITDA presented in the segment analysis table represents operating income (EBIT) before depreciation, amortization, impairment, non-monetary items related to share-based payments, and changes in provisions on current assets and provisions for risks and contingencies, and excluding any profit or loss from asset disposals. The impact in equity of the first-time application of IFRS 15 is included in EBITDA as of March 31, 2019.

This indicator is a non-IFRS quantitative measure used to measure our Company's ability to generate cash from its operating activities. EBITDA is not defined by an IFRS standard and should not be considered an alternative to any other financial indicator.

Key segment information is presented below:

› *Breakdown of the consolidated income statement*

	March 31, 2020			March 31, 2019		
(in € thousand)	Electronics	Other Activities	Total	Electronics	Other Activities	Total
Sales	**597,549**	**-**	**597,549**	**443,946**	**-**	**443,946**
Gross margin	**195,426**	**-**	**195,426**	**165,029**	**-**	**165,029**
Gross R&D costs	*(66,889)*	-	*(66,889)*	*(51,279)*	-	*(51,279)*
Sales of prototypes and other income	*9,013*	-	*9,013*	*9,236*	-	*9,236*
Grants and repayable advances	*25,382*	-	*25,382*	*22,026*	-	*22,026*
Net R&D costs	(32,494)	-	(32,494)	(20,017)	-	(20,017)
Sales and marketing expenses	(10,195)	-	(10,195)	(9,792)	-	(9,792)
General and administrative expenses	(35,042)	-	(35,042)	(26,815)	-	(26,815)
Current operating income/(loss)	**117,695**	**-**	**117,695**	**108,405**	**-**	**108,405**
Other operating income	*1,911*	-	*1,911*	*566*	-	*566*
Other operating expenses	*(100)*	-	*(100)*	*(106)*	-	*(106)*
Other operating income and expenses	1,811	-	1,811	460	-	460
Operating income (EBIT)	**119,506**	**-**	**119,506**	**108,865**	**-**	**108,865**
Depreciation	45,520	-	45,520	24,597	-	24,597
Impairment of non-current assets and accelerated depreciation/amortization	32	-	32	414	-	414
Share-based payments	19,526	-	19,526	17,957	-	17,957
Provisions, net	1,854	-	1,854	(53)	-	(53)
Provision for retirement benefit obligations	(207)	-	(207)	685	-	685
Gains/(losses) on disposals of assets	(790)	-	(790)	(556)	-	(556)
IFRS 15 first-time adoption	-	-	-	379	-	379
EBITDA from discontinued operations	-	(946)	(946)	-	(2,510)	(2,510)
EBITDA	**185,441**	**(946)**	**184,495**	**152,288**	**(2,510)**	**149,778**

› Breakdown of the consolidated statement of financial position

(in € thousand)	March 31, 2020			March 31, 2019		
	Electronics	Other Activities	Total	Electronics	Other Activities	Total
Intangible assets, net	87,471	-	87,471	38,479	-	38,479
of which goodwill	*20,765*	-	*20,765*	*8,471*	-	*8,471*
Property, plant and equipment, net	297,154	-	297,154	253,593	-	253,593
Non-current financial assets	14,428	-	14,428	11,018	-	11,018
Other non-current assets	8,997	-	8,997	44,351	-	44,351
Non-current assets (1)	**408,050**	**-**	**408,050**	**347,441**	**-**	**347,441**
Inventories	123,291	-	123,291	72,333	-	72,333
Trade receivables and related accounts	167,409	-	167,409	139,344	-	139,344
Other current assets	73,820	125	73,945	45,601	-	45,601
Current financial assets:	351	-	351	255	-	255
Current assets (2)	**364,871**	**125**	**364,996**	**257,533**	**-**	**257,533**
Trade payables and related accounts	(76,100)	(218)	(76,318)	(62,239)	-	(62,239)
Other current and non-current liabilities	(118,661)	(5,555)	(124,216)	(134,027)	-	(134,027)
Current and non-current liabilities (3)	**(194,761)**	**(5,773)**	**(200,534)**	**(196,266)**	**-**	**(196,266)**
Assets held for sale (a)	-	-	-	-	16,697	16,697
Liabilities directly related to assets held for sale (b)	-	-	-	-	(6,173)	(6,173)
Net assets held for sale (4 = a + b)	**-**	**-**	**-**	**-**	**10,524**	**10,524**
CAPITAL EMPLOYED (1)+(2)-(3)+(4)	**578,160**	**(5,648)**	**572,512**	**408,708**	**10,524**	**419,232**

› Breakdown of revenue

Revenue by segment and product type breaks down as follows:

(in € thousand)	March 31, 2020	March 31, 2019
Electronics – 300mm SOI	294,363	205,671
Electronics small diameters	274,933	220,991
Royalties	28,253	17,284
Total Electronics	*597,549*	*443,946*
TOTAL REVENUE	**597,549**	**443,946**

Sales as of March 31, 2020 includes:

- €20,467 thousand from Dolphin Design (€10,472 thousand as of March 31, 2019 - consolidated from August 2018);
- €1,910 thousand from EpiGaN n.v., acquired in May 2019.

3.2 Intangible assets

Intangible assets break down as follows:

(in € thousand)	Gross values	Accumulated amortization	Provisions for depreciation	Net value
Goodwill – Electronics segment	21,766	-	(13,295)	8,471
Concessions, patents and other rights	5,583	(5,583)	-	-
Software	63,017	(56,333)	-	6,684
Other intangible assets	1,900	(217)	-	1,683
Intangible assets in progress	21,880	-	(239)	21,641
MARCH 31, 2019	**114,146**	**(62,133)**	**(13,534)**	**38,479**
Goodwill – Electronics segment	34,060	-	(13,295)	20,765
Capitalized development projects	28,496	(1,159)	-	27,337
Concessions, patents and other rights	5,519	(5,519)	-	-
Software	73,954	(62,600)	-	11,354
Other intangible assets	19,900	(2,224)	-	17,676
Intangible assets in progress	10,576	-	(237)	10,339
MARCH 31, 2020	**172,505**	**(71,502)**	**(13,532)**	**87,471**

In the year to March 31, 2020, changes in the net value of each asset category break down were as follows:

(in € thousand)	Goodwill	Capitalized development projects	Concessions, patents and other rights	Software	Other intangible assets	Intangible assets in progress	Total
MARCH 31, 2018	**1,402**	**-**	**17**	**1,559**	**-**	**5,201**	**8,179**
Assets put into service	-	-	-	4,846	-	(4,846)	-
Acquisitions	-	-	-	402	-	21,223	21,625
Change in scope	7,069	-	-	2,017	1,900	-	10,986
Currency translation adjustments	-	-	-	63	-	65	128
Depreciation (expense for the period)	-	-	(17)	(2,205)	(217)	-	(2,439)
MARCH 31, 2019	**8,471**	**-**	**-**	**6,682**	**1,683**	**21,643**	**38,479**
Assets put into service	-	26,853	-	6,039	-	(32,892)	-
Acquisitions	-	1,643	-	4,729	-	23,198	29,570
Change in scope	11,947	-	-	-	18,000	-	29,947
Reclassification between categories and other changes	347	-	-	(274)	-	(1,630)	(1,557)
Currency translation adjustments	-	-	-	63	-	20	83
Depreciation (expense for the period)	-	(1,159)	-	(5,885)	(2,007)	-	(9,051)
MARCH 31, 2020	**20,765**	**27,337**	**-**	**11,354**	**17,676**	**10,339**	**87,471**

As of March 31, 2020, intangible assets in progress included €4,928 thousand related to capitalized development projects. The remaining part concerned software purchases.

Most of the software for €6,039 thousand installed over the fiscal year was production management software at the Pasir Ris (Singapore) and Bernin (France) facilities.

For a description of the acquisition of EpiGaN n.v., see note 2.4 (Highlights of the year). Goodwill from the acquisition of EpiGaN n.v. mostly relates to employee know-how and technical expertise as well as expected business synergies with our Group.

Net assets repurchased amounted to €18,507 thousand. Goodwill amounts to €11,947 thousand.

(in € thousand)	
Consideration (A)	30,454
Fair value of identifiable net assets (B)	18,507
GOODWILL (A)-(B)	**11,947**

The consideration amounted to €30,454 thousand after taking into account:

- a firm price of €29,441 thousand (of which €2,540 thousand is subject to a payment deferred over three years);
- the sale option granted over 3.39% of EpiGaN n.v.'s shares valued at €1,013 thousand (fair value valuation) net of the price received by Soitec for the repurchase of these shares by EpiGaN n.v.'s directors.

The assets acquired and liabilities assumed are broken down as follows:

(in € thousand)	Book value	Fair value adjustment	Fair value recognized for the acquisition
Intangible assets	1,366	16,634	18,000
Tangible fixed assets	3,958	241	4,199
Inventories	471	-	471
Trade receivables	246	-	246
Cash and cash equivalents	1,398	-	1,398
Other current non-current assets	382	-	382
Financial debt	(722)	(245)	(967)
Deferred taxes	-	(4,500)	(4,500)
Trade and other payables	(1,880)	1,158	(722)
TOTAL IDENTIFIABLE NET ASSETS ACQUIRED	**5,220**	**13,288**	**18,507**

Technology valued at €18 million was identified from this acquisition. It was valued using the excess earnings method. It is amortized over 10 years which corresponds to the estimated residual life. The discount rate used for this valuation is 19%.

This goodwill has been allocated to a separate CGU ("Small diameters").

During the period between the acquisition date (May 9, 2019) and March 31, 2020, EpiGaN n.v. contributed the amount of €1,909 thousand to consolidated revenue and €2,449 thousand to our Group's net profit/(loss). If the acquisition had taken place on April 1, 2019, the contribution to consolidated revenue would have amounted to €2,028 thousand and the contribution to net profit/(loss) to €2,604 thousand.

The acquisition costs, recorded as expenses, amounted to €130 thousand.

Dolphin Design goodwill

Our Group has completed its assessment of the fair value of the assets acquired and liabilities assumed from Dolphin Design. The definitive amount of goodwill stands at €7,421 thousand, representing an increase of €352 thousand compared with the provisional amount recognized as of March 31, 2019.

3.3 Property, plant and equipment

Property, plant and equipment break down as follows:

(in € thousand)	Gross values	Accumulated amortization	Provisions for depreciation	Net values
Buildings	264,682	(181,095)	(38)	83,549
Equipment and tooling	453,334	(359,844)	(11,222)	82,268
Other property, plant and equipment	15,196	(12,262)	-	2,934
Tangible fixed assets in the process of construction	88,137	-	(3,295)	84,842
MARCH 31, 2019	**821,349**	**(553,201)**	**(14,555)**	**253,593**
Buildings*	276,484	(193,584)	-	82,900
Equipment and tooling*	550,072	(386,733)	(4,386)	158,953
Other tangible fixed assets*	19,698	(14,142)	-	5,556
Tangible fixed assets in the process of construction	52,366	-	(2,621)	49,745
MARCH 31, 2020	**898,620**	**(594,459)**	**(7,007)**	**297,154**
Of which Property, Plant and Equipment related to leases pursuant to IFRS 16	71,517	(12,626)	(1,741)	57,150

* *Of which assets under lease contracts:*

(in € thousand)	Gross values	Accumulated amortization	Provisions for depreciation	Net values
Buildings	10,469	(1,980)	-	8,489
Equipment and tooling	21,187	(1,779)	(3,188)	16,220
Other property, plant and equipment	691	(303)	-	388
Tangible fixed assets in the process of construction	12,004	-	-	12,004
MARCH 31, 2019	**44,351**	**(4,062)**	**(3,188)**	**37,101**
Buildings	13,869	(3,560)	-	10,309
Equipment and tooling	56,841	(8,609)	(1,741)	46,491
Other property, plant and equipment	807	(457)	-	350
MARCH 31, 2020	**71,517**	**(12,626)**	**(1,741)**	**57,150**

(in € thousand)	Buildings	Equipment and tooling	Other fixed assets	Total
Net book value as of March 31, 2019	8,489	28,224	388	37,101
Increase in rights-of-use	3,200	21,522	50	24,772
Depreciation of rights-of-use	(1,488)	(6,485)	(190)	(8,163)
Other changes	39	3,230	100	3,369
Foreign exchange gains/(losses)	69	-	2	71
NET CARRYING AMOUNT OF RIGHTS OF USE AS OF MARCH 31, 2020	**10,309**	**46,491**	**350**	**57,150**

In the year to March 31, 2020, changes in the net value by category of property, plant and equipment break down as follows:

(in € thousand)	Buildings	Equipment and tooling	Other	Tangible fixed assets in the process of construction	Total
MARCH 31, 2018	**69,749**	**41,164**	**613**	**22,817**	**134,343**
Assets put into service	13,994	49,999	1,677	(65,670)	-
Acquisitions	-	-	355	103,971	104,326
Change in scope	-	-	328	-	328
Leased assets (IFRS 16)	6,967	3,311	587	22,061	32,926
Reclassification between categories and other changes	(685)	(104)	229	789	229
Currency translation adjustments	2,939	553	17	1,987	5,496
Depreciation (expense for the period)	(8,630)	(12,763)	(764)	-	(22,157)
Impairment and accelerated depreciation	-	-	-	(414)	(414)
Disposals or retirements (net value)	(785)	-	-	(699)	(1,484)
MARCH 31, 2019	**83,549**	**82,160**	**3,042**	**84,842**	**253,593**
Assets put into service	2,306	65,738	2,369	(70,413)	-
Acquisitions	2,854	1,094	751	45,463	50,162
Change in scope	868	1,451	944	935	4,198
Leased assets (IFRS 16)	3,200	32,288	50	(10,766)	24,772
Reclassification between categories and other changes	(127)	(703)	(78)	(892)	(1,800)
Currency translation adjustments	1,003	1,146	34	899	3,082
Depreciation (expense for the period)	(10,753)	(24,161)	(1,556)	-	(36,470)
Impairment and accelerated depreciation	-	-	-	(32)	(32)
Disposals or retirements (net value)	-	(60)	-	(291)	(351)
MARCH 31, 2020	**82,900**	**158,953**	**5,556**	**49,745**	**297,154**

Acquisitions mostly pertained to industrial investments for the Bernin and Pasir Ris facilities.

3.4 Value of non-current assets

Impairment testing

The Singapore plant was built in order to increase 300mm-wafer production capacity. Due to the downturn in demand, production of 300mm wafers had been transferred to the Bernin plant in September 2013, and the Singapore clean room has since been dormant. Pursuant to IAS 36, at December 31, 2015, our Company re-appraised the market value of its asset and, at the same time, determined its value in use on the basis of its business plan. As a result of this test, our Group had recognized an impairment loss of €20 million in fiscal year 2015-2016. The reopening of the Singapore site, announced in September 2017, and the updated value in use as of March 31, 2020 (based on our Group's business plan which confirms the need to expand capacity to produce 300mm wafers) confirms that no additional impairment charge should be recognized as of March 31, 2020.

The assumptions used for the March 31, 2020 impairment tests are as follows:

	Singapore	Dolphin	Project development costs (filters)
Long-term growth rate	1.5%	1.5%	Not applicable (period closed)
Discount rate	12.9%	19.0%	16.0%

These tests showed no loss of value as of March 31, 2020.

3.5 Non-current financial assets

Non-current financial assets break down as follows:

(in € thousand)	March 31, 2020	March 31, 2019
Financial assets – Investments	14,745	11,698
Loans	180	180
Deposits and guarantees	85	4
Derivative financial instruments (positive fair value)	5	-
Gross value	**15,015**	**11,882**
Financial assets – Investments	(407)	(684)
Loans	(180)	(180)
Other financial assets	-	-
Provision for impairment	**(587)**	**(864)**
NON-CURRENT FINANCIAL ASSETS, NET	**14,428**	**11,018**

"Financial assets – Investments" break down as follows:

(in € thousand)	March 31, 2020			March 31, 2019		
	Gross value	Provisions	% held	Gross value	Provisions	% held
Cissoïd	340	(340)	0.19%	340	(340)	0.19%
Exagan (1)	3,310	-	15.24%	1,438	-	15.24%
Shanghai Simgui Technology Co. Ltd.	4,441	-	2.70%	4,441	-	2.70%
Technocom (2)	3,350	(67)	8.00%	2,175	(344)	8.00%
Greenwaves Technologies	3,299	-	16.58%	3,299	-	16.58%
Other	5	-	-	5	-	-
TOTAL FINANCIAL ASSETS – INVESTMENTS HELD	**14,745**	**(407)**	**-**	**11,698**	**(684)**	**-**

(1) Our Company restated at fair value its equity investment in Exagan by €1,872 thousand.
(2) Our Company increased its equity investment in Technocom by €1,175 thousand, and holds an 8% stake.

3.6 Other non-current assets

Other non-current assets break down as follows:

(in € thousand)	March 31, 2020	March 31, 2019
Tax receivables	4,853	42,516
Prepayments on orders of non-current assets	3,527	1,170
Deposits and guarantees	617	463
Other assets	-	202
Gross value	8,997	44,351
OTHER NON-CURRENT ASSETS, NET	**8,997**	**44,351**

The tax receivable of €4,853 million as of March 31, 2020 mostly represents:

- the non-current portion of our Company's research tax credit for the first quarter of 2020 for €2,576 thousand as well as €1,062 thousand concerning the research tax credit of our subsidiaries for previous years (€39,138 thousand as of March 31, 2019 for 2016, 2017, 2018, and the 1st quarter 2019). The sharp reduction in comparison with March 31, 2019 is due to the re-classification of these receivables as short-term on the basis of their anticipated use over the course of the next 12 months;
- the non-current portion of the French job competitiveness and employment tax credit (CICE) for the calendar year 2018 for €1,215 thousand (€3,380 thousand as of March 31, 2019).

The total amount of the research tax credit receivable (current portion and non-current portion) is €34,342 thousand as of March 31, 2020 (€52,824 thousand as of March 31, 2019).

3.7 Inventories

Inventories break down as follows:

(in € thousand)	March 31, 2020	March 31, 2019
Raw materials	85,070	40,033
Work-in-progress	18,008	13,098
Finished products and goods	31,034	25,777
Gross value	**134,112**	**78,908**
Provisions for depreciation	(10,821)	(6,575)
INVENTORIES, NET	**123,291**	**72,333**

3.8 Trade receivables and related accounts

Trade receivables break down as follows:

(in € thousand)	March 31, 2020	March 31, 2019
Trade receivables, gross	167,632	139,731
Provisions for impairment	(223)	(387)
TRADE RECEIVABLES, NET	**167,409**	**139,344**

There has been no significant movement concerning provisions for impairment on trade receivables:

(in € thousand)	March 31, 2020	March 31, 2019
Provision for impairment at beginning of period	(387)	(556)
Expense for the period	(63)	-
Reversals of utilized provisions: bad debts	230	-
Reversals of unutilized provisions	-	177
Currency translation adjustment	(3)	(8)
Change in scope	-	-
PROVISION FOR IMPAIRMENT AT END OF PERIOD	**(223)**	**(387)**

As of March 31, 2020, the aged analysis of receivables is as follows:

(in € thousand)	Total trade receivables	Not due	Less than 30 days past due	30 to 60 days past due	60 to 90 days past due	More than 90 days past due
Gross value	167,631	158,479	7,255	480	554	863
Provision for impairment	(223)	-	-	-	-	(223)
Net value as of March 31, 2020	**167,408**	**158,479**	**7,255**	**480**	**554**	**640**
Gross value	139,732	131,426	2,219	2,340	2,620	1,127
Provision for impairment	(387)	-	-	-	-	(387)
Net value as of March 31, 2019	**139,345**	**131,426**	**2,219**	**2,340**	**2,620**	**740**

3.9 Other current assets

Other current assets break down as follows:

(in € thousand)	March 31, 2020	March 31, 2019
Tax and social security receivables	42,598	22,425
Prepaid expenses	2,141	875
Subsidies receivable	25,927	19,561
Advances, goods paid for on order	1,565	980
Deposits and guarantees	39	39
Other	1,704	1,721
Gross value	**73,974**	**45,601**
Provisions for depreciation	(29)	-
OTHER CURRENT ASSETS, NET	**73,945**	**45,601**

As of March 31, 2020, tax receivables included a research tax credit amounting to €31,633 thousand, in relation in particular to the 2016 and 2019 calendar years (€11,860 thousand as of March 31, 2019 for the calendar years 2014 and 2015).

Operating subsidies receivable are as follows:

(in € thousand)	March 31, 2020	March 31, 2019
Operating subsidies receivable at beginning of period	19,561	4,972
Change in scope and reclassification	792	-
Received during the period	(11,505)	(5,914)
Recognized in income statement	16,853	20,267
Currency translation adjustment	226	236
Operating subsidies receivable at end of period	**25,927**	**19,561**

The subsidies receivable concern primarily the "Nano 2022" (€11,554 thousand) for Soitec S.A. as well as programs financed by the Singapore Economic Development Board (€9,167 thousand) for Singapore.

3.10 Current financial assets

These break down as follows:

(in € thousand)	March 31, 2020	March 31, 2019
Loans	34	34
Accrued interest	90	102
Prepaid expenses	78	65
Deposits and guarantee	139	-
Derivative financial instruments (positive fair value)	10	52
Other	-	2
Gross value	**351**	**255**
Provisions for depreciation	-	-
CURRENT FINANCIAL ASSETS, NET	**351**	**255**

3.11 Cash and cash equivalents

Cash and cash equivalents break down as follows:

(in € thousand)	March 31, 2020	March 31, 2019
Cash	170,994	130,304
Cash equivalents	20,004	45,004
TOTAL CASH AND CASH EQUIVALENTS	**190,998**	**175,308**

Cash at bank is principally denominated in Euros (49% of the total) and in US dollars (41% of the total). The balance as of March 31, 2020 also includes €16,382 thousand held in ZAR (9%) due to the sale of the solar business.

Cash includes cash held in interest-bearing accounts and cash equivalents are deposits available without notice.

In order to determine whether an investment is eligible to be classified as a cash equivalent, our Group complies with the AMF guidance issued on May 3, 2011 relative to the classification of UCITS money-market funds as cash equivalents in accordance with IAS 7.

The cash balance as of March 31, 2020 includes ZAR125 million (€6.4 million), related to the sale of the shares held in our South African subsidiary, held in the bank account of our notary public in South Africa pending the repatriation of these funds to France.

3.12 Assets and liabilities held for sale

As of March 31, 2020, further to the sale of the financial assets related to the solar power plant in South Africa (equity-accounted investments in CPV Power Plant No. 1 (20% stake), and the repayment of the loan granted to one of the shareholders of the Touwsrivier plant), there are no further assets or liabilities held for sale.

The provisions relating to business either abandoned or sold and to the commitments underlying such abandonment or sales (mainly guarantees issued) have been reclassified with the other provisions in the balance sheet.

	Assets and liabilities held for sale	
(in € thousand)	March 31, 2020	March 31, 2019
Solar power plant projects	-	-
Equity-accounted companies	-	5,250
Non-current financial assets	-	11,313
Other non-current assets	-	6
Non-current assets	**-**	**16,569**
Inventories	-	-
Trade receivables and related accounts	-	11
Other current assets	-	34
Current financial assets:	-	83
Current assets	**-**	**128**
TOTAL ASSETS (1)	**-**	**16,697**
Long-term financial debt	-	-
Provisions and other non-current liabilities	-	-
Non-current liabilities	**-**	**-**
Short-term financial debt	-	-
Trade payables and related accounts	-	365
Provisions and other current liabilities	-	5,808
Current liabilities	**-**	**6,173**
TOTAL LIABILITIES (2)	**-**	**6,173**
NET ASSETS (1)-(2)	**-**	**10,524**

3.13 Issued capital and reserves

Share capital and share premiums

As of March 31, 2020, the number of our Company shares outstanding was 33,180,921. These are ordinary shares with a par value of €2.00 each and preferred shares with a par value of €2.00 each.

(in number of shares)	March 31, 2020	March 31, 2019
Ordinary shares with a par value of €2.00	33,180,921	31,367,567
Preferred shares with a par value of €2.00	97,980	269,365
TOTAL	**33,278,901**	**31,636,932**

During the fiscal year 2019-2020, the following movements in the share capital were recorded (see note 2.4 (Highlights) for more detail):

- July 26, 2019: unwinding of the 1st tranche of the management free share allocation plan, issuance of 1,248,019 ordinary shares (creation of 20,639 preferred shares 1 "PS 1" followed by the cancellation of 256,796 PS 1): share capital increase of €2,472,422 *via* off-setting against the reserves;
- December 6, 2019: unwinding of the 2nd tranche of the management free share allocation plan, issuance of 32,220 ordinary shares (creation of 2,832 preferred shares 1 "PS 1" followed by the cancellation of 6,630 PS 1): share capital increase of €64,060 *via* off-setting against the reserves;
- December 18, 2019: issuance of 97,980 preferred shares 2 ("PS 2") subscribed for by certain employees and officers of our Group at a price of €84.17 in cash in the context of the "Topaz" co-investment plan: share capital increase of €195,960 and share issue premium of €8,051,016;
- February 28, 2020: "Jade 2020" share-based employee savings plan: increase in the share capital further to the subscription of 206,007 ordinary shares by employees and the structuring bank at a price of €68.03 (share issue premium: €13,600,582) in cash;
- March 28, 2020: unwinding of plans 1 and 2 for all: issuance of 170,247 ordinary shares, share capital increase of €340,494 *via* off-setting against the reserves;
- March 28, 2020: unwinding of the 3rd tranche of the management free share allocation plan, issuance of 156,861 ordinary shares (creation of 2,867 preferred shares 1 "PS 1" followed by the cancellation of 32,277 PS 1): share capital increase of €310,781 *via* off-setting against the reserves.

In addition, €427 thousand was charged against the share issue premium on the basis of issue costs generated by the "Jade 2020" and "Topaz" plans.

Treasury shares

As of March 31, 2020, our Company held 4,442 treasury shares.

	March 31, 2020	March 31, 2019
Number of treasury shares	4,442*	5,077
Gross value *(in € thousand)*	377	432
Unrealized capital gain/(loss) *(in € thousand)*	(67)	(73)

* *Among which 91 shares were allocated on April 6, 2020 with a retroactive effect at March 30, 2020.*

The cost of these treasury shares along with gains or losses on disposal are deducted from equity.

Other reserves

Actuarial gains and losses on defined benefit plans are recorded in other items of comprehensive income against the provision for retirement benefit obligations.

(in € thousand)	Revaluation differences	Actuarial gains/(losses) on retirement benefit obligations	Changes in fair value of foreign exchange hedging	Deferred taxes	Gains/(losses) on disposals of treasury shares	Other changes	Currency translation adjustment	First-time adoption of IFRS 15	Total
March 31, 2018	**485**	**(3,630)**	**7,307**	**-**	**1,001**	**(16,104)**	**17,266**	**-**	**6,325**
Changes in the period	(485)	(1,759)	(7,306)	772	-	-	6,880	375	(1,523)
March 31, 2019	**-**	**(5,389)**	**1**	**772**	**1,001**	**(16,104)**	**24,146**	**375**	**4,802**
Changes in the period	-	(2,088)	(415)	676	-	-	4,411	-	2,584
MARCH 31, 2020	**-**	**(7,477)**	**(414)**	**1,448**	**1,001**	**(16,104)**	**28,557**	**375**	**7,386**

The currency translation adjustment reserve includes all foreign exchange differences arising from the translation of the financial statements of foreign operations, as well as the foreign exchange differences arising from the conversion of monetary items forming part of a net investment in a foreign operation.

Dividends

Our Board of Directors will ask the Shareholders' General Meeting to be held September 2020 to transfer earnings to the reserves and retained earnings and not distribute a dividend.

3.14 Share-based payment

Impact of share-based payments on the consolidated income statement

LONG TERM MANAGEMENT INCENTIVE PLAN OF JULY 26, 2016

Following the decision on July 26, 2016, to establish a long-term management incentive plan, contingent rights to preferred shares were granted during fiscal year 2016-2017 to eligible employees and corporate officers. Through these contingent rights, 269,365 preferred shares vested in fiscal year 2017-2018 and 26,346 preferred shares vested in fiscal year 2019-2020.

In fiscal year 2019-2020, all preference shares were converted into ordinary shares.

The expense recognized in the income statement for the free preferred share plan in the year ended March 31, 2020 was €1,915 thousand, including social security contributions.

FREE SHARES ALLOCATION PLANS FOR OUR EMPLOYEES

Plans dated March 28, 2018

Our Board of Directors of March 28, 2018 decided to set up two free ordinary share allocation plans for all Group employees to recognize and reward their efforts in creating value. Under the plans, subject to continued employment and length of service conditions, 187,749 ordinary shares in total were allocated to employees for their loyalty and contribution to efforts made in recent years, or about 0.6% of our Company's share capital at that date.

The ordinary shares thus allocated were definitively acquired by those beneficiaries present as employees on the first working day following March 28, 2020. 170,247 ordinary shares have been in this manner.

Plans dated July 26, 2018

Our Board of Directors of July 26, 2018 decided to set up two other free ordinary share allocation plans. They are meant for all employees of our Company and its subsidiaries and are intended to involve them in achieving our Group's growth objectives.

Under the plans, subject to continued employment, length of service and performance conditions, 308,263 ordinary shares in total were allocated to employees, or about 1.1% of our Company's share capital at that date.

Subject to the achievement of all the conditions fixed by the rules of these plans, the ordinary shares thus allocated will be effectively and definitively acquired by beneficiaries on the first working day following July 26, 2021.

The expense recognized in the income statement for these free share allocation plans for employees of Soitec in the year ended March 31, 2020 was €13,567 thousand, including social security contributions.

Co-investment plan

The Extraordinary Shareholders' General Meeting of July 26, 2019 created a new category of preferred shares (PS 2) convertible into ordinary shares based on the achievement of targets relating to EBITDA, revenue and the Total Shareholder Return (TSR) performance of our Company's ordinary shares compared to the Euro Stoxx 600 Technology index (resolution no. 33).

Based on the delegation granted by the Extraordinary Shareholders' General Meeting of July 26, 2019 (resolution no. 34), the Board of Directors decided on December 18, 2019 to grant Topaz's participants with 195,960 PS 2 (including 31,982 PS2 to Mr Paul Boudre, Chief Executive Officer of the Company).

Subject to a presence condition, such PS 2 granted for free will be definitively acquired by each Topaz's participants at the end of three acquisition periods:

- 40% of the PS 2 granted on December 18, 2019 will be definitively acquired on December 18, 2020;
- 30% of the PS 2 granted on December 18, 2019 will be definitively acquired on August 1, 2021; and
- 30% of the PS 2 granted on December 18, 2019 will be definitively acquired on August 1, 2022.

Based on the delegation granted by the Extraordinary Shareholders' General Meeting of July 26, 2019 (resolution no. 35), the Board of Directors decided on December 18, 2019 a share capital increase of the Company through the issue of PS 2. In this context, Topaz's participants subscribed for 97,980 PS 2 (including 15,991 PS2 subscribed for by Mr Paul Boudre, Chief Executive Officer of the Company) at a unit price of €84.17, as determined by an external independent accountant). Such subscription generated a share capital increase of €8,247 thousand on December 18, 2019.

The subscription price of €84.17 per PS 2 was calculated by an external independent accountant.

The fair value of each of the three series was valued using our best estimate:

- of the probability of achieving the income and EBITDA objectives (according to our business plan);
- of the number of instruments to be issued, given the turnover rate of employees (3.7%).

This plan generated a charge of €3,963 thousand (of which €464 thousand is linked to social security contributions) in the income statement as of March 31, 2020.

"Jade 2020" shared-based employee savings plan

Our Group has put in place a transaction known as "Jade 2020" which consists of a single leveraged offer with guaranteed capital, *via* a company mutual fund.

Payments made to Soitec's Jade 2020 company mutual fund are those of the personal contributions made by employees and bank financing paid by the bank directly to our Company mutual fund, calculated as 9 times the value of the personal contributions made by employees.

At the end of a vesting period of five years or in the case of an early exit event, each subscriber receives, for each share subscribed for, in addition to the capital initially invested which is guaranteed, an amount corresponding to the higher of either:

- a yield of 3% per annum, calculated on the personal contribution made; and
- performance linked to changes in Soitec's share price over this period.

This shareholding plan, forming part of our Group's policy on promoting share ownership among employees, covers France and Singapore and is aimed at sharing Our Group's development more closely with employees.

At the Combined Ordinary and Extraordinary Shareholders' Meeting held on July 26, 2019, our shareholders delegated authority to the Board of Directors to decide on an increase in the share capital of our Company, on one or several occasions, in a maximum par value of €560,000 and corresponding to 280,000 ordinary shares, *via* the issuance of new shares restricted to employees of our Company and of its French and foreign affiliates.

Further to a delegation of authority from our Board of Directors dated July 26, 2019, our Chief Executive Officer set the definitive detailed terms and conditions for the transaction on January 23, 2020. On the same date, he set the subscription price for the new shares at €68.02 (after application of a 30% discount on the reference share price set at €97.16), which corresponds to the reference share price minus a discount of 30%. The reference share price is set, in accordance with Article L. 3332-19 of the French Labor Code, at the average price for Soitec shares on the Euronext Paris regulated market over the 20 trading sessions prior to January 23, 2020.

Those subscribing for the offer must retain the units in our Company mutual fund for five years, *i.e.* until February 28, 2025, other than in the event of a case of early release.

The IFRS expense was calculated using the difference between the share price on the date of allocation (€87.55) and the subscription price (€68.02), after application of a discount for inability to sell.

This plan generated an expense of €2,121 thousand in the consolidated income statement as of March 31, 2020.

Free share allocation plan dated December 18, 2019

In the context of the authorizations granted by the Combined Shareholders General Meeting held on July 26, 2019, the Board of Directors of our Company, at a meeting held on December 18, 2019, resolved to grant a total of 23,953 ordinary shares to the employees and corporate officers of Soitec and its affiliates.

Then, at its meeting on March 25, 2020, the Board of Directors of our Company allocated 14,863 ordinary shares to the employees and corporate officers of our Company and its affiliates within the meaning of Article L. 225-197-2 of the French Commercial Code.

The primary objective of these allocations was to enable the creation of a long-term profit-sharing award based on the results of our Group, in favor of certain employees of our Company and its affiliates.

These allocations are accompanied by:

- a continued employment condition until August 1, 2022;
- performance conditions based on targets related to EBITDA, revenue and Total Shareholder Return (TSR) performance of the ordinary shares of our Company.

This plan generated a charge of €164 thousand (of which €24 thousand is linked to social security contributions) in the income statement as of March 31, 2020.

Share-based payments

Free shares: the table below shows to what extent the authorizations granted by the Shareholders' General Meeting relating to the allocation of free shares have been implemented during the fiscal year ended March 31, 2020:

Date of Shareholders' General Meeting	**03/23/2018**	**03/23/2018**	**03/23/2018**	**07/26/2019**	**07/26/2019**
Date of Board of Directors' meeting	03/28/2018	03/28/2018	07/26/2018	12/18/2019	03/25/2020
Number of shares	**125,188**	**62,561**	**344,981**	**23,953**	**14,863**
Beneficiaries number	970	704	1,088	16	20
Vesting period	from 03/28/2018 to 03/28/2020	from 03/28/2018 to 03/28/2020	from 07/26/2018 to 07/26/2021	from 12/19/2019 to 08/01/2022	From 03/26/2020 to 08/01/2022
Holding period	n/a	n/a	n/a	n/a	n/a
Number of shares vested	**110,767**	**59,480**	**403**	**-**	**-**
Number of shares remaining	**-**	**-**	**302,848**	**23,953**	**14,863**

Preferred shares: the table below shows to what extent the authorizations granted by the Shareholders' General Meeting relating to the allocation of preferred shares have been implemented during the fiscal year ended March 31, 2020:

Date of Shareholders' General Meeting	**04/11/2016 & 04/29/2016**	**04/11/2016 & 04/29/2016**	**04/11/2016 & 04/29/2016**	**04/11/2016 & 04/29/2016**	**04/11/2016 & 04/29/2016**	**04/11/2016 & 04/29/2016**	**07/26/2019**
Date of Board of Directors' meeting	07/26/2016	12/06/2016	03/30/2017	07/26/2016	12/06/2016	03/30/2017	12/18/2019
Number of preferred shares (PS) allocated	**236,157**	**3,798**	**29,410**	**20,639**	**2,832**	**2,867**	**195,960***
Of which number of preferred shares for corporate officers	*44,947*	-	-	-	-	-	*163,978*
Beneficiaries number	18	2	9	3	1	1	31,982
Date of contingent allocation of PS	07/26/2016	12/06/2016	03/30/2017	07/26/2016	12/06/2016	03/30/2017	12/18/2019
Date of definitive allocation of PS	07/26/2017	12/06/2017	03/30/2018	07/26/2019	12/06/2019	03/30/2020	08/01/2022
Date of conversion into ordinary shares (OS)	07/26/2019	12/06/2019	03/30/2020	07/26/2019	12/06/2019	03/30/2020	08/01/2022
Number of ordinary shares issued	1,147,713	18,456	142,928	100,306	13,764	13,934	-
Maximum number of ordinary shares still to be issued	-	-	-	-	-	-	611,395

* *97,980 PS purchased by employees and 195,960 PS allocated free of charge.*

3.15 Loans and financial liabilities

(in € thousand)	Interest rate *(in %)*	Currency	Maturity date	March 31, 2020	March 31, 2019
Current					
Industrial equipment *(in EUR)*	0.25% - 1.68%	EUR	2023-2027	9,657	6,128
Other equipment *(in JPY)*	3.48%	JPY	2022	14	9
Leases	0.60% - 3.48%	EUR	2020-2028	1,374	1,000
Leases	3.48%	USD	2020-2023	71	140
Leases	3.48%	JPY	2021-2024	92	85
Leases	3.48%	KRW	2022	11	15
Leases	2.60% - 2.69%	Other currency	2020-2024	35	84
Loans					
Bank loan	3.2% - 5.5%	EUR	2022	46	40
Other					
Redeemable advances	-	EUR	2020	1,664	1,161
Derivative financial instruments	-	EUR	2020	1,096	3,348
financial services payables	-	EUR	2020	999	26
Authorized credit line drawn down *(principal, in EUR)*	0.24% - 0.8%	EUR	2021	34,021	10,160
Authorized credit line drawn down *(accrued interest, in EUR)*	0.24% - 0.8%	EUR	2020	-	9
Authorized credit lines drawn down *(in USD)*	-	USD	-	-	-
Repurchase commitment	-	EUR	2020	2,000	-
Other financial liabilities	1.63%	EUR	2020	1,101	400
CURRENT BORROWINGS AND DEBT				**52,182**	**22,605**
Non-current					
Leases (IFRS 16)					
Industrial equipment *(in EUR)*	0.25% - 1.68%	EUR	2023-2027	37,427	24,592
Other equipment *(in JPY)*	3.48%	JPY	2022	19	34
Leases	0.60% - 3.48%	EUR	2020-2028	3,990	4,993
Leases	3.48%	USD	2020-2023	24	62
Leases	3.48%	JPY	2021-2024	11	95
Leases	3.48%	KRW	2022	11	-
Leases	2.60% - 2.69%	Other currency	2020-2024	98	-
Loans					
Bond: OCÉANE 2023	0.00%	EUR	2023	134,829	130,432
Bank loan	3.2% - 5.5%	EUR	2022	61	108
Other					
Redeemable advances	-	EUR	2021-2028	6,605	8,917
Used committed credit lines	0.24% - 0.8%	EUR	2021	-	22,221
Derivative financial instruments	-	EUR	-	63	-
Repurchase commitment	-	-	-	7,836	-
Other financial liabilities	-	EUR	2022	1,548	7,724
NON-CURRENT DEBT	**-**	**-**	**-**	**192,523**	**199,178**

Borrowings and debt break down as follows:

OCEANE 2023

On June 28, 2018, our Company issued convertible bonds into or exchangeable for new or existing shares (OCEANEs) with a maturity date of June 28, 2023, for an amount of €150 million.

After evaluating the debt component at €129,293 thousand, an amount of €20,707 thousand (gross amount before deduction of issuing fees) was recognized in equity for the 2018-2019 fiscal year. The amount recognized in the income statement in respect of the fiscal year ended March 31, 2020, for interest expenses related to the discounting the debt and amortizing issuance fees amounted to €4,398 thousand.

Leases

Our Group signed new equipment leasing agreements (financing of production equipment for our Bernin and Hasselt sites) in the total amount of €24,125 thousand, bearing interest at rates of between 0.24% and 1.68%. €605 thousand were re-stated on the basis of other lease agreements. This relates mainly to property leasing, both premises and vehicles.

Further to the consolidation of EpiGaN n.v., the real estate lease and vehicle leasing contracts (impact of €206 thousand on financial liabilities as of March 31, 2020) as well as three leases covering industrial equipment for a total of €3,199 thousand as of March 31, 2020 bearing interest at EURBIBOR Three months +1.5%.

Bank credit lines

As of March 31, 2020, our Group had bank credit lines worth €65 million from six banks, of which €20 million had been drawn by end March 2020 and therefore are shown as short-term financial liabilities. These credit lines are repayable *in fine* no later than March 2024. They bear a commitment fee of 0.20%, and a utilization fee ranging from EURIBOR +0.70% to +0.80% depending on the credit lines. No covenant is attached to them.

For the fiscal year 2019-2020, credit lines totaling €21,257 thousand were repaid in relation to the financing facility on Soitec S.A.'s 2015 research tax credit and competitiveness and employment tax credit further to the repayment of the latter to the tax authorities.

Redeemable advances

The debts related to the redeemable advances collected under the Nanosmart and Guépard subsidy programs were recognized based on the best estimate of the reimbursements coming from their business plan (revenue generated by the new products developed under these subsidy programs) after discounting of cash flows.

A significant upward revision of the long-term sales forecasts of FD-SOI and SOI for radiofrequency applications could result in the reclassification as debt of a portion of the redeemable advance received on the basis of the Nanosmart program recorded as profit or loss in previous fiscal years. The theoretical maximum amount that could be reclassified is €11,867 thousand, and the probability of reaching such a level is extremely low.

Similarly, a significant upward revision of the long-term sales forecasts for products for radiofrequency, photonic, and spatial solar applications could result in the reclassification as debt of a portion of the redeemable advance received on the basis of the Guépard program recorded as profit or loss in previous fiscal years. The theoretical maximum amount that could be reclassified is €5,121 thousand, and the probability of reaching such a level is extremely low.

Conversely, if sales forecasts are revised downwards, the maximum amount of advances posted booked as debt in the balance sheet which could be reclassified to profit and loss would be €8,269 thousand.

Repurchase commitments

The Dolphin Design shareholder agreement includes a put option granted to MBDA. Under this option, MBDA may require Soitec to purchase the 40% of the shares that MBDA holds in Dolphin Design, between November 1 and December 31, 2022 (option also to repurchase a 1st tranche of 20% in November 2020). This option constitutes an obligation valued at €6,767 thousand as of March 31, 2020, according to the best estimate of the achievement of the performance criteria, presented in financial liabilities (€7,775 thousand as of March 31, 2019).

As of March 31, 2020, EpiGaN n.v.'s co-founders-directors hold 3.39% of the share capital. The shareholder agreement provides for a cross put/call option for these directors at a price that will be determined according to the level of achievement of performance criteria. This debt has been assessed at fair value, *i.e.* €3,069 thousand on March 31, 2020 (€1,013 thousand on the acquisition date).

Other financial liabilities

Other financial liabilities are in relation to the deferred portion of the EpiGaN n.v. firm purchase price.

Borrowings and debt fall due as follows:

	March 31, 2020				
(in € thousand)	< 1 year	1 to 5 years	> 5 years	Total	March 31, 2019
Leases (IFRS 16)					
Equipment leases	9,671	33,122	4,323	47,116	30,763
Other leases	1,584	4,057	77	5,719	6,474
Loans					
Bond: OCEANE 2023	-	134,829	-	134,829	130,432
Bank loan	46	61	-	107	148
Other loans and financial liabilities					
Redeemable advances	1,664	3,221	3,384	8,269	10,078
financial services payables	999	-	-	999	26
Derivative financial instruments	1,096	63	-	1,159	3,348
Committed credit line used	34,021	-	-	34,021	32,390
Repurchase commitment	2,000	7,836	-	9,836	7,725
Other financial liabilities	1,101	1,548	-	2,649	400
TOTAL LOANS AND FINANCIAL LIABILITIES	**52,182**	**184,737**	**7,784**	**244,704**	**221,784**

Leases restated under IFRS 16 are recorded under financial liabilities as follows:

(in € thousand)	Net carrying amount of rental liabilities as of March 31, 2019	Change in scope	Increase in rental liabilities	Reduction in rental liabilities	Foreign exchange gains/(losses)	Net carrying amount of rental liabilities as of March 31, 2020
Leases restated under IFRS 16, by category						
Buildings	6,124	244	465	(1,416)	6	5,423
Equipment	30,720	722	24,169	(8,497)	2	47,116
Other fixed assets	393	-	181	(279)	1	296
TOTAL LEASES RESTATED UNDER IFRS 16	**37,237**	**966**	**24,815**	**(10,192)**	**9**	**52,835**

3.16 Provisions and other non-current liabilities

Provisions and other non-current liabilities break down as follows:

(in € thousand)	March 31, 2020	March 31, 2019
Pre-paid income	16,914	8,515
Deferred tax liabilities	4,257	6
Non-current liabilities	**21,171**	**8,521**
Provisions	19,344	12,910
PROVISIONS AND OTHER NON-CURRENT LIABILITIES	**40,515**	**21,431**

As of March 31, 2020, deferred income is in particular comprised of:

- royalties to be recognized as revenue in the amount of €1,241 thousand (1.6 million as of March 31, 2019);
- sales of prototypes and research tax credits/subsidies relating to capitalized development costs (for €4,807 thousand and €4,874 thousand respectively compared with €3.9 million and €3 million respectively as of March 31, 2019);
- subsidies to be recorded as profit/(loss) for €5,592 thousand.

Provisions for non-current contingencies and expenses were mainly comprised of the €14,382 thousand provision for retirement benefit obligations (€12,910 thousand as of March 31, 2019), as well as €4,962 thousand in provisions linked to commitments given in relation to the solar business (presented as liabilities linked to activities held for sale as of March 31, 2019).

Statement of change in provisions

Provisions break down as follows:

(in € thousand)	March 31, 2019	Expense for the period	Reversals (utilized)	Reversals (not utilized)	Currency translation adjustment	Actuarial gains/(losses) categorized in Other Comprehensive	Other changes	March 31, 2020
Current provisions								
Litigation	1,787	281	(40)	(140)	-	-	-	1,888
Restructuring	185	20	(173)	-	-	-	203	235
Total current	**1,972**	**301**	**(213)**	**(140)**	**-**	**-**	**203**	**2,123**
Non-current provisions								
Retirement benefit obligations	12,910	1,570	(1,334)	(361)	6	1,898	(308)	14,382
Total non-current	**12,910**	**1,570**	**(1,334)**	**(361)**	**6**	**1,898**	**(308)**	**14,382**
Provisions linked to solar*	-	1,328	(665)	(823)	(60)	-	5,775	5,555
TOTAL PROVISIONS	**14,882**	**3,199**	**(2,212)**	**(1,324)**	**(54)**	**1,898**	**5,670**	**22,060**

* *Or which €593 thousand current and €4,962 thousand non-current.*

The provision for retirement benefit obligations is analyzed in note 5.1.

The provisions are related to operations that have been discontinued or sold (solar business) and the commitments underlying these disposals or sales of operations are as follows:

(in € thousand)	March 31, 2019	Expense for the period	Reversals (utilized)	Reversals (not utilized)	Currency translation adjustment	Reclassifications	March 31, 2020
• Employee departure plan	3			(4)			(1)
• Cost of cessation of operations	332	-	-	(332)	-	-	-
Bernin site	**335**	**-**	**-**	**(336)**	**-**	**-**	**(1)**
• Employee departures	-	-	-	-	-	-	-
• Dismantling of solar power plants (excl. US) & compensation	3,980	119	(29)	(225)	-	-	3,845
• Cost of cessation of operations	553	483	(208)	-	-	-	828
Freiburg site	**4,533**	**602**	**(237)**	**(225)**	**-**	**-**	**4,673**
• Cost of cessation of operations	383	379	(263)	(93)	10	-	416
• Employee departures	-	-	-	-	-	-	-
• Dismantling of solar power plants located in the United States & compensation	167	-	-	(169)	2	-	-
San Diego site	**550**	**379**	**(263)**	**(262)**	**12**	**-**	**416**
• Cost of cessation of operations	357	347	(165)	-	(72)	-	467
South African site	**357**	**347**	**(165)**	**-**	**(72)**	**-**	**467**
TOTAL	**5,775**	**1,328**	**(665)**	**(823)**	**(60)**	**-**	**5,555**

6

The cost of discontinued operations has been estimated essentially on the basis of forecasts of the maintenance expenses to be incurred prior to extinguishing the current commitments.

The provisions for compensation are based on management best estimates about contract-based risks to spend resources on the ongoing litigations.

These provisions linked to the solar business have been re-classified, as of March 31, 2019, they feature in the balance sheet entry "liabilities relating to assets held for sale".

3.17 Trade payables and related accounts

Trade payables break down as follows:

(in € thousand)	March 31, 2020	March 31, 2019
TRADE PAYABLES	**76,318**	**62,239**

3.18 Provisions and other current liabilities

Provisions and other current liabilities break down as follows:

(in € thousand)	March 31, 2020	March 31, 2019
Prepayments received on customer orders	16,768	24,104
Payable to fixed asset suppliers	11,538	21,987
Tax and social security debts	51,600	62,657
Pre-paid income	3,084	605
Other	2,252	1,271
Other liabilities	**85,242**	**110,624**
Provisions	**2,716**	**1,972**
PROVISIONS AND OTHER CURRENT LIABILITIES	**87,958**	**112,596**

Provisions are detailed in note 3.16.

The reduction in the "tax and social security debts" item is mainly due to a non-recurrent tax due March 31, 2019. The items of deferred income correspond mainly to the short-term portion of revenue for which recognition has been deferred (prototypes, subsidies, and tax credits).

NOTE 4. NOTES TO THE INCOME STATEMENT

4.1 Personnel-related costs

Employee-related costs break down as follows:

(in € thousand)	March 31, 2020	March 31, 2019
Personnel-related costs, including social charges (1)	(124,149)	(101,764)
Competitiveness and employment tax credit (CICE)	-	894
Pension costs	208	(678)
Share-based payment expenses (2)	(21,730)	(19,872)
TOTAL EMPLOYEE-RELATED COSTS	**(145,671)**	**(121,420)**

(1) The personnel-related costs presented also include the expense for incentives and profit-sharing.
(2) Including social security contributions.

The main change in personnel-related costs relates to the integration over a full fiscal year of Dolphin and, to a lesser extent, of EpiGaN n.v., and to the increased workforce as well as share-based payments.

Our Group's average number of employees measured on a full-time equivalent basis is as follows:

(full-time equivalent)	March 31, 2020	March 31, 2019
Production	919	806
R&D	339	301
Sales and marketing	31	49
General Management and administrative staff	196	175
TOTAL WORKFORCE IN FULL-TIME EQUIVALENT	**1,484**	**1,332**

4.2 R&D expenses

R&D costs break down as follows:

(in € thousand)	March 31, 2020	March 31, 2019
Gross R&D operating costs	**(66,889)**	**(51,279)**
of which cost of depreciation of capitalized projects	(987)	-
Sales of prototypes	7,859	9,086
R&D grants recognized in profit/(loss)	11,246	8,200
Research tax credit	14,136	13,826
Other income	1,154	150
Total income deducted from gross operating costs	**34,395**	**31,262**
TOTAL R&D OPERATING COSTS, NET	**(32,494)**	**(20,017)**
Gross expenditure	(66,889)	(51,279)
Subsidies/research tax credits/prototype sales	34,395	31,262
Net R&D	(32,494)	(20,017)

In fiscal year 2019-2020, development costs of €17,544 thousand were capitalized (€13,427 thousand in 2018-2019).

4.3 Depreciation and amortization expenses

Depreciation and amortization expenses in the income statement break down as follows:

(in € thousand)	March 31, 2020	March 31, 2019
Cost of sales	(35,496)	(19,160)
R&D costs	(8,250)	(4,249)
Sales and marketing expenses	(137)	(131)
Administrative expenses	(1,637)	(1,057)
TOTAL DEPRECIATION AND AMORTIZATION EXPENSES	**(45,520)**	**(24,597)**

The increase in depreciation and amortization expenses is due to the high level of investment over the last few years.

IFRS 16 "Leases"

(in € thousand)	Amortization expense of rights-of-use for the fiscal year ended March 31, 2020	Interest expense on lease liabilities for the fiscal year ended March 31, 2020	Rental expenses for the fiscal year ended March 31, 2020
Leases restated under IFRS 16			
Buildings	(1,396)	(111)	(1,352)
Equipment	(7,228)	(227)	(7,455)
Other fixed assets	(277)	(6)	(284)
Total leases restated under IFRS 16	**(8,901)**	**(344)**	**(9,091)**
Leases not restated under IFRS 16			
Short term or low value leases (exemption)	-	-	(907)
Total leases not restated	**-**	**-**	**(907)**
TOTAL	**(8,901)**	**(344)**	**(9,998)**

4.4 Other operating income and expenses

Other operating income and expenses in the income statement break down as follows:

(in € thousand)	March 31, 2020	March 31, 2019
Capital gain on sale of Villejust facility	1,906	566
Other operating income	5	-
Total other operating income	**1,911**	**566**
Expenses relating to restructuring measures and litigation	-	(100)
Other operating expenses	(100)	(6)
Total other operating expenses	**(100)**	**(106)**
TOTAL OTHER OPERATING INCOME AND EXPENSES, NET	**1,811**	**460**

On September 13, 2019, our Group sold its Villejust industrial facility for €1,906 thousand. There had been no activity for four years and it had been completely depreciated in the financial statements.

As of March 31, 2019, other operating income mostly comprised the capital gain on the sale of the land at the Villejust facility.

4.5 Financial income

Financial income breaks down as follows:

(in € thousand)	March 31, 2020	March 31, 2019
Statement of financial assets at fair value	1,872	-
Other interest income	424	369
Other financial income	-	1,306
Reversal of provisions	344	281
Net foreign exchange gains/(losses)*	589	-
TOTAL FINANCIAL INCOME	**3,229**	**1,956**

* *Foreign exchange gains and losses are presented net.*

As of March 31, 2020, financial income comprised:

- of the statement at fair value of financial assets (investments held) for €1,872 thousand;
- of interest received, for €424 thousand;
- of a reversal of provisions on investments held for €344 thousand;
- of net foreign exchange gains/(losses) of €589 thousand (net foreign exchange loss of €4,607 thousand as of March 31, 2019).

As of March 31, 2019, other financial income consisted of a reversal of the provision for late interest payments.

4.6 Financial expenses

Financial expenses break down as follows:

(in € thousand)	March 31, 2020	March 31, 2019
Interest on borrowings and bank current accounts	(230)	(210)
Interest on leases	(381)	(202)
Interest on OCEANE bonds	(4,398)	(3,230)
Other interest expense	(370)	(323)
Provision for impairment of financial assets – Investments	(67)	(65)
Other financial expenses	(1,856)	(1,401)
Net foreign exchange gains/(losses)*	-	(4,607)
TOTAL FINANCIAL EXPENSES	**(7,302)**	**(10,038)**

* *Foreign exchange gains and losses are presented net.*

As of March 31, 2020, other interest and financial expenses mostly related to the accretion of redeemable advances for R&D projects, and the interest expense relating to retirement benefit obligations.

4.7 Income tax

As of March 31, 2020, the net tax expense for the fiscal year is €4,885 thousand and results from a current tax expense of €15,411 thousand originating mainly from our Company and our Japanese subsidiary, partially offset by the recognition of deferred tax assets of €10,526 thousand (of which €7,015 thousand tax loss carryforwards capitalized during the fiscal year).

The difference between the theoretical income tax calculated at the standard tax rate in France (34.43%) and the effective tax expense in the income statement breaks down as follows:

(in € thousand)	March 31, 2020	March 31, 2019
Theoretical income tax benefit at the applicable rate	(39,445)	(34,815)
Unrecognized deferred tax assets	(1,419)	(1,774)
Non-deductible provisions and expenses (permanent difference)	(76)	(45)
Non-taxable income (research tax credit – CICE)	5,748	6,510
Use of tax loss carryforwards	22,213	18,937
Recognition of tax loss carryforwards	7,015	6,987
Adjustments for differences in income tax rates	2,987	(622)
Share-based payments	(6,382)	(6,183)
Other differences	4,474	74
TOTAL INCOME TAX BENEFIT (LIABILITY)	**(4,885)**	**(10,932)**

Deferred tax assets and liabilities chiefly break down as follows, by nature:

(in € thousand)	March 31, 2019	Change through the income statement	Change through OCI	Change in scope	March 31, 2020
Deferred tax assets					
Tax losses carried forward, net	32,430	7,015	-	-	39,445
Temporary difference [(1)]	2,958	(469)	-	(118)	2,371
Other items [(2)]	5,838	2,706	1,314	-	9,858
Total deferred tax assets	**41,226**	**9,252**	**1,314**	**(118)**	**51,674**
Deferred tax liabilities					
Net deferred tax on leases	(5,282)	831	-	-	(4,451)
Deferred taxes on financial instruments	1,073	(902)	133	-	304
Other items [(2)]	(11,457)	1,345	-	(4,496)	(14,608)
Total deferred tax liabilities	**(15,666)**	**1,274**	**133**	**(4,496)**	**(18,755)**
DEFERRED TAXES, NET	**25,560**	**10,526**	**1,447**	**(4,614)**	**32,919**

(1) Temporary differences mainly comprise non-tax-deductible provisions.
(2) Other items mainly include retirement benefit obligations on the asset side for €3.4 million, redeemable advances on the liabilities side for €4.4 million, the equity capital part of our OCEANE 2023 convertible bonds for €3.8 million, as well as deferred tax liabilities on any intangible assets identified in the context of acquisitions (in particular, €4.5 million relating to technology identified in the context of the acquisition of EpiGaN n.v.).

Our Group recognized in its deferred tax assets the amount of €39,445 thousand in relation to the tax loss carryforwards in France which it intends to use in the coming years. Non-capitalized tax loss carryforwards (base) in France (Soitec S.A. is the main contributor) totaled €653,447 thousand as of March 31, 2020.

The amount of tax losses carried forward is $12,600 thousand for Soitec Microelectronics Singapore, $310,806 thousand for Soitec USA Holding, and €6,530 thousand for EpiGaN n.v..

4.8 Earnings/(loss) per share

Data on shares used to calculate basic and diluted earnings/(loss) per share are as follows:

(in number of shares)	March 31, 2020	March 31, 2019
Weighted average number of ordinary shares (excluding treasury shares) used to calculate basic earnings/(loss) per share	32,245,503	31,362,490
Effects of dilution		
Preferred shares	-	1,437,042
OCEANE convertible bonds	1,435,818	1,085,714
Free shares	302,848	386,605
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES (EXCLUDING TREASURY SHARES) ADJUSTED FOR THE DILUTED EARNINGS PER SHARE	**33,984,169**	**34,271,851**

4.9 Net profit/(loss) from discontinued operations

(in € thousand)	March 31, 2020	March 31, 2019
Sales	**-**	**124**
Expenses for the period	(162)	(77)
Current operating income/(loss)	**(162)**	**47**
Other operating expenses, net	(421)	409
Operating income/(loss)	**(583)**	**456**
Capital gain on sale of residual assets in South Africa	589	-
Financial income/(expense)	**(819)**	**(97)**
Profit/(loss) before tax	(813)	359
Income tax	**(54)**	**(438)**
Share of profit/(loss) of equity-accounted companies	-	415
NET PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS	**(867)**	**336**

As of March 31, 2020, operating income/(loss) was a loss of €867 thousand, mainly due to:

- capital gains on the sale of the CPV1 shares;
- recovery of unused provisions (minus operating losses);
- off-set by adverse currency conversion conditions.

As of March 31, 2019, operating income was positive due to the reversals of unused provisions (fewer operating losses).

6

NOTE 5. OTHER INFORMATION

5.1 Retirement benefit obligations and other employee benefits

Benefit obligations

(in € thousand)	March 31, 2020	March 31, 2019
Retirement benefit obligations	14,800	13,320
Fair value of plan assets	(418)	(410)
BENEFIT OBLIGATIONS RECOGNIZED IN THE BALANCE SHEET	**14,382**	**12,910**

Our Group recognizes retirement benefit obligations as liabilities in the balance sheet at the amount of the obligation as estimated using the most probable assumptions at the reporting date. The impact of changes in actuarial assumptions is recognized under other items of comprehensive income under "Actuarial gains/(losses) on defined benefit plans".

Retirement benefit obligations

DESCRIPTION OF PLANS

Retirement and other employee benefits granted to long-term personnel relate solely to active employees. Benefits are granted under either defined contribution or defined benefit plans. Provisions are set aside only for defined benefit plans. These mainly consist of retirement indemnities plus other pension obligations and supplementary retirement gratuities.

In certain cases, obligations under defined benefit plans are covered by funds, which are regularly valued by independent actuaries. The value of any such funds is deducted from the corresponding liability. Plan assets include secure/dynamic investment vehicles, based on an analysis carried out with the entity of its obligations in light of the expected retirement dates of its employees.

	March 31, 2020	March 31, 2019
Retirement age	62-65 years of age depending on the category	62-65 years of age depending on the category
Turnover assumptions (average)	0.00% to 5.75% depending on age	0.00% to 5.75% depending on age
Annual inflation rate	2.00%	2.00%
Annual salary increase rate	1.00% to 2.50%	1.00% to 2.50%
Contribution rate	24%	0%
Annual discount rate	1.40%	1.05%

The sensitivity of the retirement benefit obligation to these assumptions is detailed below: sensitivity of results to the discount rate (increase or decrease of 0.5 percentage point compared to the base rate).

	Annual discount rate		
	0.90%	1.40%	1.90%
	(-0.5 point)	(base rate)	(+0.5 point)
PRESENT VALUE OF BENEFIT OBLIGATION	**9%**	**100%**	**(8%)**

CHANGE IN RETIREMENT BENEFIT OBLIGATION

(in € thousand)	March 31, 2020	March 31, 2019
Benefit obligation at beginning of the period	**13,320**	**9,785**
Service cost	1,245	704
Interests	147	147
Benefits paid	(1,334)	(9)
Other benefits	(361)	-
Change in scope	(308)	930
Acquisition	-	-
Actuarial gains/(losses) (assumptions and experience adjustments)	2,090	1,763
BENEFIT OBLIGATION AT END OF THE PERIOD	**14,799**	**13,320**

CHANGE IN FAIR VALUE OF PLAN ASSETS

(in € thousand)	March 31, 2020	March 31, 2019
Fair value of plan assets at beginning of the period	**410**	**402**
Expected return on plan assets	4	5
Actuarial gains/(losses)	4	3
Fair value of plan assets at end of the period	**418**	**410**

CHANGE IN BENEFIT OBLIGATIONS RECOGNIZED IN THE BALANCE SHEET

(in € thousand)	March 31, 2020	March 31, 2019
Benefit obligation at beginning of the period	**12,910**	**9,383**
Service cost	1,245	704
Interests	147	147
Expected return on plan assets	(4)	(5)
Actuarial gains/(losses)	2,086	1,760
Benefits paid – benefits paid out of insurance fund	(1,334)	(9)
Change in scope	(308)	930
Other benefits	(361)	-
Acquisition	-	-
BENEFIT OBLIGATION AT END OF THE PERIOD	**14,381**	**12,910**

EXPENSES RECOGNIZED IN THE INCOME STATEMENT

(in € thousand)	March 31, 2020	March 31, 2019
Service cost	1,245	704
Interests	147	147
Expected return on plan assets	(4)	(5)
TOTAL EXPENSE RECOGNIZED IN THE INCOME STATEMENT	**1,388**	**846**

5.2 Contractual obligations and commitments

Contractual obligations and commitments break down as follows:

	March 31, 2020				March 31, 2019
(in € thousand)	< 1 year	1 to 5 years	> 5 years	Total	Total
Commitments given shown off-balance sheet					
Lease obligations	57	-	-	57	80
Pledges	-	-	18,000	18,000	18,000
Guarantees given	-	4,900	20,265	25,165	40,993
Other commitments	-	-	27,382	27,382	38,002
TOTAL	**57**	**4,900**	**65,647**	**70,604**	**97,075**
Commitments received	-	-	-	-	-
COMMITTED CREDIT LINE UNUSED	-	**45,000**	-	**45,000**	**35,000**

A reinforced purchase commitment was signed on March 31, 2020 with SK Siltron, taking effect on April 1, 2020. A penalty (contractual compensation undertaking) has been agreed in the amount of US$ 110,000 thousand.

As of March 31, 2020, guarantees/pledges/commitments given totaled €71 million and the main beneficiaries are:

- Shin-Etsu Handotai: a pledge of €18 million on inventories and a contractual compensation commitment US$ 30 million (€27 million) were given as security for the long-term commitment to supply raw materials;
- the project company for the Touwsrivier solar power plant (CPV Power Plant No. 1): €20 million;
- buyers of the Desert Green and Rians solar power plants: €3.2 million.

5.3 Related party disclosures

At the end of the Ordinary and Extraordinary Shareholders' General Meeting of July 26, 2019, and the meeting of the Board of Directors on the same date, the membership of the Board changed slightly. Since July 26, 2019, the Board of Directors has thus been comprised of:

- Éric Meurice;
- Paul Boudre, who also continues to lead our Company as Chief Executive Officer;
- Bpifrance Participations, represented by Sophie Paquin;
- CEA Investissement, represented by Guillemette Picard;
- Thierry Sommelet on a proposal from Bpifrance Participations;
- Jeffrey Wang on a proposal from NSIG;
- Kai Seikku on a proposal from NSIG;
- Laurence Delpy;
- Christophe Gegout;
- Satoshi Onishi;
- Françoise Chombar;
- Shuo Zhang.

Of the 12 directors, five are independent directors, namely, Éric Meurice, Laurence Delpy, Françoise Chombar,Shuo Zhang and Christophe Gegout. They have no executive mandate within our Company or Group, do not have a relationship of any nature whatsoever with our Company, our Group or our Executive Management that might compromise their respective freedom of opinion, and none of them has any specific ties with the latter.

The semiconductor market is known for its limited number of participants, meaning that our Group maintains or is likely to maintain business relationships with Shin-Etsu Handotai, Shanghai Simgui Technology Co. Ltd. ("Simgui"), and the French Alternative Energies and Atomic Energy Commission (*Commissariat à l'énergie atomique et aux énergies alternatives* – CEA). Some of our directors hold or have held positions within these companies, as described in the individual summaries presented in section 4.1.1.2 B of this Universal Registration Document.

Shin-Etsu Handotai Co. Ltd.

Since the close of the fiscal year ended March 31, 2015, an €18 million pledge on inventories has been granted to Shin-Etsu Handotai Co. Ltd.

During the year ended March 31, 2020, purchases of raw materials from Shin-Etsu Handotai represented €185,276 thousand (€132,715 thousand in the year ended March 31, 2019). A multi-year contract has also been signed to guarantee the supply of raw materials over the next few years, for which an off-balance sheet commitment of $30 million has been reported in the notes to the consolidated financial statements.

Our Group invoiced €3,599 thousand to Shin-Etsu Handotai in respect of fiscal year 2019-2020 (€3,944 thousand for fiscal year 2018-2019).

Other related parties

In the 2019-2020 fiscal year, our Group paid the CEA €7,344 thousand under the R&D contract (€5,317 thousand in the 2018-2019 fiscal year) €834 thousand under the newly signed hosting agreement and €4,960 thousand in patent royalties (€5,020 thousand in the 2018-2019 fiscal year). Our Group invoiced €79 thousand for services provided (€145 thousand as of March 31, 2019).

During the fiscal year, our Group paid Simgui $45,500 thousand for the purchase of 200mm SOI wafers ($23,700 thousand in the 2018-2019 fiscal year).

Our Group invoiced Simgui $19,100 thousand in silicon substrates (compared to $19,300 thousand in the 2018-2019 fiscal year).

Our Group invoiced clean room services to Exagan, where our Company is a director represented by Chief Executive Officer Paul Boudre. These invoices amounted to €393 thousand in 2019-2020 (up from €404 thousand in 2018-2019).

As of March 31, 2020, our Executive Committee (EXCom) had 11 members, excluding corporate officers (11 as of March 31, 2019), resulting in an average headcount of 10.5 over the year. The total gross compensation paid by our Group to members of the EXCom, excluding corporate officers, and including direct and indirect benefits of executives was €7,625 thousand for the fiscal year ended March 31, 2020.

(in € thousand)	March 31, 2020	March 31, 2019
Short-term benefits	3,796	3,499
Post-employment benefits	-	-
Accounting valuation of share-based payments	3,829	4,043
TOTAL GROSS REMUNERATION PAID TO GROUP EXECUTIVES	**7,625**	**7,542**

As of March 31, 2020, preferred shares were valued in accordance with IFRS 2. Over the 2019-2020 fiscal year, executives excluding corporate officers were allocated:

- 110,504 preferred shares under the "Topaz" plan;
- 12,771 free ordinary shares subject to performance conditions.

A further 969 shares were subscribed for under the "Jade 2020" plan.

The amount of the gross compensation allocated to corporate officers and non-employee directors is as follows:

(in € thousand)	March 31, 2020	March 31, 2019
Short-term benefits	1,494	1,283
Post-employment benefits	-	-
Termination benefits	-	-
Accounting valuation of share-based payments	1,068	1,175
Total compensation awarded to corporate officers	**2,562**	**2,458**
Director's fee	627	654
Reimbursement of travel expenses	65	52
Total compensation awarded to corporate officers and non-executive directors	**3,254**	**3,164**

During the fiscal year 2019-2020, 31,982 preferred shares were allocated to corporate officers under the "Topaz" plan.

5.4 Financial risk management

Financial risk management objectives and policies

Our Group's objectives are to hedge foreign exchange risk on commercial transactions recognized in the balance sheet and on highly probable future transactions. During fiscal year 2019-2020, Our Group's policy regarding exposure to foreign exchange risk on its future commercial transactions was to hedge a substantial portion of the foreign exchange risk for 2019-2020 by means of derivatives (mainly futures) based on operating budgets. The useful life of these instruments matches our Group's settlement flows. Our Group applies hedge accounting as defined by IFRS 9. Our Group's policy also consists of managing its interest expense using a combination of fixed-rate and floating-rate borrowings. Our Group's policy is not to use instruments for speculative purposes.

The table below summarizes the maturity profile of our Group's financial liabilities as of March 31, 2020 and March 31, 2019:

(in € thousand)	< 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Loans and financial debts	5,212	17,367	196,865	2,313	221,757
Other financial liabilities	26	-	-	-	26
Trade payables and related accounts	56,923	5,316	-	-	62,239
Other liabilities	64,927	47,669	8,775	12,656	134,027
MARCH 31, 2019	**127,088**	**70,352**	**205,640**	**14,969**	**418,049**
Loans and financial debts	23,270	27,913	184,738	7,784	243,705
Other financial liabilities	999	-	-	-	999
Trade payables and related accounts	69,286	7,032	-	-	76,318
Other liabilities	58,479	29,479	15,358	20,900	124,216
MARCH 31, 2020	**152,034**	**64,424**	**200,096**	**28,684**	**445,238**

(in € thousand)	Notes	Net book value	March 31, 2020 At fair value through other comprehensive income	At fair value through profit or loss	Amortized cost
Non-current financial assets					
Non-consolidated investments	3.5	14,338	-	14,338	-
Derivative financial instruments (positive fair value)	3.5	5	-	5	-
Deposits and guarantees	3.5	85	-	-	85
Non-current financial assets	**3.5**	**14,428**	**-**	**14,343**	**85**
Current financial assets					
Derivative financial instruments (positive fair value)	3.10	10	-	10	-
Other	3.10	341	-	-	341
Current financial assets	**3.10**	**351**	**-**	**10**	**341**
Trade receivables and related accounts	3.8	167,409	-	-	167,409
Cash and cash equivalents	3.11	190,998	-	190,998	-
TOTAL FINANCIAL ASSETS	**-**	**373,186**	**-**	**205,351**	**167,835**
Financial liabilities					
Derivative financial instruments	3.15	(1,159)	(415)	(744)	-
Other borrowings and debt	3.15	(73,697)	-	-	(73,697)
OCEANE 2023	3.15	(134,829)	-	-	(134,829)
Committed credit line used	3.15	(34,021)	-	-	(34,021)
Current and non-current financial liabilities	**3.15**	**(243,706)**	**(415)**	**(744)**	**(242,547)**
Other financial liabilities	**3.15**	**(999)**	**-**	**-**	**(999)**
Trade payables and related accounts	**3.17**	**(76,318)**	**-**	**-**	**(76,318)**
TOTAL FINANCIAL LIABILITIES	**-**	**(321,023)**	**(415)**	**(744)**	**(319,864)**

The data as of March 31, 2019 was as follows:

(in € thousand)	Notes	Net book value	March 31, 2019 At fair value through other comprehensive income	At fair value through profit or loss	Amortized cost
Non-current financial assets					
Non-consolidated investments	3.5	11,014	-	11,014	-
Derivative financial instruments (positive fair value)	3.5	-	-	-	-
Deposits and guarantees	3.5	3	-	-	3
Non-current financial assets	**-**	**11,017**	**-**	**11,014**	**3**
Current financial assets					
Derivative financial instruments (positive fair value)	3.10	52	1	51	-
Other	3.10	120			120
Current financial assets	**-**	**172**	**1**	**51**	**120**
Trade receivables and related accounts	3.8	139,345	-	-	139,345
Cash and cash equivalents	3.11	175,308	-	175,308	-
TOTAL FINANCIAL ASSETS	**-**	**325,842**	**1**	**186,373**	**139,468**
Financial liabilities					
Derivative financial instruments	3.15	3,348	-	3,348	-
Other borrowings and debt	3.15	55,587	-	-	55,587
OCEANE convertible bonds	3.15	130,432	-	-	130,432
Committed credit line used	3.15	32,390	-	-	32,390
Current and non-current financial liabilities	**3.15**	**221,757**	**-**	**3,348**	**218,409**
Other financial liabilities	**3.15**	**26**	**-**	**-**	**26**
Trade payables and related accounts	**3.17**	**62,239**	**-**	**-**	**62,239**
TOTAL FINANCIAL LIABILITIES	**-**	**284,022**	**-**	**3,348**	**280,674**

Classification of financial instruments pursuant to IFRS 13

The breakdown of financial instruments by level in the fair value hierarchy is as follows:

(in € thousand)	Notes	Level 1	Level 2	Level 3	Net value on the balance sheet
Assets					
Non-consolidated investments	3.5	-	-	14,338	14,338
Cash and cash equivalents	3.11	190,998	-	-	190,998
Derivative financial instruments (positive fair value)	3.10	-	15	-	15
Liabilities					
Derivative financial instruments (liabilities)	3.15	-	(1,159)	-	(1,159)
NET VALUE AS OF MARCH 31, 2020	**-**	**190,998**	**(1,144)**	**14,338**	**204,192**
Assets					
Non-consolidated investments	3.5	-	-	11,014	11,014
Cash and cash equivalents	3.11	175,308	-	-	175,308
Derivative financial instruments (positive fair value)	3.10	-	52	-	52
Liabilities	-	-	-	-	-
Derivative financial instruments (liabilities)	3.15	-	(3,348)	-	(3,348)
Net value as of March 31, 2019	**-**	**175,308**	**(3,296)**	**11,014**	**183,026**

The fair value hierarchy is described in note 2.5.J.

Financial instruments used

CURRENCY RISK

The translation rates used to translate our subsidiaries' financial statements that use a functional currency other than the euro have the following exchange value in euros:

	Average rate		Closing rate	
Currencies	**March 31, 2020**	**March 31, 2019**	**March 31, 2020**	**March 31, 2019**
US dollar	0.90155	0.86723	0.91274	0.89008
Yen	0.00829	0.00783	0.00841	0.00804
Rand	0.05566	0.06187	0.05100	0.06149

The following table shows the financial instruments in place as of March 31 to hedge foreign exchange risks:

		March 31, 2020		March 31, 2019	
Type of contract *(in € thousand)*	**Currency**	**Market value (net)**	**Hedged position**	**Market value (net)**	**Hedged position**
Hedging of balance sheet items		**(1,142)**	**-**	**(3,295)**	**-**
of which eligible for hedge accounting					
(hedging of trade receivables):		-	-	(1,714)	-
Forward sales	*USD to EUR*	*(727)*	*73,932*	*(1,726)*	*73,296*
Options	*USD to EUR*	*-*	*-*	*12*	*14,241*
of which not eligible for hedge accounting:				(1,581)	
Forward sales (hedging of trade receivables)	*USD to EUR*	-	-	(690)	6,231
Options		-	-	(892)	14,241
Forward purchases (hedging of trade payables)	*JPY to EUR*	-	-	-	-
Cash flow hedges		**-**	-	**1**	-
of which eligible for hedge accounting:		-	-	1	-
Forward sales	*USD to EUR*	*(415)*	*132,439*	*1*	*135*
Options	*USD to EUR*	-	-	-	-
of which not eligible for hedge accounting:		-	-	-	-
Options	*USD to EUR*	-	-	-	-
TOTAL HEDGES		**(1,142)**		**(3,295)**	

The market value was estimated using one or more commonly used models.

Sensitivity analysis of net exposure after currency hedging

The exchange rates of our Company's three main currencies as of March 31, 2020 were as follows:

- EUR/USD: €1 for US$1.0956 (€1 for US$1.1235 as of March 31, 2019);
- EUR/JPY: €1 for JPY118.90 (€1 for JPY124.45 as of March 31, 2019);
- EUR/ZAR: €1 for ZAR19.61 (€1 for ZAR16.2642 as of March 31, 2019).

The scope used to analyze sensitivity to exchange rate risks includes receivables and other assets, debts and other liabilities and cash, the portion of commercial cash flows falling within the hedged period as well as derivatives used to hedge these foreign exchange exposures. A 10% increase in the value of the euro against these currencies as of March 31 would negatively impact earnings by the amounts indicated below. For this analysis, all other variables, specifically interest rates, are assumed to remain constant.

(in € thousand)	March 31, 2020	March 31, 2019
US dollar	(7,534)	253
Yen	219	574
Singapore dollar	(674)	(1,089)
Rand	(1,440)	(1,727)
Other currencies	(443)	(453)
Increase (decrease) in net income resulting from a 10% increase in the value of the euro	**(9,872)**	**(2,442)**

A 10% decrease in the value of the euro against these currencies as of March 31 would positively impact earnings in the amounts indicated below. For this analysis, all other variables, specifically interest rates, are assumed to remain constant.

(in € thousand)	March 31, 2020	March 31, 2019
US dollar	9,208	(309)
Yen	(268)	(702)
Singapore dollar	824	1,331
Rand	1,760	2,111
Other currencies	541	553
Increase (decrease) in net income resulting from a 10% decrease in the value of the euro	**12,065**	**2,985**

INTEREST RATE RISK

Our Group's medium and long-term debt is partly variable rate and partly fixed rate.

A 1% increase in interest rates applied to floating-rate debt and investments would have led to a decrease of approximately €101 thousand in financial income/(expense).

A 1% decrease in interest rates applied to floating-rate debt and investments would have led to an increase of approximately €28 thousand in financial income/(expense).

CREDIT RISK

The financial instruments on which our Group potentially incurs a credit risk are mainly cash and trade receivables. Our Group has set up a cash management policy in order to optimize its investments in liquid short-term and low-risk financial instruments. Our Group's liquid assets are mainly invested with large international financial institutions.

Our Group markets its products to players in the semiconductor industry, mainly located in the United States, Asia and Europe. As of March 31, 2020, eight customers individually represented more than 5% of our Group's revenue, and jointly represented 88% of the revenue. As of March 31, 2019, eight customers individually represented more than 5% of our Group's revenue, and jointly represented 76% of the revenue.

Our Group frequently assesses its clients' credit risk and financial position, and provisions for potential losses on receivables that cannot be recovered. The amount of these losses has remained very insignificant in recent years.

EQUITY RISK

Our Group does not hold any non-consolidated equity stakes or securities traded on a regulated market.

LIQUIDITY RISK

Our Group's financing is based on long-term borrowing from the capital markets (convertible bond issues and capital increases), finance leases for capital spending, and committed credit lines.

Repayment schedule for financial liabilities and debt

This table shows the repayment schedule of financial liabilities recognized as of March 31, 2020 at their nominal amount, including interest recognized and not discounted.

	Contract maturity date						
	Amount owing						
(in € thousand)	Under 1 year	1 to 2 years	2 to 3 years	3 to 5 years	5 years and over	Total	Amount recorded on the balance sheet as of March 31, 2020
Non-derivative financial instruments							
Leases pursuant to IFRS 16	11,570	11,388	11,016	15,384	4,417	53,775	52,834
Bonds and other borrowings	39,906	3,310	156,395	3,233	3,384	206,228	206,153
Trade payables	76,318	-	-	-	-	76,318	76,318
Other payables (excluding tax and social security payables)	30,558	-	-	-	-	30,558	30,558
Total non-derivative financial instruments	**158,352**	**14,698**	**167,411**	**18,617**	**7,801**	**366,879**	**365,863**
Derivative financial instruments							
Interest rate derivatives	-	-	-	-	-	-	-
Currency derivatives	1,096	63	-	-	-	1,159	-
Other derivatives	-	-	-	-	-	-	-
Total derivative financial instruments	**1,096**	**63**	**-**	**-**	**-**	**1,159**	**-**
TOTAL FINANCIAL LIABILITIES	**159,448**	**14,761**	**167,411**	**18,617**	**7,801**	**368,038**	**365,863**

Confirmed credit lines

As of March 31, 2020, our Group had bank credit lines worth €65 million from six banks. These credit lines are repayable *in fine* no later than March 2024. They bear a commitment fee of 0.20%, and a utilization fee ranging from EURIBOR +0.70% to +0.80% depending on the credit lines. No covenant is attached to them.

Capital management

Our Group's primary objective is to have the necessary and sufficient financial resources to fund the growth of its business. To this end, it has in the past called on its shareholders to finance its capital spending through capital increases and convertible bond issues. Focusing on an industrial growth strategy geared towards strong product innovation, our Group systematically reinvests its earnings.

The share capital of our Company is publicly traded, with three strategic investors each holding 11.49% of shares (Bpifrance Participations, CEA Investissement an NSIG Sunrise S.à.r.l.), and a significant number of institutional investors.

NOTE 6. SUBSEQUENT EVENTS

None.

6.2.2 STATUTORY'S AUDITORS' REPORT ON THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS AS OF MARCH 31, 2020

This is a translation into English of the statutory auditors' report on the consolidated financial statements of our Company issued in French and it is provided solely for the convenience of English-speaking users.
This statutory auditors' report includes information required by European regulations and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report and other documents provided to shareholders.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended 31 March 2020

To the Annual General Meeting of Soitec,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of Soitec for the year ended 31 March 2020. These consolidated financial statements were approved by the Board of Directors on 10 June 2020, on the basis of the elements available at that date, in the evolving context of the Covid-19 pandemic, and the difficulties to assess its impacts and the future prospects.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 March 2020 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit and Risks Committee.

Basis for Opinion

Audit Framework

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

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules applicable to us, for the period from 1 April 2019 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014 or in the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*).

Justification of Assessments – Key Audit Matters

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, as approved in the above-mentioned context, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Recognition of deferred tax assets relating to tax loss carryforwards in France

RISK IDENTIFIED	OUR RESPONSE
As at 31 March 2020, the Group recognized deferred tax assets amounting to €39m in respect of tax loss carryforwards in France. Tax loss carryfowards in France for which no deferred tax asset was recognized amount to €653m as at 31 March 2020, as stated in note 4.7 to the consolidated financial statements. A deferred tax asset relating to tax loss carryforwards is only recognized if the Group considers it probable that sufficient taxable profits will be available against which these tax loss carryforwards can be used, as described in note 2.5.Y to the consolidated financial statements. We considered the recognition of deferred tax assets relating to tax loss carryforwards in France to be a key audit matter due to the materiality of these tax loss carryforwards and the level of judgment exercised by Management to determine the amount of the related deferred tax assets to be recognized.	We familiarized ourselves with the methodology used by Management to identify the tax loss carryforwards existing at year-end. We reviewed the calculations of taxable income, the positions adopted and the bases for French deferred tax with the assistance of our tax experts included in the audit team. We then assessed the documentation enabling Management to estimate the probability of being able to use the tax loss carryforwards in the future, in particular with regards to: • the existing deferred tax liabilities that can be offset against the existing tax loss carryforwards before their possible expiry; • the Company's ability to generate sufficient future taxable profits in France against which the tax loss carryforwards can be used, within a reasonable timeframe. We reviewed the process used to forecast future taxable profits, by: • familiarizing ourselves with the procedure adopted to establish and approve the taxable income forecasts used for the estimates; • comparing the assumptions used by Management to establish the taxable income forecasts with those used in the strategic plan.

Capitalization and measurement of development costs in the balance sheet

RISK IDENTIFIED	OUR RESPONSE
As at 31 March 2020, capitalized development costs represent a net amount of €32m in the Group's consolidated balance sheet. As described in notes 2.5. and 2.5.G of the notes to the consolidated financial statements, development costs incurred by the Group in the context of its new projects are capitalized when the capitalization criteria are met, in particular when it is probable that the developement projects will generate future economic benefits for the Group. Capitalized development costs are tested annually for impairment. We identified the capitalization and valuation of development costs in the balance sheet as a key audit matter, due to the materiality of these intangible assets in the Group's consolidated financial statements and the judgment exercised by Management for their initial capitalization and their impairment testing.	We obtained an understanding of the procedures relating to the initial capitalization of development costs, the identification of projects presenting an indication of impairment and the development of the estimates used to perform the impairment testing of these assets. For the projects we selected, our work notably consisted in: • assessing compliance with the capitalization criteria as defined in the notes to the consolidated financial statements, and their correct application; • testing, by sampling, the consistency of the amounts recorded in assets as at 31 March 2020 with the the underlying supporting documentation; • evaluating the data and assumptions used by the Group for the impairment testing of capitalized development costs through inquiries of Management; • verifying the arithmetical accuracy of these tests.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information relating to the Group given in the Board of Directors' management report, as approved on 10 June 2020. Regarding any events that occurred and facts that became known after the date of the approval of the management report, relating to the effects of the Covid-19 crisis, Management has informed us that such events and facts will be communicated to the General Meeting of Shareholders called to approve the financial statements.

We have no matters to report as to their fair presentation and their consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L. 225-102-1 of the French Commercial Code (*Code de commerce*) is included in the information relating to the Group given in the management report, it being specified that, in accordance with Article L. 823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Soitec by the Annual General Meeting held on 25 July 2016.

As at 31 March 2020, our firms were in the fourth year of total uninterrupted engagement.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit and Risks Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the consolidated financial statements.
- Assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit and Risks Committee

We submit to the Audit and Risks Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit and Risks Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit and Risks Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*). Where appropriate, we discuss with the Audit and Risks Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

The Statutory Auditors
(*French original signed by*)
Paris-La Défense and Lyon, July 6, 2020

KPMG Audit		Ernst & Young Audit
Jacques Pierre	Stéphane Devin	Nicolas Sabran
Partner	*Partner*	*Partner*

6.3 STATUTORY FINANCIAL STATEMENTS

6.3.1 COMPANY FINANCIAL STATEMENTS

6.3.1.1 Our annual financial statements as of March 31, 2020

› *Balance sheet: assets*

(in € thousand)	Amount (gross)	Depreciation, provisions	Net 03/31/2020	03/31/2019
Intangible assets				
Development costs	26,853	1,003	25,850	-
Concessions, patents and similar rights	54,474	48,977	5,497	2,426
Other intangible assets	7,931	-	7,931	20,765
Tangible fixed assets				
Land	2,185	226	1,959	1,648
Buildings	7,210	4,331	2,879	3,156
Technical installations, equipment, tooling	226,145	188,299	37,846	36,635
Other property, plant and equipment	67,320	46,984	20,336	21,343
Property, plant and equipment in progress	27,064	-	27,064	27,722
Investments				
Shares in consolidated and non-consolidated companies	185,306	407	184,900	19,024
Receivables linked to investments	76,635	-	76,635	131,416
Other investments	758	248	510	518
Total non-current assets	**681,881**	**290,475**	**391,406**	**264,655**
Inventory and work-in-progress				
Raw materials, supplies	63,982	7,568	56,414	35,422
Work-in-progress of production of goods	14,427	1,342	13,085	12,001
Semi-finished and finished products	23,881	1,585	22,297	17,695
Goods	488	29	459	492
Advances, goods paid for on order	4,572	-	4,572	1,445
Receivables				
Customer receivables and related accounts (1)	123,483	74	123,409	130,132
Other receivables (1)	50,435	-	50,435	67,424
Miscellaneous				
Marketable securities (of which treasury shares)	20,004	-	20,004	45,004
Liquid assets (including cash instruments)	127,034	-	127,034	95,075
Adjustment accounts				
Prepaid expenses (1)	1,690	-	1,690	1,078
Current assets	**429,996**	**10,597**	**419,398**	**405,766**
Debt issue expenses to be written off (1)	1,577	-	1,577	2,062
Currency translation adjustments: Assets	690	-	690	2,097
TOTAL	**1,114,144**	**301,072**	**813,072**	**674,580**
(1) Portion at > 1 year [CR]			*8,023*	*42,517*

› Balance sheet: equity and liabilities

(in € thousand)	03/31/2020	03/31/2019
Share or individual capital (of which paid up 66,558)	66,558	62,762
Share premiums from issues, mergers and contributions	82,409	61,183
Statutory reserve	6,276	5,770
Other reserves (including purchase of original works of art)	23,116	26,304
Retained earnings	153,124	45,170
Net profit/(loss)	99,727	108,460
Regulated provisions	392	521
Equity	**431,602**	**310,170**
Advances with conditions	25,267	26,004
Other equity	**25,267**	**26,004**
Provisions for contingencies	2,506	3,855
Provisions for expenses	-	335
Provisions for contingencies and expenses	**2,506**	**4,190**
Convertible bonds	150,000	150,000
Borrowings and debt with credit institutions (1) (2)	31,282	32,602
Prepayments received on outstanding orders (1)	-	246
Trade and related payables (1)	82,461	59,027
Tax and social security payables (1)	42,599	55,276
Amount due on fixed assets and related accounts (1)	8,492	11,515
Other liabilities (1)	22,512	14,689
Treasury instruments	-	1,581
Pre-paid earnings (1)	14,018	8,897
Liabilities (1)	**351,364**	**333,834**
Currency translation adjustments: Liabilities	2,333	382
TOTAL	**813,072**	**674,580**
(1) Prepayments and deferred income < 1 year	*187,651*	*150,441*
(2) Of which bank outstandings, bank credit balances, CCP	*31,282*	*32,602*

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› Income statement (list form)

Items *(in € thousand)*	France	Export	03/31/2020	03/31/2019
Sales of goods	34	16,373	16,407	38,215
Sales of goods produced	63,306	469,952	533,258	380,545
Sales of services provided	981	26,709	27,690	29,934
Net revenue	**64,322**	**513,034**	**577,355**	**448,694**
Production in inventory			7,675	12,510
Stored production			7,952	7,092
Operating grants			13,957	11,021
Reversal of depreciation and provisions, transfer of expenses (10)			12,510	10,163
Other income (1) (12)			17,060	13,281
Operating income (2)			**636,510**	**502,761**
Purchases of goods (including customs duties)			58,607	30,322
Changes in inventory (goods)			175	920
Purchases of raw materials and supplies (and customs duties)			273,263	169,997
Changes in inventory (raw materials and supplies)			(23,094)	(15,652)
Other purchases and external costs (3) (7)			73,642	80,977
Taxes and similar payments			6,960	6,600
Wages and salaries			63,738	55,896
Social charges (11)			30,184	25,717
Operating expenses				
On fixed assets: depreciation expenses			20,692	16,833
On fixed assets: provisions			32	414
On current assets: provisions			10,523	6,576
For contingencies and charges: provisions			234	298
Other costs (13)			25,626	15,779
Operating costs (4)			**540,584**	**394,675**
Operating profit/(loss)			**95,926**	**108,086**
Financial income from holdings (5)			-	203
Other interest and similar income (5)			3,024	6,310
Reversals on provisions and transfer expenses			69,711	558
Positive translation adjustments			1,687	1,474
Net income from sales of investment securities			-	-
Financial income			**74,422**	**8,545**
Financial expenses for depreciation and provisions			825	2,235
Interest and similar costs (6)			1,477	229
Negative translation adjustments			1,827	285
Financial expense			**4,130**	**2,749**
Financial income/(expense)			**70,293**	**5,796**
Current pre-tax profit/(loss)			**166,219**	**113,882**
Extraordinary income on management transactions			-	509
Extraordinary income on capital transactions			23,856	155,917
Reversals on provisions and transfer expenses			129	27,355
Extraordinary income			**23,985**	**183,781**
Extraordinary costs on management transactions (7)			105	447
Extraordinary costs on capital transactions			88,769	182,814
Extraordinary expenses for depreciation and provisions			-	-
Extraordinary expenses			**88,874**	**183,261**
Extraordinary profit/(loss) (8)			**(64,889)**	**520**
Employee profit-sharing plan			1,107	2,522
Income tax			495	3,421
TOTAL INCOME			**734,917**	**695,087**
TOTAL EXPENSES			**635,190**	**586,627**
PROFIT OR LOSS			**99,727**	**108,460**

(1) Of which partial net earnings on long-term transactions	-	-
(2) Of which:		
• income from property rentals;		
• operating income from previous fiscal years.	-	-
(3) Of which:		
• property leasing;		
• equipment leasing.	7,135	3,406
(4) Of which operating costs from previous fiscal years (9)	-	-
(5) Of which: earnings concerning related parties	*2,652*	*5,369*
(6) Of which: interest concerning affiliated companies	*676*	-
(7) Of which: charitable donations (Article 238 bis of the French General Tax Code)	-	-
(8) Details of extraordinary income and expenses	-	-
(9) Details of earnings and costs from previous fiscal years	-	-
(10) Of which expense transfers	*2,851*	*535*
(11) Of which Proprietor's personal contributions	-	-
(12) Of which royalties for concessions, patents, licenses (income)	*5,304*	*6,457*
(13) Of which royalties for concessions, patents, licenses (costs)	*5,427*	*4,662*

6.3.1.2 Notes to our Company financial statements

To the balance sheet before distribution of the fiscal year ended March 31, 2020, whose total amounted to €813,071,756.79 and to the fiscal year's income statement, presented in list form, whose total expenses is €635,189,935.270, total income is €734,917,127.91 and generating a net profit of €99,727,192.64.

The fiscal year has a duration of 12 months from April 1, 2019, to March 31, 2020.

The notes and tables presented below are an integral part of the annual financial statements.

Our Board of Directors will submit the following proposal for approval by our shareholders at the Shareholders' General Meeting to be held in September 2020:

- appropriate €379,513.15 to the legal reserve, bringing it up to 10% of the share capital, which would be increased from €6,276,207.05 to €6,655,720.20; and
- allocate the balance of €99,347,679.49 to "Retained earnings", which would be increased from €153,124,369.71 to €252,472,049.20.

Our annual financial statements were approved by the Board of Directors on June 10, 2020.

Accounting rules and methods and notes to the balance sheet

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

The basic method used to value recorded items is the historical cost method.

A. General principles and conventions

The financial statements were prepared in accordance with ANC Regulation no. 2014-03 of June 5, 2014, as updated by ANC Regulation no. 2018-07 of December 10, 2018 on the French general chart of accounts and French GAAP, as well as ANC Regulation 2015-05 on forward financial instruments and hedging transactions.

B. Highlights

ACQUISITION OF EPIGAN N.V.

On May 13, 2019, Soitec announced that it had acquired 100% of the share capital of EpiGaN n.v., the leading European supplier of gallium nitride (GaN) epitaxial wafers, to expand its engineered substrate portfolio into gallium nitride and thus accelerate its penetration across high-growth 5G, power and sensors market segments. EpiGaN n.v.'s gallium nitride substrates are used primarily within RF 5G, power electronics, and sensor applications.

On the date it was acquired, our Company had seven employees and three corporate officers.

This acquisition was for an amount of €30,479 thousand in cash, with part of the payment being deferred (€2,540 thousand). As of March 31, 2020, EpiGaN n.v.'s co-founders-directors hold 3.39% of the share capital. The shareholder agreement provides for a cross put/call option for these directors at a price that will be determined according to the level of achievement of performance criteria

EMPLOYEE SHAREHOLDING PLANS

Conversion of preferred shares into ordinary shares

The Combined Ordinary and Extraordinary Shareholders' General Meetings of April 11, 2016, and April 29, 2016, authorized the Board of Directors to grant free preferred shares to certain employees and corporate officers.

This plan, whose purpose was to collectively encourage its beneficiaries to pursue their efforts and to align their interests with those of the shareholders, was implemented for a period of three years. Therefore, from July 26, 2016 onward, conditional rights to preferred shares had on several occasions been granted free of charge by the Board of Directors to employees and corporate officers of our Company.

At the end of the three-year period following the allocations made under this plan, and further to the approval of the financial statements for the year ended March 31, 2019, by the Shareholders' General Meeting of July 26, 2019, the conversion ratio of preferred shares into ordinary shares was set by the Board of Directors at its meeting on the same date. It was based for 50% on the achievement of objectives based on our Group's average consolidated EBITDA for the 2017-2018 and 2018-2019 fiscal years; and for 50% on the achievement of a certain level of the volume-weighted average of the stock market prices of our Company's ordinary shares over the 30 trading days following the publication date of the last consolidated annual accounts, *i.e.* June 12, 2019.

On July 26, 2019, our Company converted 256,796 preferred shares with a par value of €0.10 into 1,248,019 newly issued ordinary shares with a par value of €2.00

On December 6, 2019, our Company converted 6,630 preferred shares with a par value of €0.10 into 32,220 newly issued ordinary shares with a par value of €2.00

On March 28, 2020, our Company converted 32,277 preferred shares with a par value of €0.10 into 156,861 newly issued ordinary shares with a par value of €2.00

Allocation of free shares

In the context of the authorizations granted by the Combined Shareholders General Meeting held on July 26, 2019, the Board of Directors of our Company, at a meeting held on December 18, 2019, resolved to grant a total of 23,953 ordinary shares to the employees and corporate officers of our Company and its affiliates within the meaning of Article L. 225-197-2 of the French Commercial Code.

Then, at its meeting on March 25, 2020, the Board of Directors of our Company allocated 14,863 ordinary shares to the employees and corporate officers of our Company and its affiliates within the meaning of Article L. 225-197-2 of the French Commercial Code.

The primary objective of these allocations was to enable the creation of a long-term profit-sharing award based on the results of our Group, in favor of certain employees of our Company and its affiliates.

These allocations are accompanied by:

- a continued employment condition until August 1, 2022;
- performance conditions based on targets related to EBITDA, revenue and Total Shareholder Return (TSR) performance of the ordinary shares of our Company.

"Topaz" co-investment plan

The Extraordinary Shareholders' General Meeting of July 26, 2019 created a new category of preferred shares (PS 2) convertible into ordinary shares based on the achievement of targets relating to EBITDA, revenue and the Total Shareholder Return (TSR) performance of our Company's ordinary shares compared to the Euro Stoxx 600 Technology index (resolution no. 33).

Based on the delegation granted by the Extraordinary Shareholders' General Meeting of July 26, 2019 (resolution no. 34), the Board of Directors decided on December 18, 2019 to grant Topaz's participants with 195,960 PS 2 (including 31,982 PS2 to Mr Paul Boudre, Chief Executive Officer of the Company).

Subject to a presence condition, such PS 2 granted for free will be definitively acquired by each Topaz's participants at the end of three acquisition periods:

- 40% of the PS 2 granted on December 18, 2019 will be definitively acquired on December 18, 2020;
- 30% of the PS 2 granted on December 18, 2019 will be definitively acquired on August 1, 2021; and
- 30% of the PS 2 granted on December 18, 2019 will be definitively acquired on August 1, 2022.

Based on the delegation granted by the Extraordinary Shareholders' General Meeting of July 26, 2019 (resolution no. 35), the Board of Directors decided on December 18, 2019 a share capital increase of the Company through the issue of PS 2. In this context, Topaz's participants subscribed for 97,980 PS 2 (including 15,991 PS2 subscribed for by Mr Paul Boudre, Chief Executive Officer of the Company) at a unit price of €84.17, as determined by an external independent accountant). Such subscription generated a share capital increase of €8,247 thousand on December 18, 2019.

"Jade 2020" shared-based employee savings plan

Further to a delegation of authority granted by the Shareholders' General Meeting on July 26, 2019, the Board of Directors decided on the same date to issue ordinary shares to employees having joined a Company savings plan. The transaction, entitled "Jade 2020", consists of a single leveraged offer with guaranteed capital. Employees of our Company have the option to subscribe, *via* a company mutual fund, for a certain number of ordinary shares with a 30% discount. Those subscribing for the offer must retain the units in our Company mutual fund for five years, *i.e.* until February 28, 2025, other than in the event of a case of early release.

206,007 ordinary shares in our Company were subscribed for by employees and the structuring bank, leading to an increase of €14,013 thousand in the share capital. The subscription price (€68.03) was calculated on the basis of the average price from the 20 stock market trading sessions prior to January 23, 2020, after application of a 30% discount.

Free shares allocation plans for our employees

Our Board of Directors of March 28, 2018 set up two free ordinary share allocation plans for all employees of our Company to recognize and reward their efforts in creating value. Under the plans, subject to continued employment and length of service conditions, 187,749 ordinary shares in total were allocated to employees for their loyalty and contribution to efforts made in recent years, or about 0.6% of our Company's share capital at that date.

The ordinary shares thus allocated (170,247 shares) were vested by beneficiaries subject to continued employment by our Company on the first working day following March 28, 2020.

Summary of the capital increases

Further to these transactions, the share capital is now comprised of 33,180,921 ordinary shares with a par value of €2.00 each and 97,980 preferred shares (PS 2) with a par value of €2 each, *i.e.* a total of €66,557,802.

INCREASE IN THE POI PRODUCTION CAPACITY AT BERNIN 3

On September 13, 2019, our Company announced an increase in production capacity for its piezoelectric-on-insulator (POI) substrates at Bernin 3 in order to meet the growing demand from customers for 4G and 5G smartphone filters. 4G and 5G networks use an increasing number of frequencies to enable the fast transmission of data. As a consequence, smartphones must integrate a higher number of filters with enhanced performance to ensure signal integrity and reliable communication. POI substrates enable 4G and 5G smartphone filters to combine high-performance and integration on an industrial scale. They incorporate a temperature compensation mechanism and allow the integration of multiple filters on a single die.

NEXT-GENERATION SILICON CARBIDE SUBSTRATES JOINT DEVELOPMENT PROGRAM WITH APPLIED MATERIALS

Further to the announcement of a joint development program with Applied Materials, a pilot line dedicated to innovative silicon carbide substrates is currently being installed at the Substrate Innovation Center on the CEA-Leti site. Our Group expects to deliver the first samples of silicon carbide substrates produced using its Smart Cut™ technology in the second half of 2020. The aim is to overcome challenges relating to the supply, yield, and cost of silicon carbide substrates in order to meet the growing demand generated by electric car, telecommunications, and industrial application requirements.

A LONG-TERM LOAN OF €200 MILLION BY THE BANQUE DES TERRITOIRES

On March 27, 2020, our Company was granted a €200 million 12-year loan from the Banque des Territoires (Caisse des Dépôts Group) pursuant to the *Programme d'investissements d'avenir* (PIA) as part of the Nano 2022 plan. Drawdowns from this credit line will be staggered over the next few years to support both the financing of R&D programs and investments in first-time industrialization infrastructure projects in France.

The Nano 2022 support plan for technological developments up to their pre-industrialization phase, marks France's recognition of the importance of a solid, innovative electronic and microelectronic sector nationally to improve industrial competitiveness. Nano 2022 is the French component of a very large Important Project of Common European Interest (IPCEI). Within this IPCEI, Soitec is one of the seven industrial leaders and coordinates technological projects related to "high energy efficiency electronic components".

PARTIAL ASSET CONTRIBUTION IN FAVOR OF SOITEC LAB

Soitec decided to dedicate a separate and wholly-owned R&D subsidiary named "Soitec Lab" to the management of all R&D activities carried out on the Leti site.

In the context of this strategy, our Company transferred to Soitec Lab, *via* a partial asset contribution governed by the legal regime applicable to demergers (defined in Articles L. 236-6-1 and L. 236-16 through L. 236-21 of the French Commercial Code), its "Partner Labs" business, consisting of all of the R&D activities carried out on the Leti site:

- the advanced prototype production service based on the Leti site (the Leti-Soitec line known as the "Substrate Innovation Center");
- the activities involving the finalization of procedures and prototypes based on the pilot development line to be set up at Leti, with joint financing from the Applied Materials Group ("Amat") (Amat-Soitec line for silicon carbide).

In accordance with the contribution agreement, the net assets contributed by Soitec to Soitec Lab amounted to €2,165,195.34 as of January 1, 2020.

In consideration of the Contribution, Soitec Lab was issued 999,000 shares with a par value of €1 each, fully paid-up, further to which Soitec increased its share capital by €999,000, taking it from €1,000 to €1,000,000 after the increase of a par value of €999,000 in addition to the creation of a contribution premium of €1,166,195.34.

On March 31, 2020, Soitec and Soitec Lab entered into a service agreement whereby: (i) Soitec Labs will provide R&D services to Soitec; (ii) Soitec Lab agreed to assign to Soitec the results and intellectual property rights generated by the R&D work carried out during an Interim Period [1] and (iii) the results generated by the R&D work and the intellectual property rights attached to the performance of agreements transferred in whole or in part to Soitec Lab in the context of the contribution are to be transferred to Soitec.

As of March 31, 2020, Soitec Lab registered an interim loss of €377,198.92 corresponding to the cost of R&D work over the interim period. These costs were invoiced to Soitec as of March 31, 2020.

(1) From January 1, 2020 to March 31, 2020.

RESTRUCTURING OF OUR ASSETS HELD IN SINGAPORE

The restructuring is aimed at eliminating the past losses recorded by Soitec in Singapore, at moving forward with new investments and a new start from the Singapore manufacturing plant, and, finally, at redeploying Soitec's manufacturing activities in Asia. The plan provides for a complete reorganization of the balance sheet, as well as new financing and the creation of a new entity which could serve as a base for a future regional division in Singapore ("regional division").

As a reminder, on March 29, 2019, Soitec S.A. sold the receivable owed by Soitec Singapore to Soitec Asia Holding. The nominal value of the receivable was US$202.1 million.

The sale price of the receivable was set at US$142.9 million, which should reflect the fair market view of the receivable, the price that the independent parties would have agreed under similar circumstances.

Soitec S.A. then capitalized its subsidiary, Soitec Asia Holding, by incorporating the US$142.9 million receivable as consideration for the shares valued at €126.4 million.

Finally, Soitec S.A. sold the Soitec Singapore shares to its subsidiary Soitec Asia Holding for US$1. The provision relating to these shares, fully depreciated in the financial statements, *i.e.* €67.2 million, was reversed.

MANAGING THE COVID-19 PUBLIC HEALTH CRISIS

Our Company began the fiscal year 2020-2021 in a context of high economic uncertainty due to the coronavirus epidemic ("Covid-19") which started in China in December 2019 and spread globally since the end of February 2020. In the ensuing public health crisis, many countries have instituted confinement measures and placed restrictions on movement. The impact of the crisis on our business is, at this stage, hard to assess and will depend on its scale and duration as well as on the measures taken by all countries affected to combat the pandemic.

In these circumstances, our Company's top priority is the safety of its staff and partners, and a number of necessary measures have been taken at all affected facilities to ensure continuity of our Company's business in the best possible conditions in all countries where the Soitec Group operates. To date these measures have kept all production sites running and protected global supply and delivery chains.

Our Company is dealing with the crisis through action plans coordinated within the following crisis management units: sanitary measures, supply chain protection, employee support and information, and public relations.

Each of these specialized units reports on a regular basis to the business continuity unit, in real time to Our Group's Executive Committee, and at regular intervals to the Board of Directors.

Each crisis management unit has set out Company-level policies pertaining to its remit and approved local measures adapted to the realities on the ground and the regulatory framework of every facility. Sanitary and distancing measures as well as the operational and organizational impact of the crisis are the subject of a continuous dialogue between management and employee representatives.

Meanwhile, Our Group's analysts are closely tracking the semiconductor industry, studying all announcements by our customers and looking out for any changes in the composition of the ecosystem. This constant watch has enabled Our Group to respond adequately and take the necessary measures to adapt our business.

This day-to-day management, coordinated at the level of Our Group's various subsidiaries, makes it possible to adapt all of the measures as the health crisis evolves.

The Executive Management acknowledges the mobilization and responsiveness of all subsidiaries, sites and their employees, which reflects our Company's ability to meet these unprecedented challenges.

At the filing date of this Universal Registration Document, the extent of the impact of the crisis on our Company's 2020-2021 earnings cannot yet be assessed. In general, all of the risks identified in Chapter 2 of the Universal Registration Document must be considered in the light of the consequences of the Covid-19 epidemic and in particular regarding the "Global Pandemic" risk factor described in this document.

Chapter 5 (Comments on the fiscal year) gives additional information in the "Forecasts" section on the business outlook for the current period.

TAX INSPECTION

Since December 24, 2019, Soitec's financial statements and all of its tax returns covering the period from April 1, 2016 to March 31, 2019 have been audited and the results subject to corporate income tax for the period from April 1, 2015 to March 31, 2016 that contributed to our Company's overall deficit have been audited in accordance with the provisions of Article L. 169 paragraph 7 of the Book of Tax Procedures.

Due to the exceptional situation related to the Covid-19 outbreak, audit operations are suspended until further notice.

No evidence of a provision for any risk was raised at this stage of the audit.

C. Subsequent events

None

D. Intangible assets and Property, plant and equipment

Intangible assets mainly include software that are recognized at purchase price and amortized on a straight-line basis over its estimated useful life of one to eight years, and includes development projects for €29,587 thousand, capitalized in accordance with Article 311-3.2 of the General Accounting Plan.

Development costs are capitalized if the following criteria are met:

- our Company has the intention and technical ability to complete the development project;
- it is highly probable that the future economic benefits attributable to the development costs will flow to our Group, generally evidenced by current orders or contracts;
- the costs can be measured reliably;
- our Company has the ability to use or sell the intangible asset;
- our Company has the necessary resources to complete the project.

R&D costs that do not fully meet the above criteria are recorded as expenses in the income statement of the fiscal year during which they are incurred.

Our Company has defined an eight-stage life cycle for R&D projects. Upon the completion of each stage (milestone), a decision is made to either continue or discontinue the project. The first five stages cover exploratory research (evaluation of technologies), while the following two phases correspond to product development, generally in conjunction with a potential customer. The final stage involves high-volume industrialization of the product.

Costs incurred during exploratory research phases are recognized in the income statement, development costs are capitalized if they meet the criteria, otherwise they remain expensed. Costs incurred in the industrialization phase are recognized in cost of sales.

Prototype sales and subsidies (including the research tax credit) relating to capitalized development costs are initially recorded as deferred income and then recognized in the income statement as and when the associated development costs are amortized.

Capitalized development costs, even if still in progress, are subject to impairment tests at least once a year.

Property, plant and equipment are valued at their purchase cost. Depreciation of tangible assets is calculated following the straight-line method over their useful life estimated as follows:

Buildings, fixtures and fittings	15 to 30 years
Equipment and tooling	3 to 8 years
Other fittings and fixtures	5 to 10 years
Transport equipment	5 years
IT and office equipment	3 to 7 years
Office furniture	5 to 10 years

E. Investments

Financial fixed assets include equity investments, receivables attached to investments, deposits and bonds, and treasury shares.

The investments are valued at their historic purchase price. At the end of the fiscal year, a review of the value of the investments was carried out consisting of analyzing their book value, mainly based on the remeasured net asset value or on the realizable value of the companies concerned. The lower of historical cost or book value is used in the balance sheet.

Thus, the value of the investments of our subsidiaries was adjusted in accordance with the results of the valuation tests on the economic situation of each of the subsidiaries.

During the 2019-2020 fiscal year, our Company invested or increased its equity stake:

- 30,479 thousand in cash at EpiGaN n.v., a part of which (€2,540 thousand) is deferred; please refer to highlights of the year. Soitec also carried out a capital increase of €5 million, partially paid up to €1,250 thousand;
- Technocom 2, by €175 thousand;
- Technocom 3, by €1,000 thousand;
- in Frec|n|sys by €1,124 thousand through current account incorporation;
- Dolphin Design by €300 thousand;
- in Soitec Asia Holding for €126.4 million through current account incorporation; please refer to highlights;
- in Soitec Lab (formerly Soitec Newco 1) through a partial contribution of assets for an amount of €2,165.19 thousand; please refer to highlights.

› *Summary of our Company's investments*

Company *(in € thousand)*	Gross value 03/31/2020	Impairment 04/01/2019	Impairment Change	Impairment 03/31/2020	Net value 03/31/2020
Holding					
Soitec USA Holding Inc.	17	-	-	-	17
Soitec Japan Inc.	2,637	-	-	-	2,637
Soitec Microelectronics Singapore Pte Ltd.	0	67,197	(67,197)	-	-
Soitec Korea LLC	328	-	-	-	328
Soitec Corporate Services SAS	1	-	-	-	1
Soitec Trading Shanghai Co. Ltd.	102	-	-	-	102
Frec|n|sys SAS	2,949	-	-	-	2,949
Concentrix Holding SAS	100	-	-	-	100
Dolphin Design SAS	3,300	-	-	-	3,300
Soitec Asia Holding Pte Ltd.	126,393	-	-	-	126,393
Soitec Lab SAS (formerly Soitec Newco 1)	2,166	-	-	-	2,166
Soitec Newco 2 SAS	1	-	-	-	1
Soitec Newco 3 SAS	1	-	-	-	1
Soitec Newco 4 SAS	1	-	-	-	1
EpiGaN n.v.	34,441	-	-	-	34,441
Cissoid	340	340	-	340	-
Technocom*	3,350	344	(278)	67	3,283
Exagan SAS	1,438	-	-	-	1,438
Shanghai Simgui Technology Co. Ltd.	4,441	-	-	-	4,441
Greenwaves Technologies SAS	3,299	-	-	-	3,299
TOTAL	**185,306**	**67,882**	**(67,475)**	**407**	**184,899**

* *A reversal of the provision for impairment of the equity investment in Technocom 2 of €344 thousand.*
* *A reversal of the provision for impairment of the equity investment in Technocom 3 of €68 thousand.*

During the year, our Company made a current account advance to its subsidiary Dolphin Design of €1.5 million. This advance will be interest-bearing.

› *Summary of provisions for impairment of receivables on investments*

Company *(in € thousand)*	Gross value 03/31/2020	Impairment 04/01/2019	Impairment Change	Impairment 03/31/2020	Net value 03/31/2020
Receivables from holdings					
Soitec Microelectronics Singapore Pte Ltd.	33	-	-	-	33
Soitec Asia Holding Pte Ltd.	74,013	-	-	-	74,013
Soitec Lab SAS	318	-	-	-	318
Frec|n|sys SAS	172	-	-	-	172
Dolphin Design SAS	2,100	-	-	-	2,100
TOTAL	**76,635**	**-**	**-**	**-**	**76,635**

As of March 31, 2020, our Company held a portfolio of 4,442 treasury shares [(1)].

	March 31, 2020
Number of treasury shares	4,442 [(1)]
Gross value *(in € thousand)*	377
Unrealized capital loss *(in € thousand)*	(68)

F. Inventories

Inventories of raw materials, consumables and goods are valued at their purchase cost. A provision for impairment is booked for obsolete or surplus items.

Inventories of finished goods are valued at production cost except for those whose cost exceeds their selling price during the start-up phase of production and that of obsolete or surplus items.

A provision for impairment writes down the carrying amount of finished goods to their realizable value less proportionate selling expenses.

Semi-finished products are valuated using the same principles depending on their step of progress in the manufacturing process.

They are broken down as follows:

Inventory category *(in € thousand)*	Gross values	Amount of impairment	Net value
Raw materials	44,135	3,990	40,145
Consumables	19,847	3,578	16,269
In progress	14,427	1,342	13,085
Finished products	23,881	1,585	22,297
Goods	488	29	459
TOTAL	**102,778**	**10,523**	**92,255**

G. Receivables

Trade receivables, which generally fall due between 30 and 90 days, are recognized at face value.

These receivables are then carried at amortized cost, less any impairment losses on non-recoverable amounts. An impairment loss is recognized whenever there is an objective indication that our Company may not be able to recover its receivables. Identified non-recoverable receivables are written off in full.

The "Provision for impairment of doubtful receivables" item decreased by €230 thousand over the year to be written off as non-recoverable losses; These doubtful receivables concern the Lighting business, discontinued by our Company in 2016.

H. Other receivables

Other receivables related to tax and social security receivables, as well as subsidy receivables amounting to €50.4 million.

Subsidy receivables are mainly composed of the following programs:

- "OCEAN12" for €1,018 thousand;
- "Nano 2022", amounting to €11,554 thousand.

The "State and local authorities" item includes a Research Tax Credit of €29,213 thousand, mainly composed of the 2016, 2019 and 2020 Research Tax Credits.

The 2016 research tax credit of €12,762 thousand, pre-financed with Bpifrance in the amount of €10,193 thousand, will be repaid in September 2020.

The competitiveness-employment tax credit (CICE) receivable as of March 31, 2020 amounted to €2,178 thousand, comprising CICE receivables from 2016 and 2018. 95% of this receivable is raised from Bpifrance, *i.e.* €2,117 thousand. Repayment is expected in September 2020 and 2022 respectively.

No income from the CICE was recorded since December 31, 2018.

I. Liquid assets and marketable securities

Cash and cash equivalents primarily consist of interest-bearing accounts and term deposits readily convertible into cash that are not exposed to a significant interest rate risk.

Cash at bank is principally denominated in Euros (56% of the total) and in US dollars (44% of the total).

The amount of this item as of March 31, 2020 was €20 million for term deposits and €127 million for cash, compared to €45 million and €95 million respectively at the end of the previous year.

(1) Among which 91 shares were allocated on April 6, 2020 with a retroactive effect at March 30, 2020.

J. Currency translation adjustments

Expenses and earnings in foreign currencies are recorded at their average exchange value at the date of the transaction of the previous month.

Debts, receivables and cash in foreign currencies are recorded on the balance sheet at the exchange rate at the end of the fiscal year.

The difference resulting from this update of the value of debts and receivables in foreign currencies is recorded on the balance sheet as a "currency translation adjustment." Unrealized foreign exchange losses, which are not hedged, are subject to provisions for liabilities and charges. It amounted to €690 thousand at fiscal year-end.

K. Debt issue expenses

Costs relating to the bond issue of €2,426 thousand will be amortized over five years. The amortization charge recognized for the past year amounted to €485 thousand.

L. Equity

As of March 31, 2020, the number of shares issued by our Company was 33,278,901.

This includes 33,180,921 ordinary shares with a par value of €2 each and 97,980 preferred shares with a par value of €2 each.

Expenses related to the various capital increases and meeting the eligibility criteria have been reclassified as a deduction from the "share issue premium" item. The amount of the restatement amounted to €425.5 thousand.

M. Other equity

During the year, our Company repaid €1,221 thousand of the advance received for the "Nanosmart" program, and made a payment of €484 thousand to finance its "Allégro" project.

N. Loans and financial debts

This item consists mainly of bonds convertible into new or existing shares (OCEANE) maturing on June 28, 2023, for an amount of €150 million.

As of March 31, 2020, our Company had available bank lines of credit of €65 million with six banks, of which €20 million had been drawn down at the end of March 2020 and are therefore included in short-term financial debt, in addition to the existing lines of credit relating to the pre-financing of the CIR and CICE, for a total amount of €31 million.

O. Financial Instruments

HEDGING DERIVATIVE INSTRUMENTS

Our Company hedges its currency risk on some of its transactions denominated in US dollars and Japanese yen through derivatives (forward sales). These derivative instruments are solely designed to hedge currency risks on fixed commitments or highly probable future transactions.

Attributable transaction costs are recognized in the income statement when incurred.

In the absence of a hedging relationship, after initial recognition:

- realized gains and losses resulting from foreign exchange derivatives are recognized immediately in the income statement;
- net unrealized losses, calculated on an instrument-by-instrument basis, are fully provisioned; unrealized gains are not recognized in accordance with the principle of prudence.

If the instrument is used for hedging purposes, the income and expenses resulting from the use of these instruments are recorded symmetrically to the recording of the expenses and income from the hedged transactions:

- gains and losses resulting from derivatives used to hedge firm commitments or identifiable future transactions are deferred and taken into account in the valuation of the transaction concerned which occurs when it is unwound.

No provision for any risk on the futures market was recorded at the end of this fiscal year.

The following table shows the existing financial instruments as of March 31, 2020, and March 31, 2019, to hedge currency risks:

		March 31, 2020		March 31, 2019	
Type of contract *(in € thousand)*	**Currency**	**Market value (net)**	**Hedged position**	**Market value (net)**	**Hedged position**
Hedging of balance sheet items:		**(1,142)**	**-**	**(3,295)**	**-**
of which eligible for hedge accounting (hedging of trade receivables):		-	-	(1,714)	-
Forward sales	USD to EUR	(727)	73,932	(1,726)	73,296
Options	USD to EUR	-	-	12	14,241
of which not eligible for hedge accounting:		-	-	(1,581)	-
Forward sales (hedging of trade receivables)	USD to EUR	-	-	(690)	6,231
Options		-	-	(892)	14,241
Forward purchases (hedging of trade payables)	JPY to EUR	-	-	-	-
Cash flow hedges:		**-**	**-**	**1**	**-**
of which eligible for hedge accounting:		-	-	1	-
Forward sales	USD to EUR	(415)	132,439	1	135
Options	USD to EUR	-	-	-	-
of which not eligible for hedge accounting:		-	-	-	-
Options	USD to EUR	-	-	-	-
TOTAL HEDGES		**(1,142)**		**(3,295)**	

The maturities of financial hedging instruments fall within the next 2020-2021 fiscal year and the first half-year of the 2021-2022 fiscal year.

The market value was estimated using one or more commonly used models.

CURRENCY RISK

Our Company's policy on exposure to currency risk on its future trading transactions is to hedge a substantial portion of the currency risk at the end of the fiscal year by using derivative instruments on the basis of operating budgets.

All of our Company's future cash flows are subject to detailed forecasts for the coming fiscal year, and the next four years as part of the Business Plan. The currency risks identified are hedged by forward sales or options contracts, in order to minimize the currency position.

Our Company's Cash Management Department is entitled to hedge the exchange rate on cash flow forecasts (taking into account available credit lines), based on cash flow forecasts using forward contracts or options.

The useful life of these instruments matches the settlement flows.

However, our policy is not to use instruments for speculative purposes.

The exchange rates of our Company's three main currencies as of March 31, 2020 were as follows:

- EUR/USD: €1 for US$1.0956 (and €1 for US$1.1235 as of March 31, 2019);
- EUR/JPY: €1 for JPY118.90 (€1 for JPY124.45 as of March 31, 2019);
- EUR/ZAR: €1 for ZAR19.61 (€1 for ZAR16.2642 as of March 31, 2019).

CREDIT RISK

The financial instruments on which our Company potentially incurs a credit risk are mainly cash and trade receivables. Our Company has implemented a cash flow management policy with the objective of optimizing its investments in short-term and low-risk financial liquid instruments. Our Company's cash is mainly invested with large international financial institutions.

Our Company markets its products to players in the semiconductor industry, mainly located in the United States, Asia and Europe. As of March 31, 2020, seven customers individually represented more than 5% of our Company's revenue, and together, accounted for 96% of the revenue. As of March 31, 2019, six customers individually represented more than 5% of our Company's revenue, and together, represented 84% of the revenue.

Our Company frequently assesses its customers' credit risk and financial position and allocates provisions for potential losses on receivables that cannot be recovered. The amount of these losses has remained very insignificant in recent years.

EQUITY RISK

With the exception of its 4,442 treasury shares [(1)], our Company does not have any non-consolidated equity investments or investment securities traded on a regulated market.

LIQUIDITY RISK

Our Company's financing is based on long-term borrowing from capital markets (convertible bond issues and capital increases), finance leases for capital spending and confirmed credit lines.

CONFIRMED CREDIT LINES

As of March 31, 2020, our Company had bank credit lines worth €65 million from six banks. These credit lines are repayable *in fine* no later than March 2024. They bear a commitment fee of 0.20%, and a utilization fee ranging from EURIBOR +0.70% to +0.80% depending on the credit lines. No covenant is attached to them.

P. Revenue recognition

Revenue recognition comes mainly from the sales of products. It is supplemented by license income. Revenue is recognized when it is probable that future economic benefits will flow to our Company and the revenue can be measured reliably.

The revenue recognition criteria vary depending on the nature of the services provided by our Company:

- sales of silicon wafers are recognized as revenue when the transfer of risks and benefits takes place pursuant to the terms and conditions of sale specified in customer contracts; our Company carries out an analysis of the criteria for the transfer of risks and benefits on sales relating to consignment stock transfer agreements This analysis ensures that the sale is recognized when the customer consumes the products or as soon as the products are delivered to the consignment stock;
- licensing revenue is recognized on a straight-line basis over the period during which the rights are granted or may be recognized on the basis of a percentage of sales as defined in the contract. When the license agreements provide, in addition to royalties, for payments of advances or interim invoices allowing for the financing of the developments implemented to respond to the specific needs of a customer, these are recorded as earnings over the foreseeable duration of the use by the customer of the transferred technology.

As of March 31, 2020, deferred income consisted of royalties to be recognized in the income statement for €1.62 million, as well as sales of prototypes and research tax credits relating to capitalized development costs (for €5.5 million, €5.6 million and €1.3 million respectively).

Q. R&D expenses

R&D costs are recorded either in income statement or in balance sheet as intangible assets. Capitalized development costs are discussed in note 2.5 C (Significant accounting policies – Intangible assets) in section 6. 2.1.2 *Notes to the consolidated financial statements as of March 31, 2020.*

R&D costs recognized in income statement are essentially made up of the following:

- salaries and social charges;
- operating costs of clean room equipment and equipment required for R&D;
- material used for finalizing and manufacturing prototypes;
- subcontracting to public research centers or private laboratories, cooperation agreements;
- costs related to maintaining and strengthening our Company's intellectual property rights.

This year, our Company recognized close to €21.15 million in R&D costs.

Provided that such agreements are signed and the administrative authorizations are obtained, the amounts received under the subsidy contracts are recognized as operating grants.

Support for R&D activities may also take the form of repayable advances.

Our Company receives research tax credits ("CIR").

The amount of the research tax credit granted is reduced by the grants collected during a calendar year for the projects concerned. The amount of the research tax credit received may thus vary from one period to the next depending on the level of grants received.

Research tax credits recorded in the financial statements for the 2019 calendar year totaled €14.2 million.

(1) Among which 91 shares were allocated on April 6, 2020 with a retroactive effect at March 30, 2020.

R. Pension costs

RETIREMENT INDEMNITIES AND RELATED BENEFITS

French law provides for a payment of a lump-sum retirement indemnity. This indemnity is determined depending on the years of service and the level of compensation at the time of retirement. Only employees who reach retirement age while on our Company's headcount are entitled to this indemnity. Our Company has entered into an agreement to complementary statutory retirement benefits. The amount of the retirement commitment is treated as an off-balance sheet commitment.

OTHER PENSION PLANS

In addition to statutory benefits, our Company has granted a complementary pension plan to certain employees. This defined benefit plan is managed by an outside agency.

Defined benefit plans (Article 83 of the French General Tax Code) are measured on an actuarial basis using the projected unit credit method, which factors in demographic assumptions (salary trends, age upon retirement, staff turnover, mortality rate) and financial assumptions (discount rate and inflation rate).

For defined contribution plans (Article 39 of the French General Tax Code), payments are recognized as costs of the fiscal year to which they relate. There are no actuarial liabilities to this end.

According to the publication on July 4, 2019 of the order on supplementary occupational pension plans, the rights related to this plan have been frozen as at December 31, 2019.

The different calculations required to value pension commitments were performed using a discount rate of 1.4%, social security contributions of 51% for managers and technicians and 46% for operators.

Retirement age assumptions range from 62 to 65 years, depending on the socio-professional category.

Our Company's retirement obligation as of March 31, 2020 amounted to €13,556 thousand up from €11,756 thousand as of March 31, 2019.

S. Provisions

A provision is recognized when our Company has a present (legal or constructive) obligation arising from a past event, the amount of which can be estimated reliably, and the settlement of which is expected to result in an outflow of resources embodying economic benefits for our Company. The provisions are updated when the impact of the update is significant.

A provision for restructuring is only recognized when there is an implicit obligation to a third party, originating from a decision of Management materialized before fiscal year-end by the existence of a detailed and formalized plan and the announcement of this plan to the persons concerned.

The other provisions correspond to risks and charges identified specifically.

(in € thousand)	
Provisions for disputes: HR claims, URSSAF, penalties and fines	1,816
Provisions for foreign exchange losses	690

T. Related party disclosures

At the end of the Ordinary and Extraordinary Shareholders' General Meeting of July 26, 2019, and the meeting of the Board of Directors on the same date, the membership of the Board changed slightly. Since July 26, 2019, the Board of Directors has thus been comprised of:

- Eric Meurice, Chairman;
- Paul Boudre, who also continues to lead our Company as Chief Executive Officer;
- Bpifrance Participations, represented by Sophie Paquin;
- CEA Investissement, represented by Guillemette Picard;
- Thierry Sommelet on a proposal from Bpifrance Participations;
- Jeffrey Wang on a proposal from NSIG;
- Kai Seikku on a proposal from NSIG;
- Laurence Delpy;
- Christophe Gegout;
- Satoshi Onishi;
- Françoise Chombar;
- Shuo Zhang.

Of the 12 directors, five are independent directors, namely, Éric Meurice, Laurence Delpy, Françoise Chombar, Shuo Zhang and Christophe Gegout. They have no relationship with Soitec or its management that is likely to compromise the exercise of their freedom of judgment.

The semiconductor market is known for its limited number of participants, meaning that our Company maintains or is likely to maintain business relationships with Shin-Etsu Handotai, Shanghai Simgui Technology Co. Ltd. ("Simgui"), and the French Alternative Energies and Atomic Energy Commission (*Commissariat à l'énergie atomique et aux énergies alternatives* – CEA). Some of our directors hold or have held positions within these companies, as described in the individual summaries presented in section 4.1.1.2 *Our Board of Directors* of this Universal Registration Document.

SHIN-ETSU HANDOTAI CO. LTD

Since the close of the fiscal year ended March 31, 2015, an €18 million pledge on inventories has been granted to Shin-Etsu Handotai Co. Ltd.

During the year ended March 31, 2020, purchases of raw materials from Shin-Etsu Handotai represented €155,502 thousand (€129,628 thousand in the year ended March 31, 2019).. A multi-year contract has also been signed to guarantee the supply of raw materials over the next few years, for which an off-balance sheet commitment of US$30 million has been reported in the notes to our Company's financial statements.

Our Company invoiced €3,599 thousand to Shin-Etsu Handotai in respect of fiscal year 2019-2020 (€3,944 thousand for fiscal year 2018-2019).

OTHER RELATED PARTIES

In the 2019-2020 fiscal year, our Company paid the CEA €7,344 thousand under the R&D contract (€5,317 thousand in the 2018-2019 fiscal year) €834 thousand under the newly signed hosting agreement and €4,960 thousand in patent royalties (€5,020 thousand in the 2018-2019 fiscal year).

During the year, our Company paid Simgui Technology Co., Ltd. $45.5 million for the purchase of 200mm SOI wafers ($23.7 million in 2018-2019).

Our Company invoiced $19.1 million in silicon substrates (compared to $19.3 million in the 2018-2019 fiscal year).

Our Company invoiced clean room services to Exagan, where our Company is a director and is represented Paul Boudre, our Chief Executive Officer. These invoices amounted to €393 thousand in 2019-2020 (up from €404 thousand in 2018-2019).

As of March 31, 2020, our Executive Committee (EXCom) had 11 members, excluding corporate officers (11 as of March 31, 2019) resulting in an average headcount of 10.5 over the year. The total gross compensation paid by our Company to executives of the EXCom, excluding corporate officers, and including their direct and indirect benefits was €7,625 thousand for the fiscal year ended March 31, 2020.

(in € thousand)	March 31, 2020	March 31, 2019
Short-term benefits	3,796	3,499
Post-employment benefits	-	-
Share-based payment	3,829	4,043
TOTAL GROSS COMPENSATION PAID TO EXECUTIVES OF OUR COMPANY	**7,625**	**7,542**

The gross compensation allocated to corporate officers and non-employee directors is as follows:

(in € thousand)	March 31, 2020	March 31, 2019
Short-term benefits	1,494	1,283
Post-employment benefits	-	-
Termination benefits	-	-
Accounting valuation of share-based payments	1,068	-
TOTAL COMPENSATION AWARDED TO CORPORATE OFFICERS	**2,562**	**1,283**
Directors' fees paid	627	654
Reimbursement of travel expenses	65	52
TOTAL COMPENSATION AWARDED TO CORPORATE OFFICERS AND NON-EXECUTIVE DIRECTORS	**3,254**	**1,989**

U. Statutory auditors' fees

The total amount of statutory auditors' fees recorded in the income statement for the fiscal year was €656 thousand. These fees include the certification and examination of the consolidated financial statements and of the individual financial statements for €609 thousand and the performance of other duties and services directly pertaining to the audit for €47 thousand.

6.3.1.3 Balance sheet and income statement information

A. Fixed assets

Items *(in € thousand)*	Gross value beginning of year	Revaluation	Acquisitions
Other intangible fixed asset items	**69,428**	**-**	**52,572**
Land	1,811	-	373
Land constructions	7,238	-	203
Technical installations, equipment and industrial tools	218,927	-	17,782
General installations, fixtures, fittings	53,829	-	4,081
Transport equipment	89	-	12
Office, IT equipment and furniture	12,022	-	992
Tangible fixed assets in the process of construction	27,722	-	38,421
Tangible fixed assets	**391,067**	**-**	**114,435**
Shares in consolidated and non-consolidated companies	218,501	-	242,094
Loans and other financial investments	592	-	223
Investments	**219,093**	**-**	**242,104**
TOTAL	**610,160**	**-**	**356,539**

Items *(in € thousand)*	Reclassifications	Assignment, decommissioning	Gross value end of year
Other intangible fixed asset items	**32,736**	**7**	**89,257**
Land	-	-	2,185
Land constructions	-	230	7,210
Technical installations, equipment and industrial tools	-	10,564	226,145
General installations and various fixtures	-	3,686	54,223
Transport equipment	-	-	101
Office, IT equipment and furniture	-	19	12,996
Tangible fixed assets in the process of construction	23,372	15,707	27,064
Tangible fixed assets	**56,108**	**30,213**	**419,181**
Shares in consolidated and non-consolidated companies	214	198,440	261,941
Loans and other financial investments	-	57	758
TOTAL	**56,108**	**228,710**	**681,881**

B. Depreciation

Items *(in € thousand)*	Beginning of the fiscal year	Expenses	Reversals	End of the fiscal year
Other intangible assets	**46,000**	**3,744**	**1**	**49,742**
Land	163	63	-	226
Land constructions	4,082	480	230	4,331
Technical installations, equipment and tooling	174,714	12,351	4,026	183,040
General installations and fixtures	33,841	2,903	1,180	35,564
Transport equipment	76	5	-	81
Office, IT equipment and furniture	10,681	669	19	11,331
Tangible fixed assets	**223,556**	**16,471**	**5,454**	**234,574**
TOTAL	**269,556**	**20,215**	**5,455**	**284,316**

Breakdown of expenses *(in € thousand)*	Reversals of accelerated tax depreciation
Other intangible assets	**129**
TOTAL	**129**

Costs spread over several fiscal years *(in € thousand)*	Beginning of the fiscal year	Increases	Expense for the period	Net amount at end of fiscal year
Costs to be spread over several fiscal years	2,062	-	485	1,577

C. Provisions in the balance sheet

Items *(in € thousand)*	Beginning of the fiscal year	Expenses	Reversals	End of the fiscal year
Special depreciation allowances	521	-	129	392
Regulated provisions	**521**	**-**	**129**	**392**
Provisions for litigation	1,758	234	177	1,816
Provisions for losses on forward markets	1,581	-	1,581	-
Provisions for fines and penalties	-	-	-	-
Provisions for foreign exchange losses	515	690	515	690
Provisions for restructuring	335	-	335	-
Other provisions for contingencies and charges	-	-	-	-
Provisions for contingencies and expenses	**4,190**	**925**	**2,609**	**2,506**
Provisions for intangible fixed assets	237	-	-	237
Provisions for tangible fixed assets	7,577	32	2,342	5,267
Provisions for equity loans	67,881	67	67,542	407
Provisions for other financial investments	253	68	73	248
Provisions for inventory and work-in-progress	6,576	10,523	6,576	10,523
Provisions for customer accounts	304	-	230	74
Provisions for impairment	**82,829**	**10,689**	**76,762**	**16,757**
TOTAL	**87,540**	**11,614**	**79,500**	**19,654**
Operating expenses and reversals	-	10,789	9,659	-
Financial expenses and reversals	-	825	69,711	-
Exceptional contributions and recoveries	-	-	129	-

D. Receivables and payables

Receivables statement *(in € thousand)*	Amount (gross)	Up to 1 year	More than 1 year
Receivables linked to investments	76,635	76,635	-
Other financial assets	758	-	758
Doubtful and disputed trade receivables	74	74	-
Other trade receivables	123,409	123,409	-
Staff and related accounts	229	229	-
Social security and other social agencies:			
• State, other local authorities: income tax	33,203	30,158	3,044
• State, other local authorities: VAT	845	845	-
• State, other local authorities: miscellaneous receivables	14,219	10,332	3,887
Other debtors	1,939	1,939	-
Prepaid expenses	1,690	1,690	-
TOTAL	**253,002**	**245,312**	**7,690**

Debt statement *(in € thousand)*	Amount (gross)	Up to 1 year	More than 1 year and up to 5 years	More than 5 years
Convertible bonds	150,000	-	150,000	-
Loans and debts of 1 year maximum initially	31,282	31,282	-	-
Prepayments received on orders	-	-	-	-
Trade payables and related accounts	82,461	82,461	-	-
Staff and related accounts	19,922	19,922	-	-
Social security and other social agencies	15,130	15,130	-	-
• State and other local authorities: income tax	-	-	-	-
• State and other local authorities: VAT	2,390	2,390	-	-
• State and other local authorities: other duties, taxes and related payments	5,157	5,157	-	-
Amount due on fixed assets and related accounts	8,492	8,492	-	-
Group and related parties	16,981	16,981	-	-
Other liabilities	5,532	3,984	1,548	-
Treasury instruments	-	-	-	-
Pre-paid income	14,018	1,854	5,563	6,602
TOTAL	**351,364**	**187,653**	**157,110**	**6,602**

E. Items relating to several balance sheet items

Items *(in € thousand)*	Related parties	Participations
Total non-current assets		
Participations	172,438	12,462
Receivables linked to investments	76,635	-
Current assets		
Customer receivables and related accounts	55,096	2,412
Other receivables	-	-
Debts		
Trade payables	13,841	3,398
Amount due on fixed assets and related accounts	13,831	-

F. Currency translation adjustments on receivables and payables in foreign currencies

Type of adjustments *(in € thousand)*	Asset – Unrealized losses	Adjustments offset by currency hedging	Provisions for foreign exchange losses	Liabilities – Unrealized gains
Investments	-	-	-	1,327
Receivables	-	-	-	952
Financial debt	433	-	433	-
Operating debts	257	-	257	54
TOTAL	**690**	**-**	**690**	**2,333**

G. Composition of the share capital

Categories of (equity) shares	Number of shares			Nominal value
	At fiscal year-end	Created during the fiscal year	Converted during the fiscal year	
Ordinary shares	33,180,921	1,813,354	-	€2
Preferred shares	97,980	97,980	269,365	€2

Position at the beginning of the fiscal year *(in € thousand)*		Balance
EQUITY BEFORE DISTRIBUTION ON PREVIOUS EARNINGS	-	**310,170**
EQUITY AFTER DISTRIBUTION ON PREVIOUS EARNINGS	-	**310,170**
Changes during the fiscal year	**Less**	**More**
Changes in the share capital	-	3,796
Changes in share premiums	-	21,226
Changes in reserves	-	(3,188)
Changes in regulatory provisions	129	-
Other changes: Period earnings	-	99,727
BALANCE	-	**121,432**
Position at the end of the fiscal year	-	**Balance**
EQUITY BEFORE DISTRIBUTION	-	**431,602**

H. Appropriation of earnings submitted for approval of the Shareholders' General Meeting

(in € thousand)		Amount
1 – Origin		
Period earnings		99,727
including current earnings after tax	164,617	
TOTAL		**99,727**
2 - Appropriations		
Statutory reserve		380
Retained earnings		99,348
TOTAL		**99,727**

I. Provisions for contingencies and expenses

Items *(in € thousand)*	Position and changes				
			Decreases		
	Provisions at the start of the fiscal year	Increases in expenses for the fiscal year	Amounts used during the fiscal year	Amounts not reversed in the fiscal year	Provisions at the end of the fiscal year
Labor disputes	472	93	30	10	525
Other litigation	1,286	142	-	137	1,291
Risk on futures market	1,581	-	1,581	-	-
Foreign exchange loss	515	690	-	515	690
Restructuring	335	-	335	-	-
TOTAL	**4,190**	**925**	**1,947**	**662**	**2,506**

Average headcount

Headcount	Salaried personnel	Personnel at disposal of our Company
Operators	370	-
Technicians and office workers	372	-
Engineers and executives	386	-
TOTAL	**1,128**	**-**

As of March 31, 2020, eight employees had been transferred to Soitec Lab.

J. Breakdown of revenue

Items *(in € thousand)*	France revenue	Export revenue	Total March 31, 2020	Total March 31, 2019	% 2020-2019
By geographic market	64,322	513,034	577,355	448,694	29%

K. Extraordinary income and expenses

Breakdown of extraordinary income and expenses *(in € thousand)*	Expenses	Income
771700 Extraordinary income tax relief	-	-
Extraordinary income on management transactions	**-**	**-**
775000 Income from disposal of assets	-	23,856
775600 Extraordinary income from the disposal of financial assets	-	-
Extraordinary income on capital transactions	**-**	**23,856**
787250 Reversal of special provisions for depreciation	-	129
787500 Reversals of exceptional provisions*	-	-
Reversals on provisions and transfer expenses	**-**	**129**
671000 Extraordinary management operating costs	1	-
671200 Penalties and fines	90	-
672000 Extraordinary expenses in previous years	14	-
Extraordinary costs on management transactions	**105**	**-**
675000 Disposal of operating assets	21,517	-
675600 Exceptional expenses on asset disposals	67,252	-
678000 Miscellaneous extraordinary costs	-	-
Extraordinary costs on capital transactions	**88,769**	**-**
TOTAL	**88,874**	**23,985**

* *On October 1, 2019, Soitec S.A. sold its equity investment in its Singaporean subsidiary Soitec Microelectronics Singapore Pte Ltd. to Soitec Asia Holding Pte Ltd. for a price of US$1. The net result of this disposal is a loss of €67,252 thousand recorded under exceptional items. Income and expenses from the disposal of assets mainly correspond to leaseback transactions.*

L. Deferred and unrealized tax position

Items *(in € thousand)*	Amount
Tax due on:	
Currency translation adjustment: Assets	224
TOTAL INCREASES	**224**
Prepaid tax on:	
Temporary non-deductible costs (to be deducted the following year):	
Organic	100
Currency translation adjustment	224
Other (Provision for risks and litigation)	1,789
Other: pension plans	4,396
TOTAL TAX RELIEF	**6,509**
Net deferred tax position	**(6,285)**
Credit to be charged to:	
Deficits carried forward (in € thousand)	(211,774)
Net underlying tax position	211,774
Calculation with a contribution rate of 32.43%.	

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6.3.1.4 Financial commitments, other information

A. Leasing commitments

Items *(in € thousand)*	Land	Buildings	Equipment and tooling	Other fixed assets	Total
Initial value	**-**	**-**	**65,021**	**-**	**65,021**
Depreciation					
Running for previous fiscal years	-	-	13,379	-	13,379
Current fiscal year	-	-	7,228	-	7,228
Total	**-**	**-**	**20,607**	**-**	**20,607**
NET VALUE	**-**	**-**	**44,414**	**-**	**44,414**
Royalties paid					
Running for previous fiscal years	-	-	15,416	-	15,416
Current fiscal year	-	-	7,455	-	7,455
Total	**-**	**-**	**22,871**	**-**	**22,871**
Royalties to be paid					
Less than 1 year	-	-	9,130	-	9,130
More than 1 year and less than 5 years	-	-	31,574	-	31,574
More than 5 years	-	-	4,339	-	4,339
Total	**-**	**-**	**45,043**	**-**	**45,043**
RESIDUAL VALUE	**-**	**-**	**-**	**-**	**-**
Amount accounted for in the fiscal year	-	-	7,131	-	7,131

B. Off-balance sheet commitments

Items *(in € thousand)*		Off-balance sheet amount
Guarantees and bonds (customs)		4
Pension plans obligations		13,556
Other commitments given		70,744
Of which		
Long-term lease commitments	*57*	
Guarantees given	*25,305*	
Other commitments (1)	*27,382*	
Pledge on inventory (2)	*18,000*	
TOTAL		**84,304**

(1) A reinforced purchase commitment was signed on March 31, 2020 with SK Siltron, taking effect only on April 1, 2020. A penalty (contractual compensation undertaking) has been agreed in the amount of US$110,000,000.
(2) A pledge of €18 million on inventories and a contractual compensation commitment of €27 million were given as security for Shin-Etsu Handotai's long-term commitment to supply raw materials.

Contingent liabilities consist of a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the control of the entity, or a present obligation for which an outflow of resources is unlikely. Contingent liabilities are not recognized but are disclosed in the notes.

As of March 31, 2020, guarantees/pledges/commitments given amounted to €25 million and the main beneficiaries are:

- the project company for the Touwsrivier solar power plant (CPV Power Plant No. 1): €20.0 million;
- the buyers of the Desert Green and Rians solar power plants: €3.2 million;
- a letter of comfort given to its subsidiary Frec|n|sys to enable it to negotiate and meet its commitments: €0.6 million;
- guarantee (joint and several) given by Soitec (corresponding to 60%) to its subsidiary Dolphin Design, in order to guarantee payment of all sums due (but still unpaid) in accordance with the lease for the new Dolphin Design headquarters building: €1.5 million.

Principal commitments given to subsidiaries (guarantees and sureties)	Amount *(in € thousand)*
Soitec Solar US	3,240
Frec|n|sys	600
Dolphin Design	1,465
Soitec Solar RSA	20,000

Principal commitments given on behalf of Soitec S.A. (guarantees and sureties)	Amount *(in € thousand)*
Pledge of the SEH inventory	18,000
Contractual commitment from SEH	27,382

The Dolphin Design shareholder agreement includes a put option granted to MBDA (minority shareholder). Under this option, MBDA may require Soitec to purchase the 40% of the (equity) shares that MBDA holds in Dolphin Design, between November 1 and December 31, 2022 (option also to repurchase a 1st tranche of 20% in November 2020). This option constitutes an obligation valued at €6,767 thousand as of March 31, 2020, according to the best estimate of the achievement of the performance criteria, presented in financial liabilities (€7,775 thousand as of March 31, 2019).

As of March 31, 2020, EpiGaN n.v.'s co-founders-directors hold 3.39% of the share capital. The shareholder agreement provides for a cross put/call option for these directors at a price that will be determined according to the level of achievement of performance criteria (options may be exercised in several tranches between January 2023 and May 2024). This debt has been assessed at fair value, *i.e.* €3,069 thousand on March 31, 2020 (€1,013 thousand on the acquisition date).

6.3.1.5 List of subsidiaries and holdings

Name **Registered Office**	**Share capital** **Equity** *(in local currencies)*	**Portion held** **Dividends received**	**Gross value of (equity) shares** **Net value of the (equity) shares** *(in €)*	**Loans, advances** **Guarantees** *(in €)*	**Revenue** **Profit (loss)** *(in €)*
Subsidiaries (more than 50%)					
Soitec Asia Holding Pte Ltd.	1	100%	126,392,973	32,863	-
81 Pasir Ris Industrial Drive 1 Singapore 518220 Singapore	142,078,000	-	126,392,973	-	(752,793)
Soitec Japan Inc.	300,500,000	100%	2,636,988	-	51,146,425
West Tower 20F, Otemachi First Square 1-5-1 Otemachi, Chiyoda-Ku Tokyo Japan 100-0004	1,063,909,000	-	2,636,988	-	3,403,274
Soitec Korea LLC	500,000,000	100%	328,483	-	-
Kyunggi-do hwasung-si Bansong Dong 93-10 Shinyoung Gwell Korea	700,740,513	-	328,483	-	23,372
Soitec Trading (Shanghai) Co. Ltd.	860,594	100%	102,138	-	-
3261 Dong Fang Road Shanghai China	(2,036,000)	-	102,138	-	(388,528)
Soitec USA Holding Inc.	1,000	100%	16,796	-	-
11182 El Camino Real Suite 260 San Diego CA 92130 United States	314,738,000	-	16,796	-	8,753,132
Frec|n|sys SAS	499,500	100%	2,949,287	171,832	794,174
18 rue Alain Savary 25000 Besançon France	1,326,481	-	2,949,287	-	(460,911)
Soitec Corporate Services SAS	1,000	100%	1,000	-	-
Parc Technologique des Fontaines Chemin des Franques 38190 Bernin France	(16,062)	-	1,000	-	(2,269)
Soitec Lab SAS (Ex NewCo 1)	1,000,000	100%	2,166,195	317,830	-
Parc Technologique des Fontaines Chemin des Franques 38190 Bernin – France	2,166,195	-	2,166,195	-	-
Soitec Newco 2 SAS	1,000	100%	1,000	-	-
Parc Technologique des Fontaines Chemin des Franques 38190 Bernin – France	1,000	-	1,000	-	-
Soitec Newco 3 SAS	1,000	100%	1,000	-	-
Parc Technologique des Fontaines Chemin des Franques 38190 Bernin – France	1,000	-	1,000	-	-
Soitec Newco 4 SAS	1,000	100%	1,000	-	-
Parc Technologique des Fontaines Chemin des Franques 38190 Bernin – France	1,000	-	1,000	-	-
Concentrix Holding SAS	1,000	100%	1,000	-	-
Parc Technologique des Fontaines Chemin des Franques 38190 Bernin – France	(500,194,231)	-	1,000	-	1,877,476
Dolphin Design SAS	5,500,000	60%	3,300,001	2,100,000	20,715,000
Immeuble Le Taillefer 1 *bis* A et 2 A chemin du Pré Carré 38240 Meylan France	5,308,138	-	3,300,001	1,465	431,329
EpiGaN n.v.*	9,742,000	96.70%	34,441,030	-	1,916,000
Kempische Steenweg 293 3500 Hasselt Belgium	8,800,000	-	34,441,030	-	(1,210,000)

Name Registered Office	Share capital Equity *(in local currencies)*	Portion held Dividends received	Gross value of (equity) shares Net value of the (equity) shares *(in €)*	Loans, advances Guarantees *(in €)*	Revenue Profit (loss) *(in €)*
Investments (10 to 50%)					
Greenwaves Technologies SAS Pépinière des entreprises Bergès Avenue des Papeteries 38190 Villard Bonnot France	1,774,551 10,098,054	16.63% -	3,298,873 3,298,873	- -	294,881 (1,761,857)
Exagan SAS 7 parvis Louis Néel 38040 Grenoble Cedex 9 France	108,256 2,319,329	14.07% -	1,438,471 1,438,471	- -	377,610 (2,551,621)
Investments less than 10%					
Technocom 2 23, Rue Royale 75008 Paris France	29,343,887 29,652,715	8% -	2,350,000 2,350,000	- -	- (465,365)
Technocom 3 23, Rue Royale 75008 Paris France	7,938,658 7,447,836	8% -	1,000,000 933,313	- -	- (490,822)
Shanghai Simgui Co. Ltd. 200, Puhui Road Jiading District Shanghai China	315,000,000 705,322,725	2.7% -	4,440,962 4,440,962	- -	76,245,198 233,299
Cissoid Chemin du Cyclotron 6 - B- 1348 Louvain La Neuve Belgium	1,706,054 1,242,000	0.19% -	339,903 -	- -	1,700,000 (149,000)

* *EpiGaN n.v. is now called Soitec Belgium n.v. since June 2020.*

In the table presented above, the share capital and equity of subsidiaries and holdings are presented in local currencies:

- in US dollars for Soitec Asia Holding Pte Ltd.;
- in Japanese yen for Soitec Japan Inc.;
- in Korean won for Soitec Korea LLC;
- in Chinese yuan for Soitec Trading (Shanghai) Co. Ltd. and Shanghai Simgui Technology Co. Ltd.;
- in US dollars for Soitec USA Holding Inc. and Soitec USA LLC;
- in euros pour Frec|n|sys SAS, Soitec Corporate Services SAS, Soitec Lab SAS, Soitec NewCo 2 SAS, Soitec NewCo 3 SAS, Soitec NewCo 4 SAS, Concentrix Holding SAS, Dolphin Design SAS, Exagan SAS, Technocom 2, Greenwaves Technologies SAS, Cissoid and EpiGaN n.v.

For investments below 10%, no loan, advance or deposit was granted during the fiscal year.

6.3.2 STATUTORY AUDITORS' REPORT ON OUR COMPANY'S FINANCIAL STATEMENTS AS OF MARCH 31, 2020

This is a translation into English of the statutory auditors' report on the financial statements of our Company issued in French and it is provided solely for the convenience of English speaking users.
This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended 31 March 2020

To the annual general meeting of Soitec S.A.,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying financial statements of Soitec S.A. for the year ended 31 March 2020.

These financial statements were approved by the Board of Directors on 10 June 2020, based on the information available at that date, in the evolving context of the Covid-19 pandemic, and the difficulties to assess its impacts and the future prospects.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of our Company as at 31 March 2020 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit and Risks Committee.

Basis for Opinion

Audit Framework

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

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from 1st of April 2019 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of Ethics (*Code de déontologie*) for statutory auditors.

6

Justification of Assessments – Key Audit Matters

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, approved in the context described above, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Capitalization and valuation of development expenses in the balance sheet

RISK IDENTIFIED	OUR RESPONSE
At 31 March 2020, capitalized development expenses represented a net amount of €30m in our Company's balance sheet. As described in note "Intangible and Tangible assets" of the financial statements, the development expenses incurred by our Company in the context of its new projects are capitalized when the capitalization criteria are complied with, notably whether it is probable that the development projects will generate future economic benefits for our Company. The capitalized development expenses are tested annually for impairment. We have identified the capitalization and valuation of development expenses as a key audit matter due to the materiality of these intangible assets in the balance sheet and the judgment exercised by the management for their initial capitalization and their impairment testing.	We obtained an understanding of the procedures relating to the initial capitalization of development expenses, the identification of projects presenting an indication of impairment, and the development of the estimates used to perform the impairment testing of these assets. For the projects we selected, our work notably consisted in: ● evaluating compliance with the capitalization criteria as defined in the notes to the financial statements, and the correct application thereof; ● using sampling to test the consistency of the amounts recorded in assets at 31 March 2020 with the underlying supporting documentation; ● evaluating the data and assumptions used by our Company for the impairment testing of capitalized development expenses through inquiries of management; ● verifying the arithmetic accuracy of these tests.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the Shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors approved on 10 June 2020 and in the other documents with respect to the financial position and the financial statements provided to Shareholders. With regards to events which occurred and information that became known after the date the financial statements were approved by the Board of Directors relating to the impact of the crisis linked to Covid-19, management informed us that such events and information will be communicated to the annual general meeting called to approve the financial statements.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D.441-4 of the French Commercial Code (*Code de commerce*).

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L. 225-37-3 of the French Commercial Code (*Code de commerce*) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlling and controlled companies. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a public takeover bid or exchange offer, provided pursuant to Article L. 225-37-5 of the French Commercial Code, we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Soitec S.A. by your annual general meeting held on 25 July 2016.

As at 31 March 2020, our firms were in the 4th year of total uninterrupted engagement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing our Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate our Company or to cease operations.

The Audit and Risks Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of our Company or the quality of management of the affairs of our Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on our Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause our Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit and Risks Committee

We submit a report to the Audit and Risks Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit and Risks Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit and Risks Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics (*Code de déontologie*) for statutory auditors. Where appropriate, we discuss with the Audit and Risks Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

The Statutory Auditors
(*French original signed by*)
Paris-La Défense and Lyon, July 6, 2020

KPMG Audit		Ernst & Young Audit
Jacques Pierre	Stéphane Devin	Nicolas Sabran
Partner	*Partner*	*Partner*

6.4 AUDITING OF ANNUAL HISTORICAL FINANCIAL INFORMATION

DECLARATION BY THE STATUTORY AUDITORS

Reference should be made to the statutory auditors' report on the consolidated financial statements for the year ending March 31, 2020 and to the report on the statutory financial statements for the year ending March 31, 2020, which appear respectively in sections 6.2.2 *Statutory's Auditors' report on the consolidated annual financial statement as of March 31, 2020* and 6.3.2 *Statutory's Auditors' report on our Company's financial statement as of March 31, 2020* of this Universal Registration Document.

Furthermore, the consolidated financial statements for the period ending March 31, 2019 were certified in a report by the statutory auditors presented on page 203 of the Registration Document, registered under number D.19-0649. The consolidated financial statements for the fiscal year ending March 31, 2018 were certified in a report by the statutory auditors presented on page 177 of the Registration Document, filed under number D.18-0586.

OTHER INFORMATION AUDITED BY THE STATUTORY AUDITORS

Not applicable.

FINANCIAL INFORMATION NOT CONTAINED IN THE FINANCIAL STATEMENTS

Not applicable.

6.5 OTHER FINANCIAL AND ACCOUNTING INFORMATION

6.5.1 TABLE OF OUR COMPANY'S RESULTS OVER THE LAST FIVE FISCAL YEARS

Type of information *(in € thousand)*	**Fiscal year 03/31/2016**	**Fiscal year 03/31/2017**	**Fiscal year 03/31/2018**	**Fiscal year 03/31/2019**	**Fiscal year 03/31/2020**
I. Capital at the end of the fiscal year					
Share capital	23,132	60,623	62,762	62,762	66,558
Number of existing ordinary shares	11,566,209	30,311,510	31,367,567	31,367,567	33,180,921
Number of preferred shares	-	-	269,365	269,365	97,980
II. Transactions and earnings for the fiscal year					
Revenue before tax	220,310	238,223	296,034	448,694	577,355
Earnings before tax, employee profit-sharing and allowances for amortization and provisions	(32,497)	24,346	(477,674)	103,216	54,136
Income tax	(11,126)	(13,883)	(7,458)	3,421	495
Employee profit-sharing	-	-	-	2,522	1,107
Allowances for amortization and provisions	42,926	17,881	(517,764)	(11,186)	(47,194)
Earnings after tax, employee profit-sharing and allowances for amortization and provisions	(64,296)	20,348	47,548	108,460	99,727
III. Earnings per share					
Earnings after tax, employee profit-sharing and before allowances for amortization and provisions	(1.85)	1.26	(14.99)	3.1	1.58
Earnings after tax, employee profit-sharing and allowances for amortization and provisions	(5.56)	0.67	1.52	3.46	3.01
IV. Personnel					
Average workforce during the fiscal year	850	859	931	1,053	1,128
Payroll for the fiscal year	47,485	47,573	51,804	55,896	63,738
Amount paid as social benefits during the fiscal year (social security, social welfare work, etc.)	21,073	27,099	23,511	25,717	30,184

6.5.2 INVENTORY OF MARKETABLE PORTFOLIO SECURITIES

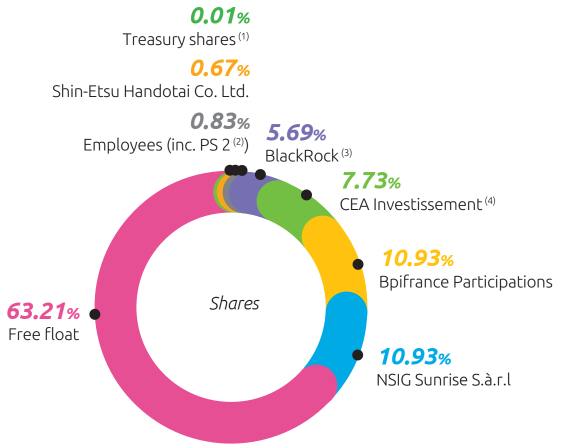
(in € thousand))	Inventory value
A. Shares in consolidated and non-consolidated companies	
Soitec USA Holding, Inc.	17
Soitec Japan, Inc.	2,637
Soitec Korea LLC	328
Soitec Corporate Services SAS	1
Soitec Trading (Shanghai) Co. Ltd.	102
Frec|n|sys SAS	2,949
Concentrix Holding SAS	100
Dolphin Design SAS	3,300
Cissoïd	340
Technocom 2&3	3,350
Exagan SAS	1,438
Shanghai Simgui Technology Co. Ltd.	4,441
Greenwaves Technologies SAS	3,299
Soitec Asia Holding Pte Ltd.	126,393
Soitec Newco 1 SAS	2,166
Soitec NewCo 2 SAS	1
Soitec NewCo 3 SAS	1
Soitec NewCo 4 SAS	1
EpiGaN n.v.	34,441
B. Receivables linked to investments	
Soitec Microelectronics Singapore Pte Ltd.	74,013
Soitec Asia Holding Pte Ltd.	33
Soitec Lab	318
Dolphin Design SAS	2,100
Frec|n|sys SAS	172
C. Marketable investment securities	
Marketable investment securities	20,004
D. Treasury shares	
4,442 Treasury shares	377
TOTAL	**282,322**


+118%
Share Price
over 3 years
3
Strategic investors
Bpifrance, CEA and NSIG
3.30 billion
Stock market capitalization

7. Share capital and shareholding structure

7.1 OUR SHAREHOLDING STRUCTURE

7.1.1 OUR SHAREHOLDERS AS OF THE DATE OF THE UNIVERSAL REGISTRATION DOCUMENT



(1) Threshold crossing statement issued by CEA Investissement on July 31, 2020.
(2) Threshold crossing statement issued by BlackRock on June 2, 2020, on August 26, 2020 and on August 27, 2020.
(3) Shares without voting rights.
(4) PS 2 with a par value of €2.00 each, not admitted to trading on a regulated market.

Our Company conducts a number of shareholder identification studies per year. The most recent was completed in May 2020.

Around 21.64% of the stock is held by the general public and institutional investors

21.64% Around 21.64% of shares in our Company are widely distributed among the public or held by institutional investors other than our 50 leading investors.

Stable employee shareholding, with potential to increase

0.83% The number of employee shareholders is stable and still has limited impact as of March 31, 2020, standing at 0.83%.

Employee share ownership may increase significantly over the coming months and years, due to the future unwinding of the free share allocation plans set up for our employees over the past three fiscal years.

Small portion of treasury shares

Our 4,351 (1) treasury shares represent around 0.01% of the total number of shares.

Our three strategic investors

In May and June 2016, we completed two major capital increases, one of which was reserved for our three strategic investors.

Following these operations, these three companies each held 14.5% of our share capital, totaling 43.50%.

On June 28, 2017, they each sold an identical number of our shares to institutional investors. Following this private placement, their respective position was around 12%.

On July 31, 2020, CEA Investissement sold 1,065,000 shares and holds now 7.73% of our share capital.

29.6% To date, our three strategic investors continue to represent a significant portion of our shareholding: NSIG Sunrise S.à.r.l and Bpifrance Participations hold 10.93% and CEA Investissement holds 7.73% of our shares, bringing their total holding to 29.59%. Furthermore, NSIG Sunrise S.à.r.l and Bpifrance Participations are each represented on our Board of Directors by two members and CEA Investissement by one member.

Given that our three strategic shareholders are not acting in concert, as stated at the date of their Shareholders' Agreement on March 7, 2016, as amended on April 29, 2016, our Company is not in a controlled position.

Our long-standing shareholder

Shin-Etsu Handotai, our long-standing Japanese partner and silicon supplier, is still one of our shareholders.

0.67% One of our first shareholders, twenty-one years after our initial public offering, it holds a little under 0.67% of our share capital.

Shin-Etsu Handotai is therefore our 4th largest registered shareholder.

Our Japanese partner is represented by one director on our Board of Directors.

Very strong growth of our top 50 institutional investors

In March 2018, our top 50 institutional investors represented 35% of our shareholders.

In March 2019, an analysis of the shareholding structure found that they held around 45% of our share capital.

43.86% The latest analysis, completed in May 2020, revealed that our top 50 institutional investors now collectively hold 43.86% of our shares.

Primarily located in Europe, the United -States and Asia, they overwhelmingly have a long-only strategy.

For more details, please refer to the section 7.1.2 *Change in our main shareholders over the past three fiscal years* of the Universal Registration Document.

(1) This amount takes into account the allocation on April 6, 2020 of 91 shares with retroactive effect to March 30, 2020.

7.1.2 CHANGE IN OUR MAIN SHAREHOLDERS OVER THE PAST THREE FISCAL YEARS

The table-below shows the number of shares and voting rights and corresponding percentages held by our main shareholders, long-standing shareholders and employee shareholders as of March 31, 2020.

The development over the past three years of their respective positions in terms of percentages of shares and exercisable voting rights is also included.

Our main shareholders are those who directly or indirectly hold more than 5% of our share capital.

Employee shareholding has been calculated in accordance with Article L. 225-102 of the French Commercial Code.

	Situation as of March 31, 2020						Situation as of March 31, 2019		Situation as of March 31, 2018	
Shareholders	**Number of shares**	**Percentage of shares**	**Number of theoretical voting rights [1]**	**Percentage of theoretical voting rights [1]**	**Number of exercisable voting rights [2]**	**Percentage of exercisable voting rights [2]**	**Percentage of shares**	**Percentage of exercisable voting rights [2]**	**Percentage of shares**	**Percentage of exercisable voting rights [2]**
Free float	21,868,393	65.71	22,134,395	65.22	22,134,395	65.22	65.71	65.22	61.11	61.28
NSIG Sunrise S.à.r.l.	3,636,008	10.93	3,708,768	10.93	3,708,768	10.93	10.93	10.93	11.49	11.39
CEA Investissement	3,636,007	10.93	3,636,007	10.71	3,636,007	10.71	10.93	10.71	11.49	11.39
Bpifrance Participations	3,636,007	10.93	3,708,767	10.93	3,708,767	10.93	10.93	10.93	11.49	11.39
Shin-Etsu Handotai	222,629	0.67	445,258	1.31	445,258	1.31	0.67	1.31	0.70	0.70
Employees:	275,506	0.83	302,615	0.89	302,615	0.89	0.83	0.89	1.04	1.21
• of which PS 2 [3]	97,980	0.29	97,980	0.29	97,980	0.29	0.00	0.00	0.85	0.00
Treasury shares [4]	4,442 [5]	0.01	4,442 [5]	0.01	-	0.00	0.01	0.00	0.02	0.00
TOTAL	**33,278,901**	**100.00**	**33,940,161**	**100.00**	**33,935,810**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

(1) The total number of theoretical voting rights (or "gross" voting rights) is used as the basis for calculating threshold crossings. In accordance with Article 223-11 of the AMF General Regulation, this number is calculated on the basis of all shares to which voting rights are attached as of the information cut-off date, including shares without voting rights and shares entitled to double voting rights.
(2) The total number of exercisable voting rights (or "net" voting rights) is calculated after taking into account, as of the information closing date, the number of shares entitled to double voting rights, and after the deduction of shares without voting rights.
(3) PS 2 with a par value of €2.00 each, not admitted to trading on a regulated market.
(4) Shares without voting rights.
(5) Among which 91 shares were allocated on April 6, 2020 with a retroactive effect at March 30, 2020.

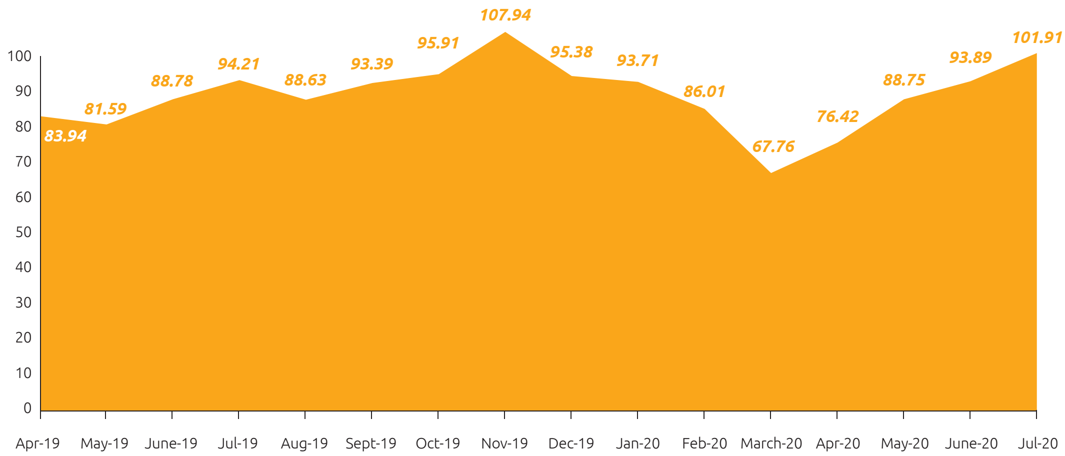
7.1.3 OUR STOCK MARKET DATA

7.1.3.1 Our profile

		Event
Stock market	EURONEXT	The Company has been listed on Euronext Paris since its initial public offering on February 9, 1999. Initially listed in Compartment B, it is now listed in Compartment A.
Indices	CAC Mid60 SBF 120	Following the quarterly review of Euronext Paris indices on March 9, 2017, the Index Committee (Conseil Scientifique des Indices) decided to readmit our Company to the panels comprising the CAC Mid60 and SBF120 indices. This decision took effect on March 17, 2017 after market close.
Ticker symbol	SOI	Since our initial public offering on February 9, 1999.
ISIN	FR0013227113	Since our reverse stock split effective February 8, 2017.

7.1.3.2 Summary table of our past two fiscal years

	2019-2020	2018-2019
Stock market capitalization at fiscal year-end *(in € billion)*	*2.18*	*2.29*
Number of listed shares	*33,180,921*	*31,367,567*
Highest price *(in €)*	*117.200*	*86.150*
Lowest price *(in €)*	*48.860*	*45.720*
Average closing price *(in €)*	*89.766*	*65.717*
Price at fiscal year-end *(in €)*	*65.800*	*73.000*



7.1.3.3 Changes in our share price over the past fiscal year *(in euros)*

Year Month	Highest price *(in €)*	Lowest price *(in €)*	Average price *(in €)*	Number of shares traded	Value traded *(in € million)*	Market capitalization on the basis of the average price *(in € million)*
2019						
April	94.950	73.550	83.938	2,954,282	252.10	2,674.09
May	90.750	72.95	81.593	2,347,690	191.65	2,552.07
June	99.00	73.450	88.785	2,725,857	244.92	2,784.96
July	100.500	90.650	94.207	2,177,816	205.670	3,072.61
August	95.700	83.050	88.632	1,816,153	161.047	289.78
September	99.200	86.700	93.383	2,108,509	196.800	3,045.74
October	105.700	86.550	95.913	2,843,071	276.661	3,128.25
November	117.200	96.000	107.940	2,895,132	309.566	3,520.52
December	100.000	89.100	95.385	3,032,287	287.664	3,114.11
2020						
January	101.400	79.700	93.711	4,128,175	369.014	2,789.755
February	93.750	71.05	86.018	2,476,752	206.72	2,415.938
March	83.000	48.860	67.757	4,433,158	302.72	2,161.781
April	85.000	63.60	76.420	1,357,523	104.52	2,783.879
May	92.500	78.100	88.745	1,239,953	109.42	2,896.694
June	99.200	85.250	93.891	2,154,885	201.91	3,291.547
July	110.000	95.200	101.911	2,096,305	231.71	3,304.820

The closing price of our ordinary shares on August 28, 2020, was €110.20.

7.1.4 DIVIDEND INFORMATION

Our Company has not distributed any dividends in respect of the past three fiscal years.

We intend to reinvest our profits in order to finance our future growth, and we do not plan to pay out any dividends over the next three years.

7.1.5 RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO OUR SHARES

7.1.5.1 Two different share classes

As of the conversion into ordinary shares on March 30, 2020, of the last preferred shares that were issued under the free preferred shares allocation plan (MIP) (see Section 7.2.3.1 *Type and caracteritics of financial Instruments Issued* of this Universal Registration Document) and renamed PS 1 on July 26, 2019, our share capital is comprised of two share classes:

- ordinary shares with a par value of €2.00 each, listed on the Euronext Paris regulated market under ISIN code FR0013227113 and ticker symbol "SOI"; and
- PS 2 with a par value of €2.00 each, not admitted to trading on a regulated market.

The PS 2 were issued as part of a share capital increase on December 18, 2019.

7.1.5.2 Different voting rights

Simple voting rights

Voting rights are proportional to the capital represented by shares.

When Shareholders' General Meetings are held, each share carries one vote.

Double voting rights

Since the resolution adopted by our Combined Shareholders' General Meeting of November 30, 1998, Article 22 of our by-laws states that a double voting right shall be conferred on shares that have been held for at least two years by the same shareholder in the registered form.

In the event of a capital increase by incorporation of reserves, profits, or issue premiums, double voting rights are conferred as from the date of issuance on such registered shares allocated at for free to our shareholders, on the basis of previous shares for which such right was also granted.

This rule has applied since August 31, 2000.

The double voting right ceases for any share converted to bearer or subject to a transfer.

Voting rights of our main shareholders

The exact number of voting rights held by our main and long-standing shareholders as of March 31, 2020, as well as their respective proportion of exercisable voting rights, are described in section 7.1.2 *Change in our main shareholders over the past three fiscal years* above.

7.1.5.3 Amendments to shareholder rights under legal requirements

Decisions amending the by-laws of our Company in general are adopted by the Extraordinary Shareholders' General Meeting under the legal majority conditions required.

7.1.6 OUR THRESHOLD CROSSINGS AND OUR POSITION OF CONTROL

7.1.6.1 Threshold crossings over the past three fiscal years

A. Our thresholds crossings

To our knowledge, no individual or legal entity other than those referred to below, acting alone or in concert, directly or indirectly holds a number of shares in our Company representing more than 5% of our share capital or of our voting rights, and is therefore obliged to inform us in accordance with applicable domestic laws.

7

› *Thresholds crossings since the publication of our annual financial report*

BlackRock, Inc.

Declaration date	Crossing direction	Threshold(s) crossed	Number of shares held after crossing of threshold	Percentage of capital declared	Number of voting rights held after crossing of threshold	Percentage of voting rights declared
08/27/2020	↗	5% of our capital and voting rights	1,892,465	5.69%	1,892,465	5.58%
08/26/2020	↘	5% of our capital and voting rights	1,432,901	4.31%	1,432,901	4.22%

CEA Investissement

Declaration date	Crossing direction	Threshold(s) crossed	Number of shares held after crossing of threshold	Percentage of capital declared	Number of voting rights held after crossing of threshold	Percentage of voting rights declared
07/31/2020	↘	10% of our capital	2,571,007	7.73%	2,571,007	7.58%

Caisse des Dépôts et Consignations (CDC)*

Declaration date	Crossing direction	Threshold(s) crossed	Number of shares held after crossing of threshold	Percentage of capital declared	Number of voting rights held after crossing of threshold	Percentage of voting rights declared
07/08/2020	↗	15% and 20% of our voting rights	3,937,490	11.83%	7,573,497	20.19%

* *These thresholds were crossed indirectly, through CDC Croissance and Bpifrance Participations SA.*

EPIC Bpifrance*

Declaration date	Crossing direction	Threshold(s) crossed	Number of shares held after crossing of threshold	Percentage of capital declared	Number of voting rights held after crossing of threshold	Percentage of voting rights declared
07/08/2020	↗	15% of our voting rights	3,636,007	10.92%	7,272,014	19.39%

* *This threshold was crossed indirectly, through Bpifrance Participations SA.*

BlackRock, Inc.

Declaration date	Crossing direction	Threshold(s) crossed	Number of shares held after crossing of threshold	Percentage of capital declared	Number of voting rights held after crossing of threshold	Percentage of voting rights declared
06/02/2020	↗	5% of our voting rights	1,705,907	5.13%	1,705,907	5.03%
05/21/2020	↗	5% of our voting rights	1,664,870	5.00%	1,664,870	4.91%

NSIG Sunrise S.à.r.l.

Declaration date	Crossing direction	Threshold(s) crossed	Number of shares held after crossing of threshold	Percentage of capital declared	Number of voting rights held after crossing of threshold	Percentage of voting rights declared
05/02/2018	↗	15% of our voting rights	3,636,008	11.49%	6,321,106	19.66%
06/08/2018	↗	20% of our voting rights	3,636,008	11.49%	7,272,015	20.84%
06/25/2018	↘	20% and 15% of our voting rights	3,636,008	11.49%	3,708,767	10.63%

Data provided before our reverse stock split effective on February 8, 2017.

CEA Investissement

Declaration date	Crossing direction	Threshold(s) crossed	Number of shares held after crossing of threshold	Percentage of capital declared	Number of voting rights held after crossing of threshold	Percentage of voting rights declared
05/02/2018	↗	15% of our voting rights	3,636,007	11.49%	6,321,104	19.66%
05/28/2018	↘	15% of our voting rights	3,636,007	11.49%	3,636,007	11.31%

Data provided before our reverse stock split effective on February 8, 2017.

Caisse des Dépôts et Consignations, directly and indirectly *via* Bpifrance Participations

Declaration date	Crossing direction	Threshold(s) crossed	Number of shares held after crossing of threshold	Percentage of capital declared	Number of voting rights held after crossing of threshold	Percentage of voting rights declared
06/28/2017	↘	15% of our capital and voting rights	4,343,048	14.33%*	4,343,048	14.05%*

* *As at May 31, 2017.*

B. Our crossing of thresholds set out in our by-laws

Article 11 of our bylaws provides for a threshold of 3% of the capital and voting rights above which -any holding must be disclosed to us.

GIC Private Limited

Declaration date	Crossing direction	Threshold(s) crossed	Number of shares held after crossing of threshold	Percentage of capital declared	Number of voting rights held after crossing of threshold	Percentage of voting rights declared
05/11/2018	↗	3% of our capital	1,057,347	3.34%(1)	1,057,347	3.28%(1)
10/29/2019	↘	3% of our capital	32,648,794	2.93%(2)	33,387,632	2.87%(2)

(1) As of March 31, 2018.
(2) As of August 31, 2019.

Amundi

Declaration date	Crossing direction	Threshold(s) crossed	Number of shares held after crossing of threshold	Percentage of capital declared	Number of voting rights held after crossing of threshold	Percentage of voting rights declared
09/07/2018	↗	3% of our capital	968,113	3.06%	968,113	2.98%
09/14/2018	↘	3% of our capital	947,303	2.99%	947,303	2.91%

BlackRock

Declaration date	Crossing direction	Threshold(s) crossed	Number of shares held after crossing of threshold	Percentage of capital declared	Number of voting rights held after crossing of threshold	Percentage of voting rights declared
09/12/2019	↗	3% of our capital	1,150,160	3.52%	1,150,160	3.44%

7.1.6.2 Absence of control over our Company

Given that our three main shareholders are not acting in concert, as stated at the date of their Shareholders' Agreement on March 7, 2016 as amended on April 29, 2016, our Company is not in a controlled position.

To our knowledge, no shareholder directly or indirectly holds a portion of our share capital or voting rights granting it control over our Company.

7.1.6.3 Change of control over our Company

To our knowledge, there is no agreement in place that could give rise to a change of control over our Company in the future.

In addition to the double voting rights set out in section 7.1.5.2 *Different voting rights* of the Universal Registration Document, there is no provision in our Articles of Association, or any of our charters or regulations that could result in the deferral or prevention of a change of control over our Company.

7.2 OUR SHARE CAPITAL INFORMATION

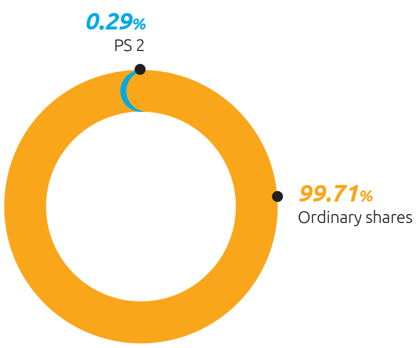
7.2.1 CHANGES IN OUR SHARE CAPITAL SINCE APRIL 1, 2019

7.2.1.1 Our share capital situation since April 1, 2019

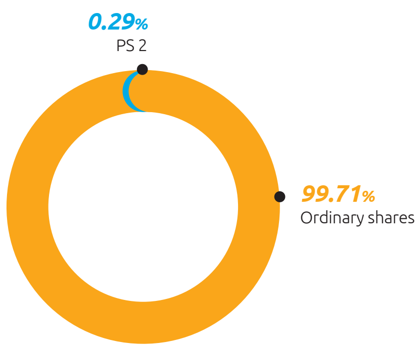
As of July 6, 2020, our share capital, amounting to €66,557,802.00, comprises two categories of shares:

- 33,180,921 ordinary shares with a par value of €2.00 each; and
- 97,980 PS 2 with a par value of €2.00 each.

› *Percentage share capital*



› *Percentage number of shares*



All of the Company's shares are subscribed and fully paid up. There are no shares that do not represent the share capital.

7.2.1.2 No change since our past fiscal year ended

Since April 1, 2019, our Company's share capital changed six times on the dates and in the amounts listed in the table appearing in section 7.2.6 *Changes in the share capital during the last five years* of this Universal Registration Document.

7.2.2 TREASURY SHARES HELD BY OUR COMPANY

7.2.2.1 Number of treasury shares

As of July 6, 2020, our Company held 4,351 ordinary treasury shares, representing 0.01% of the share capital.

Their par value is €2.00 each.

Please refer to note 3.13 to the consolidated financial statements as of March 31, 2020 in section 6.2.1.2 *Notes to the consolidated financial statements as of March 31, 2020* of this Universal Registration Document for an analysis of the accounting treatment and value of our treasury shares as of March 31, 2020.

7.2.2.2 Number of shares held by our indirect subsidiaries

As of July 6, 2020, none of our indirect subsidiaries held shares in our Company.

7.2.2.3 Share buyback program in force, adopted by the Combined Ordinary and Extraordinary General Shareholders' Meeting of July 26, 2019

The Ordinary and Extraordinary General Meeting (OEGM) of July 26, 2019, in its 21st resolution, authorized our Board of Directors, with the option to further delegate, to acquire or procure the acquisition of shares in our Company, in one or more installments, at the dates determined by it, up to 5% of our share capital as of the date of each buyback.

This authorization terminated and superseded the authorization granted to our Board of Directors by the OEGM of July 26, 2018.

It is hereby specified that this 5% limit applies to the adjusted share capital based on transactions affecting it after the OEGM of July 26, 2019.

As regards the particular case of shares repurchased under a liquidity contract, the number of shares taken into account for the calculation of the 5% limit corresponds to the number of shares purchased, less the shares resold during the period of the authorization.

Furthermore, the number of shares held by our Company at any time shall not exceed 10% of our share capital, this percentage applying to adjusted capital based on transactions affecting it after the OEGM of July 26, 2019.

Acquisitions may be made with the purpose of:

- ensuring liquidity and making a market on the secondary share market of our Company through an investment service provider acting independently within the framework of a liquidity agreement which complies with the market practice accepted by the French *Autorité des marchés financiers* (as amended where appropriate); or
- allocating or selling shares to employees to allow them to participate in the benefits of Company's expansion or for the purpose of implementing company or group savings plans (or similar plans) under the conditions provided for by law, and notably Articles L. 3332-1 *et seq.* of the French Labor Code; or
- allocating free shares under the provisions of Articles L. 225-197-1 *et seq.* of the French Commercial Code; or
- in general, meeting obligations related to share option programs or other share allocations to employees or corporate officers of the issuer or of a related company; or
- the retention and deferred award of shares (in exchange, as payment or other) for external growth operations, on the understanding that the maximum amount of shares acquired with a view to their retention and subsequent award as payment or in exchange for merger, demerger or capital contribution transactions may not exceed 5% of the capital; or
- hedging securities giving rights to the allocation of shares of our Company upon exercise of rights attached to securities giving the right through redemption, conversion, exchange, presentation of warrants, or any other means to the allocation of shares of our Company; or
- subsequently canceling, in whole or in part, the shares thus bought back pursuant to Article L. 225-209 of the French Commercial Code.

The purchase of shares may be made by any means, on a regulated market, a multilateral trading facility, from a systematic internalizer or by mutual agreement, including by public offer or transactions for blocks of shares (which may represent the entire program). However, our Company does not intend to use derivatives.

These transactions may be performed at any time, pursuant to the legal provisions in force, excluding during public offerings of Company securities.

The maximum share price is set at €150 per share.

In the event of a transaction affecting the share capital, in particular a share split or division or a free allocation of shares, the aforementioned amount shall be adjusted in the same proportions.

The maximum overall amount allocated to our share buyback program was set at €235,357,650 at the OEGM held on July 26, 2019. It was calculated on the basis of the share capital at this date, amounting to €62,762,070.50 and comprising 31,381,035 shares.

As of the approval date of this Universal Registration Document,

due to the new amount of our share capital of €66,557,802, consisting of 33,278,901 shares, the overall maximum amount allocated to our share repurchased program is set at €249,591,758.

It is hereby recalled that, pursuant to Article 241-2 of the AMF General Regulation, the description of the share buyback program approved by the OEGM on July 26, 2019 was described in our previous 2018-2019 Registration Document filed on July 4, 2019 with the AMF under number D.19-0649.

7.2.2.4 Use made up to July 6, 2020

Between April 1, 2019, and July 6, 2020, our Company twice allocated treasury shares to employees as part of the liquidation of the PAT no. 1, PAT no. 2 and PAT no. 3 allocation plans:

- one allocation on March 17, 2020, of 635 ordinary shares; and
- one allocation on March 30, 2020, of 91 ordinary shares.

These transactions reduced the number of our Company's treasury shares to 4,351, from 5,077 shares held as of March 31, 2019.

7.2.2.5 Description of the share buyback program that will be submitted for the approval of the Shareholders' General Meeting convened on September 23, 2020, under the 10th resolution

A. Legal framework

The purpose of this description of the Company's share buyback program is, pursuant to Article 241-2 of the AMF General Regulation, to describe the objectives and terms of the share buyback program that will be submitted to the vote of our shareholders at the Ordinary and Extraordinary General Meeting (OEGM) to be held on September 23, 2020, under the 10th resolution.

B. Number of shares and share capital held directly or indirectly by our Company and breakdown by objective

As of July 6, 2020, the Company held 4,351 treasury shares with a par value of €2.00 each or 0.01% of the Company's share capital.

All 4,351 treasury shares will be allocated to objectives set out in the 10th resolution to be submitted for the approval of our shareholders at the OEGM to be held on September 23, 2020.

C. Objectives of the share buyback program

Acquisitions may be made for the purpose of:

- ensuring liquidity and making a market on the secondary share market of our Company through an investment service provider acting independently within the framework of a liquidity agreement which complies with the market practice accepted by the French *Autorité des marchés financiers* (as amended where appropriate); or
- allocating or selling shares to employees to allow them to participate in the benefits of Company's expansion or for the purpose of implementing company or group savings plans (or similar plans) under the conditions provided for by law, and notably Articles L. 3332-1 *et seq.* of the French Labor Code; or
- allocating free shares under the provisions of Articles L. 225-197-1 *et seq.* of the French Commercial Code; or
- in general, meeting obligations related to share option programs or other share allocations to employees or corporate officers of the issuer or of a related company; or
- the retention and deferred award of shares (in exchange, as payment or other) for external growth operations, on the understanding that the maximum amount of shares acquired with a view to their retention and subsequent award as payment or in exchange for merger, demerger or capital contribution transactions may not exceed 5% of the capital; or
- hedging securities giving rights to the allocation of shares of our Company upon exercise of rights attached to securities giving the right through redemption, conversion, exchange, presentation of warrants, or any other means to the allocation of shares of our Company; or
- subject to the adoption of the 24th resolution, to subsequently cancel, in whole or in part, the shares thus repurchased pursuant to Article L. 225-209 of the French Commercial Code.

This program is also designed to allow the implementation of all market practices accepted or that may be accepted by the market authorities, and more generally, the completion of operations for other purpose that are permitted or may subsequently be permitted by applicable laws and regulations, subject to the Company's shareholders being sent notification.

D. Maximum percentage of capital, maximum amount allocated to the program and maximum number and characteristics of equity securities the Company plans to acquire and the maximum purchase price

The number of shares that may be acquired during the share buyback program may not exceed 5% of our share capital at each buyback date. This limit applies to capital adjusted for transactions that may occur after the OEGM to be held on September 23, 2020.

This maximum number of shares would amount to 1,663,945 shares, calculated on the basis of the share capital as of June 10, 2020, with a total value of €66,557,802.00.

Regarding the particular case of shares repurchased under a liquidity contract, the number of shares taken into account for the calculation of the 5% limit corresponds to the number of shares purchased, less the shares resold during the period of the authorization.

The number of shares acquired for the purpose of conserving and subsequently delivering them as part of a merger, demerger or contribution operation may not exceed 5% of its share capital.

The number of shares held by our Company at any time should not exceed 10% of our share capital. This percentage would apply to capital adjusted for transactions that may occur after the Shareholders' General Meeting to be held on September 23, 2020.

The maximum purchase price would be set at €150 per share. In the event of a capital transaction, this amount would be adjusted in the same proportions.

The General Shareholders' Meeting to be held on September 23, 2020 will be asked to set the maximum number of shares that may be acquired under this share buyback program at 1,663,945 and the overall maximum amount that would be allocated to this program at €249,591,750. These limits were determined based on our share capital as of June 10, 2020, amounting to €66,557,802.00.

The securities to which this program relates would be ordinary shares with a par value of €2.00 each, issued by the Company and listed on the Euronext Paris regulated market under ISIN code FR0013227113 and ticker symbol "SOI".

E. Duration of the buyback program

The buyback program would be carried out over a period of twelve months beginning at the end of the OEGM to be held on September 23, 2020, and expiring on the date of the Shareholders' General Meeting to be held in 2021 to approve the financial statements for the current financial year ending March 31, 2021.

It is specified that this repurchase program would cancel and replace that approved by the Ordinary and Extraordinary Shareholders' General Meeting of July 26, 2019 in its 21st resolution.

F. Other terms of the buyback program

Under the Company's share repurchase program, shares may be purchased on one or more occasions, by any means, on a regulated market, a multilateral trading facility, from a systematic internalizer or by mutual agreement, including by public offer or transactions for blocks of shares (which may represent the entire program).

Our Company does not intend to use derivatives.

These transactions may be performed at any time, pursuant to the statutory provisions in force, excluding during public offerings of our Company securities.

G. Report on the previous program

The OEGM of July 26, 2019, in its 21st resolution, authorized our Board of Directors, with the option to further delegate, to acquire or procure the acquisition of shares in our Company, in one or more installments, at the dates determined by it, up to 5% of our share capital, at any time whatsoever.

In accordance with Article 241-2 of the AMF General Regulation, the description of this share buyback program approved by the General Meeting of July 26, 2019 was set out in our previous 2018-2019 Registration Document filed on July 4, 2019 with the AMF under number D.19-0649. It also appears in section 7.2.2.3 *Sharebuyback program in force, adopted by the Combined Ordinary and Extraordinary General Shareholders' Meeting of July 26, 2019* of this Universal Registration Document.

› *Declaration by the issuer of the transactions performed on its own shares from July 26, 2019, to July 6, 2020*

Percentage of directly or indirectly owned share capital (1)	0.01%
Number of shares purchased	0
Number of shares sold	0
Number of shares transferred	0
Number of shares canceled	0
NUMBER OF SHARES HELD IN THE PORTFOLIO (1)	**4,442 (3)**
Gross book value of portfolio (1)	€377,213.62
Net book value of portfolio (1)	€309,269.97
Market value of portfolio (2)	€395,560.10

(1) As of March 31, 2020.
(2) As of May 13, 2020.
(3) Among which 91 shares were allocated on April 6, 2020 with a retroactive effect at March 30, 2020.

From July 26, 2019, to July 6, 2020	Cumulative gross flows (1)		Positions open on the publication date of the program description (2)			
	Purchases	Sales/transfers	Open buy positions		Open sell positions	
			Call options purchased	Forward purchases	Call options sold	Forward sales
Number of shares	-	-	-	-	-	-
Average maximum maturity	-	-	-	-	-	-
Average price of transaction	-	-	-	-	-	-
Average exercise price	-	-	-	-	-	-
Amounts	-	-	-	-	-	-

(1) Cumulative gross flows include cash buy or sell transactions and options and futures exercised or expired.
(2) Open positions include unexpired forward purchases or sales as well as unexercised call options.

7.2.3 SECURITIES GIVING ACCESS TO THE SHARE CAPITAL

7.2.3.1 Type and characteristics of financial instruments issued

A. Free preferred shares allocation plan ("MIP")

Legal framework

In accordance with the statutory and regulatory provisions governing the allocation of free shares (in particular Articles L. 225-197-1 *et seq.* of the French Commercial Code), the Combined Ordinary and Extraordinary Shareholders' General Meeting held on April 11, 2016 on first notice and on April 29, 2016 on second notice, authorized our Board of Directors, pursuant to its 15th and 16th resolutions, to allocate free preferred shares with a par value of €0.10 each, on one or several occasions, to employees of our Group and corporate officers of our Company.

A clerical error in the 15th resolution was subsequently corrected by the Combined General Meeting held on July 26, 2017.

Pursuant to the 15th resolution, the delegation of authority granted by the aforementioned 16th resolution, and in accordance with the powers resulting from Articles L. 225-197-1 *et seq.* of the French Commercial Code, our Board of Directors, at its meeting held on July 26, 2016, approved the terms of the rules governing this plan for the free allocation of preferred shares.

This plan is also known as the Long-Term Management Incentive Plan, or under the acronym "MIP".

In addition, our Board of Directors set the maximum number of preferred shares in our Company that may be allocated under the MIP at 295,703.

Purpose

The purpose of the MIP is to collectively encourage the beneficiaries to persevere in their efforts and to allow them share in the fruits of the Group's growth by aligning their interests with those of the Company's shareholders. The allocation of preferred shares is a tool for motivation and talent retention.

Allocation of conditional rights during 2016-2017 fiscal -year

During the fiscal year ended on March 31, 2017, conditional rights to vest all 295,703 preferred shares were granted by our Board of Directors to 34 beneficiaries, on the dates and in the proportions set out in the table below.

Vesting of preferred shares during 2017-2018 and corresponding issues

During the fiscal year ended on March 31, 2018, the aforementioned conditional rights gave rise, subject to a presence condition, to the final vesting of preferred shares to the 29 MIP French tax-resident MIP beneficiaries, on the dates and in the proportions set out in the table below.

Three minor increases in the Company's share capital then took place:

1. On July 26, 2017, our Chief Executive Officer, under a delegation granted by the Board of Directors on the same date:
   - noted the issue of 236,157 new preferred shares with a par value of €0.10 each,
   - the corresponding creation of a new class of shares comprising a portion of the Company's share capital: preferred shares with a par value of €0.10 each, non-transferable until the end of a two-year period (subject to exceptions as provided by law and in the plan regulations), without voting rights and not admitted to listing.

Date	Share capital before issue	Share capital after issue	New share capital breakdown
07/26/2017	€60,623,020	€60,646,635.70	30,547,667 shares divided into: • 30,311,510 ordinary shares of €2.00; • 236,157 preferred shares of €0.10.

2 On December 6, 2017, the Chief Executive Officer, under the authorization granted by the Board of Directors on November 29, 2017, acknowledged the issue of 3,798 new preferred shares with a par value of €0.10 each.

Date	Share capital before issue	Share capital after issue	New share capital breakdown
12/06/2017	€62,758,749.70*	€62,759,129.50	31,607,522 shares divided into: • 31,367,567* ordinary shares of €2.00; • 239,955 preferred shares of €0.10.

* *The share capital and number of shares result from an interim capital increase carried out on August 8, 2017 (see section 7.2.6 Changes in our share capital during the last five years of this Universal Registration Document for more information).*

3 On March 30, 2018, the Chief Executive Officer, under the authorization granted by the Board of Directors on March 28, 2018, acknowledged the issue of 29,410 new preferred shares with a par value of €0.10 each.

Date	Share capital before issue	Share capital after issue	New share capital breakdown
03/30/2018	€62,759,129.50	€62,762,070.50	31,636,932 shares divided into: • 31,367,567 ordinary shares of €2.00; • 269,365 preferred shares of €0.10.

Summary table of allocations under the MIP

Date of the Shareholders' General Meeting	04/11/2016 and 04/29/2016					
Date of Board of Directors' meeting	07/26/2016	12/06/2016	03/30/2017	07/26/2016	12/06/2016	03/30/2017
NUMBER OF PREFERRED SHARES (PS) ALLOCATED	**236,157** (1)	**3,798** (1)	**29,410** (1)	**20,639** (2)	**2,832** (2)	**2,867** (2)
of which number of preferred shares for corporate officers	*44,947*	-	-	-	-	-
including the number of preferred shares for the ten non-corporate officer employees of the Company, - with the highest number of free shares awarded	*169,229*	-	*16,500*	-	-	-
Beneficiaries number	18	2	9	3	1	1
Date of contingent allocation of PS	07/26/2016	12/06/2016	03/30/2017	07/26/2016	12/06/2016	03/30/2017
Date of definitive allocation of PS	07/26/2017	12/06/2017	03/30/2018	07/26/2019	12/06/2019	03/30/2020
Date of conversion into ordinary shares (OS)	07/26/2019	12/06/2019	03/30/2020	07/26/2019	12/06/2019	03/30/2020
Maximum OS conversion ratio						5 OS for 1 PS (3)

(1) PS vested during fiscal year ended March 31, 2018.
(2) PS vested during fiscal year ended March 31, 2020.
(3) Refer to the tables below for the conversion ratios of the PS into OS.

Conversion into ordinary shares

Under certain presence and performance conditions, all 295,703 preferred shares are converted into ordinary shares, on a date depending on the vesting date applicable to each beneficiary.

The conversion ratio is determined by our Board of Directors based on the following factors:

(i) 50% based on the achievement of objectives on the basis of the average of our Group's consolidated EBITDA levels (as derived from our consolidated financial statements in accordance with IFRS) for the fiscal years 2017-2018 and 2018-2019; and

(ii) 50% based on the achievement of the objectives on the basis of the weighted average of the volumes of the stock market prices of our Company's ordinary share during the 30 trading days following the date of publication of our Group's consolidated financial statements for the fiscal year ended on March 31, 2019.

These objectives were determined by the Combined Shareholders' General Meeting held on first notice on April 11, 2016 and on second notice on April 29, 2016.

Pursuant to the terms of the authorization granted by the Shareholders' Combined Ordinary and Extraordinary General Meeting, the Board of Directors of July 26, 2016 set the conversion ratios of the preferred shares into ordinary shares as follows:

Target EBITDA levels (average of the Group's consolidated EBITDA levels as derived from the Group's consolidated financial statements in accordance with IFRS) for the fiscal years 2017-2018 and 2018-2019	Applicable conversion ratios* (multiplication factors for preferred shares becoming ordinary shares)
Average EBITDA ≤ 52,000,000	-
Average EBITDA ≥ 104,000,000	2.05
Additional tranche -to be added if: Average EBITDA ≥ 125,000,000	0.45
Maximum conversion ratio resulting from average EBITDA criteria	**2.50**

Target stock market prices (weighted average of the 30 days following the date of publication of the Group's annual consolidated financial statements for fiscal year 2018-2019)	Applicable conversion ratios* (multiplication factors for preferred shares becoming ordinary shares)
Average market price ≤ €15.40	-
Average market price ≥ €30.00	2.05
Additional tranche -to be added if: Average market price ≥ €35.80	0.45
Maximum conversion ratio resulting from target stock market price	**2.50**

* *The purpose of the reverse stock split of our Company shares effective February 8, 2017 was to exchange 20 existing ordinary shares with a par value of €0.10 each for 1 new ordinary share with a par value of €2.00 each (i.e. a ratio of 20 to 1). In this respect, the regulation of the free preferred share allocation plan was amended by the Board of Directors in order to take into account (i) the decrease in the number of outstanding ordinary shares (divided by 20) and (ii) the resulting increase in the share price of new ordinary shares (the par value of which was multiplied by 20). Accordingly, pursuant to the powers granted to it by the Combined Ordinary and Extraordinary Shareholders' General Meeting held on first notice on April 11, 2016 and on second notice on April 29, 2016, the Board of Directors (i) divided by 20 the conversion ratios it had originally set out in the plan's rules adopted at its meeting of July 26, 2016 and (ii) multiplied by 20 each of the target stock market prices as originally set out by the aforementioned Combined Ordinary and Extraordinary Shareholders' General Meeting. For all intents and purposes, it is hereby specified that the par value of the preferred shares remains set at €0.10 despite the reverse split of the Company's ordinary shares.*

Pursuant to the terms of the authorization granted by said Combined Ordinary and Extraordinary Shareholders' General Meeting of July 26, 2016, our Board of Directors, at its meeting on July 26, 2019, recalculated the conversion ratio as 4.86 as follows:

Target EBITDA levels (average of the Group's consolidated EBITDA levels as derived from the Group's consolidated financial statements in accordance with IFRS) for the fiscal years 2017-2018 and 2018-2019	Applicable conversion ratios (multiplication factors for preferred shares becoming ordinary shares)
Average EBITDA ≤ €208 million	-
Average EBITDA ≥ €208 million	2.05
Additional tranche -to be added if: Average EBITDA ≥€250 million	0.31
Maximum conversion ratio resulting from average EBITDA criteria	**2.36**

Target stock market prices (weighted average of the 30 days following the date of publication of the Group's annual consolidated financial statements for fiscal year 2018-2019)	Applicable conversion ratios (multiplication factors for preferred shares becoming ordinary shares)
Average market price ≤ €30	-
Average market price ≥ €30	2.05
Additional tranche -to be added if: Average market price ≥ €35	0.45
Maximum conversion ratio resulting from target stock market price	**2.50**

Vesting of preferred shares and conversion into ordinary shares during 2019-2020

Under the 33rd resolution approved by the Combined Ordinary and Extraordinary Shareholders' General Meeting of July 26, 2019, as part of the creation of a new class of preferred shares (see section 7.2.3.1.F *Co-investment program with free allocation of PS 2 ("Topaz Plans no. 1 and no. 2") and reserved issue of PS 2* of this Universal Registration Document), the preferred shares from the MIP plan were renamed "PS 1".

During the fiscal year ended March 31, 2020, the balance of the conditional rights to PS 1 existing as at April 1, 2019 (*i.e.*, 26,338), gave rise, subject to a condition of continued employment, to the vesting of PS 1 to MIP plan beneficiaries who are non-French tax residents.

These PS 1 were immediately converted into ordinary shares on the dates and in the proportions shown in the table below.

Three increases in the Company's share capital took place:

1. On July 29, 2019, our Chief Executive Officer, under the authorization granted by the Board of Directors on the same date:
   - acknowledged the issue of 20,639 new PS 1 with a par value of €0.10 each to 3 beneficiaries;
   - acknowledged the creation of 1,248,019 new ordinary shares with a par value of €2.00 each following the conversion, according to a ratio of 4.86, of 236,157 PS 1 previously issued to 18 beneficiaries, and of 20,639 PS 1 being just issued to 3 beneficiaries; and
   - acknowledged the subsequent cancellation of 256,796 PS 1 converted into 1,248,019 ordinary shares.

Date	Share capital before issue	Share capital after issue	New share capital breakdown
07/29/2019	€62,762,070.50	€65,234,492.80	32,648,794 shares divided into: • 32,615,586 ordinary shares of €2.00; • 33,208 PS 1 of €0.10.

2. On December 6, 2019, our Chief Executive Officer, under the authorization granted by the Board of Directors on November 27, 2019:
   - acknowledged the issue of 2,832 new PS 1 with a par value of €0.10 each to 3 beneficiaries;
   - acknowledged the creation of 32,220 new ordinary shares with a par value of €2.00 each following the conversion, according to a ratio of 4.86, of:
     (i) 1,729 PS 1 previously issued to 1 beneficiary,
     (ii) 2,069 PS 1 previously issued to 1 beneficiary,
     (iii) 2,832 PS 1 being just issued to 1 beneficiary; and
   - acknowledged the subsequent cancellation of 6,630 PS 1 converted into 32,220 ordinary shares.

Date	Share capital before issue	Share capital after issue	New share capital breakdown
12/06/2019	€65,234,492.80	€65,298,553.00	32,677,216 shares divided into: • 32,647,806 ordinary shares of €2.00; • 29,410 PS 1 of €0.10.

3. On March 30, 2020, our Chief Executive Officer, under the authorization granted by the Board of Directors on March 25, 2020:

- acknowledged the issue of 2,867 new PS 1 with a par value of €0.10 each to 1 beneficiary;
- acknowledged the creation of 156,861 new ordinary shares with a par value of €2.00 each following the conversion, according to a ratio of 4.86, of 29,410 PS 1 previously issued to 9 beneficiaries, and of 2,867 PS 1 being just issued to 1 beneficiary; and
- acknowledged the subsequent cancellation of 32,277 PS 1 converted into 156,861 ordinary shares.

Date	Share capital before issue	Share capital after issue	New share capital breakdown
03/30/2020	€66,247,021.00 (1)	€66,557,802.00	33,278,901 shares divided into: • 33,180,921 (1) ordinary shares of €2.00; • 97,980 PS 2 (2) of €0.10.

(1) *The share capital and the number of shares result from three interim capital increases carried out on December 18, 2019, February 28, 2020, and March 30, 2020 (see section 7.2.6 Changes in the share capiral during the last five years of this Universal Registration Document).*
(2) *The PS 2 result from a new share class created by the 33rd resolution of the Combined Ordinary and Extraordinary Shareholders' General Meeting convened on July 26, 2019 (see section 7.2.3.1, F Co-investment program with free allocation of PS 2 ("Topaz Plans no. 1 and no. 2") and reserved issue of PS 2 of this Universal Registration Document).*

Since this last issue of ordinary shares on March 30, 2020, our share capital has not changed.

It is therefore identical as of to be updated September 1, 2020, the date this Universal Registration Document was approved.

B. Free ordinary share allocation plans no. 1 and no. 2 ("PAT no. 1" and "PAT no. 2")

Legal framework

In accordance with the legal and regulatory provisions governing free allocations of shares (in particular Articles L. 225-197-1 to L. 225-197-6 of the French Commercial Code), the Combined Ordinary and Extraordinary Shareholders' General Meeting of the Company, held on March 23, 2018, under the terms of its resolution 5, authorized the Board of Directors to carry out, in one or more increments, free allocations of existing or future Company shares to beneficiaries or categories of beneficiaries that it shall determine from among the Group's employees and the Company's corporate directors and officers, up to a limit of 5% of the share capital, as acknowledged on the date of its allocation decision.

Pursuant to the 5th resolution, and in accordance with the powers resulting from Articles L. 225-197-1 *et seq.* of the French Commercial Code, on March 28, 2018, our Board of Directors resolved to implement two free allocation plans of ordinary shares, to be issued at the end of the applicable vesting period, in favor of the Company's employees, in order to recognize their contribution to creating value.

These plans are also referred to as the Share Plans for All (*Plans d'Actions pour Tous*) or under the French acronym "PAT".

Purpose

Subject to conditions of presence and seniority, these two plans effective March 28, 2018 aim to recognize both the past efforts having contributed to the Company's turnaround ("PAT no. 1", referred to as the "Reward the past") plan, as well as employee loyalty in light of their seniority ("PAT no. 2", known as the "Reward seniority") plan.

Conditional free allocation of ordinary shares during 2017-2018

Subject to the beneficiaries' presence with the firm between March 29, 2017, and March 28, 2018, employees received a certain number of ordinary shares, as follows:

- under PAT no. 1, in favor of all Company employees, the number of free ordinary shares allocated was 125,188, representing around 0.4% of our share capital as of March 28, 2018, *i.e.* a maximum of 138 shares per employee; and
- with regard to PAT no. 2, in favor of the Company's employees having accumulated three years of seniority, the eligible employees were allocated a maximum of 91 ordinary shares, *i.e.* a total of 62,561 ordinary shares, representing around 0.2% of our share capital as of March 28, 2018.

For all intents and purposes, it is hereby stated that PAT no. 1 and PAT no. 2 do not have any performance conditions.

Summary table of allocations under PAT no. 1 and PAT no. 2

Date of the Shareholders' General Meeting	03/23/2018	03/23/2018
Name of Plan	PAT no. 1 ("Reward the past")	PAT no. 2 ("Reward seniority")
Date of Board of Directors' meeting	03/28/2018	03/28/2018
NUMBER OF SHARES ALLOCATED*	**125,188**	**62,561**
Of which number of shares for corporate officers	-	-
Of which number of shares for the top ten employee recipients	*1,380*	*910*
Beneficiaries number	970	704
Vesting period	from 03/28/2018 to 03/28/2020	from 03/28/2018 to 03/28/2020
Holding period	N/A	N/A
Number of shares vested*	**110,767**	**59,480**
Number of shares remaining*	**-**	**-**

* *As of March 31, 2019.*

Vesting of ordinary shares during fiscal year 2019-2020

In accordance with a decision by our Chief Executive Officer dated March 30, 2020, rendered under the authorization granted by the Board of Directors on March 25, 2020, 110,767 ordinary shares allocated under PAT no. 1, and 59,480 ordinary shares allocated under PAT no. 2, vested to their beneficiaries due to compliance with the condition of continued employment within the Company's workforce at the end of a two-year vesting period that expired on the first business day after March 28, 2020.

For all intents and purposes, it is hereby stated that PAT no. 1 and PAT no. 2 are not subject to any performance condition.

C. Issuance of OCEANE 2023 convertible bonds for around €150 million

PAUL BOUDRE
Chief Executive Officer

"We are delighted to have been able to take this opportunity to raise €150 million under favorable conditions, in preparation for the future.

The success of this convertible bond issue reflects the trust placed in us by our investors, and helps strengthen our ability to finance necessary investments for the ramp-up of orders of our new products."

Legal framework of the bond issue

The 2023 OCEANE placement was carried out, pursuant to Article L. 411-2 II of the French Monetary and Financial Code, on the basis of the 14th resolution approved by the Extraordinary Shareholders' General Meeting held on July 26, 2017. A private placement was carried out with institutional investors in France and abroad, with the exception of the United States, Canada, Australia and Japan.

Amount and maturity of 2023 OCEANEs

On June 21, 2018, the Company carried out a successful bond issue with the option to convert and/or exchange them for new and/or existing ordinary shares (OCEANEs) expiring on June 28, 2023 (the "2023 OCEANEs"), by way of a private placement with institutional investors, of a nominal amount of €149,999,906.46.

The par value per 2023 OCEANE was set at €104.47.

It gave rise to a premium of 37.5% on the reference share price, equal to the volume-weighted average share price recorded on the Euronext Paris regulated market from the start of trading on June 21, 2018 until the setting of definitive terms and conditions for 2023 OCEANEs on the same day.

The 2023 OCEANEs were issued at par on June 28, 2019, the settlement-delivery date, and will be repaid at par 5 years later, *i.e.* on June 28, 2023.

They shall not bear interest during this period (zero-coupon).

2023 OCEANEs may be repaid early at the Company's discretion, under certain conditions. In particular, they may be repaid on June 28, 2021 if the arithmetic average of the daily product of the volume-weight average share price on the Euronext Paris regulated market and the share conversion/exchange ratio in force, over a period of 20 consecutive trading days out of 40 consecutive trading days, exceeds 130% of the nominal value of the 2023 OCEANEs.

Right to allocation of ordinary shares

Holders of 2023 OCEANEs are entitled to the allocation of new and/or existing ordinary shares, which they may exercise at any time as of the issue date (*i.e.* June 28, 2018) until the seventh business day (inclusive) prior to the planned or early repayment date.

The 2023 OCEANE conversion or exchange ratio is one ordinary share per 2023 OCEANE, subject to subsequent changes.

In the event that they exercise their right to the allocation of shares, holders of 2023 OCEANEs shall receive, at the Company's discretion, new and/or existing ordinary shares which, in any event, may be used and enjoyed as of the delivery date.

D. Free ordinary share allocation plans ("PAT no. 1" and "PAT no. 2")

Legal framework

In accordance with the legal and regulatory provisions governing free allocations of shares (in particular Articles L. 225-197-1 to L. 225-197-6 of the French Commercial Code), the Combined Ordinary and Extraordinary Shareholders' General Meeting of the Company, held on March 23, 2018, under the terms of its resolution 5, authorized the Board of Directors to carry out, on one or more occasions, free allocations of existing or future Company shares to beneficiaries or categories of beneficiaries that it shall determine from among the Group's employees and the Company's corporate directors and officers, up to a limit of 5% of the share capital, as recorded on the date of its allocation decision.

Under the 5th resolution and in accordance with the powers resulting from Articles L. 225-197-1 *et seq.* of the French Commercial Code, the Board of Directors resolved to implement a third free ordinary share allocation plan, to be issued at the end of the applicable vesting period, in favor of all Group employees.

This third plan is also known as the Share Plan for All no. 3, or "PAT no. 3", referred to as the "Sustain growth" plan.

Purpose

PAT no. 3 aims to motivate all Group employees and enable them to share in the fruits of our growth.

It is divided into two sub-plans, in order to take into account the specificities of local regulations, depending on our employees' geographical location:

- the first sub-plan ("PAT no. 3.1") concerns all of the Group's French employees as of July 26, 2018, *i.e.* all Company and Frec|n|sys employees;
- the second sub-plan ("PAT no. 3.2") concerns all employees at our foreign subsidiaries, based in the United-States, Singapore, Japan and South Korea.

Conditional free allocation of ordinary shares during 2018-2019

Subject to three years' employment between July 26, 2018 and July 27, 2021, as well as the achievement of certain performance conditions related to revenue and EBITDA targets during the vesting period, Group employees were allocated a certain number of free ordinary shares, as follows:

- under PAT no. 3.2, the number of free ordinary shares allocated was 307,373 in favor of 991 French employees at July 26, 2018; this represents around 0.98% of our share capital; and
- under PAT no. 3, the number of free ordinary shares allocated was 37,608 in favor of 97 foreign employees at July 26, 2018; this represents around 0.12% of our share capital.

Summary table of allocations under PAT no. 3

Date of the Shareholders' General Meeting	03/23/2018	03/23/2018
Name of plan	PAT no. 3.1 (France)	PAT no. 3.2 (Rest of the world)
Date of Board of Directors' meeting	07/26/2018	07/26/2018
NUMBER OF SHARES ALLOCATED*	**307,373**	**37,608**
Of which number of shares for corporate officers	-	-
Of which number of shares for the top ten employee recipients	*20,555*	*8,886*
Beneficiaries number	991	97
Vesting period	from 07/26/2018 to 07/27/2021	from 07/26/2018 to 07/27/2021
Holding period	N/A	N/A
Number of shares vested*	**-**	**-**
Number of shares remaining*	**307,373**	**37,608**

* *As of March 31, 2019.*

Future vesting of ordinary shares in 2021-2022

Ordinary shares allocated under PAT no. 3.1 and PAT no. 3.2 will vest to their beneficiaries subject to:

- their continued employment with the Group at the end of a three-year vesting period set to expire one business day following July 26, 2021; and
- the achievement of performance conditions, as set out precisely in the regulations of PAT no. 3.1 and 3.2.

E. Company savings plan ("Jade PEE")

Legal framework

In accordance with the legal and regulatory provisions governing free allocations, our Company's Combined Ordinary and Extraordinary Shareholders' General Meeting held on July 26, 2019, under its 31st resolution, delegated to the Board of Directors, with the right to sub-delegate in accordance with the terms set by law, its authority to decide on the capital increase of a maximum par value of €560,000, *i.e.*, a maximum of 280,000 shares, on one or more occasions, without preferential subscription rights, against payment or free of charge, through the issue of shares and/or marketable securities without preferential subscription rights, against payment or free of charge, in France and/or abroad, of a maximum par value of €560,000, *i.e.*, a maximum of 280,000 shares, through the issue of shares and/or marketable securities.

Under the 31st resolution, on February 28, 2020, the Board of Directors resolved on July 26, 2019 in principle to increase the Company's capital through the issue of shares or marketable securities giving access to the share capital reserved for the employees of the Group's French and Singaporean entities eligible for a company savings plan, along with a maximum discount of 30% and up to a par value of €560,000, *i.e.*, 280,000 shares.

Subscription for employees of the French and Singaporean entities who are eligible for the company savings plan

Our Chief Executive Officer, acting pursuant to the delegation received from the Board of Directors in a decision dated January 23, 2020, set (i) the subscription dates for the transaction from January 24 (inclusive) to January 28, 2020 (inclusive) and (ii) the subscription price of the shares to be issued in connection with the transaction at €68.02 (determined in relation to the average share price of the 20 trading days preceding January 23, 2020, after applying a 30% discount).

In a second decision dated February 28, 2020, our Chief Executive Officer noted the issue of 206,007 new ordinary shares with a par value of €2.00 each subscribed to by the Group's employees *via* the Soitec Jade 2020 company mutual fund. Our Company's share capital was consequently increased in the proportions shown in the table below.

Date	Share capital before issue	Share capital after issue	New share capital breakdown
02/28/2020	€65,494,513.00	€65,906,527.00	32,981,203 shares divided into: • 32,853,813 ordinary shares of €2.00; • 29,410 PS 1 of €0.10; • 97,980 PS 2 of €2.00.

Those subscribing for the offer must retain the units in the Soitec Jade 2020 company mutual fund for five years, *i.e.* until February 28, 2025, other than in the event of a case of early release.

F. Co-investment program with free allocation of PS 2 ("Topaz Plans no. 1 and no. 2") and reserved issue of PS 2

Legal framework

To enable the implementation of a co-investment program unanimously authorized by our Board of Directors on June 10, 2019, our Company's Combined Ordinary and Extraordinary Shareholders' General Meeting held on July 26, 2019:

- authorized, in accordance with the 33rd resolution, the creation of a new class of preferred shares convertible into ordinary shares (the "PS 2") depending on the achievement of targets based on EBITDA, revenues and Total Shareholder Return (TSR) performance of the ordinary share of our Company, compared to changes in the Euro Stoxx 600 Technology index. The capital increase resulting from the conversion of the PS 2 into ordinary shares at the end of the plan would be capped to a number of ordinary shares that should not exceed 3.75% of the share capital of our Company as of the date of your Shareholders' General Meeting of July 26, 2019, increased by the ordinary shares resulting from (i) the on-going free shares allocation plans as of this date, (ii) the conversion of the preferred shares resulting from the free preferred shares allocation plan date July 26, 2016 (the "PS 1") and (iii) the conversion of the PS 2;
- authorized, in accordance with its 34th resolution, our Board of Directors to allocate free PS 2 to employees and/or corporate officers of our Company and/or affiliated companies or groups. The final vesting would occur under presence condition at the end of three vesting periods of respectively 1-year, 2-year and 3-year durations;
- granted our Board of Directors, in accordance with its 35th resolution, a delegation of authority to increase our share capital through the issue of PS 2, without preferential subscription rights for our shareholders and reserved for employees and/or corporate officers of our Company and/or affiliated companies or groups.

Rights attached to PS 2

The rights attached to the PS 2 are outlined in Article 10 of the bylaws appearing in section 9.1.2 *Bylaws* of this Universal Registration Document.

Reserved PS 2 issue

Under the 35th resolution of the Combined Ordinary and Extraordinary Shareholders' General Meeting held on July 26, 2019, on December 18, 2019, our Board of Directors decided to issue of 97,980 PS 2 with a par value of €2.00 each at the unit price of €84.17 per share (including a share issue premium of €82.17) to certain employees and corporate officers of our Company, in the proportions shown in the table below.

Date	Share capital before issue	Share capital after issue	New share capital breakdown
12/18/2019	€65,298,553	€65,494,513	32,775,196 shares divided into: • 32,647,806 ordinary shares of €2.00; • 29,410 PS 1 of €0.10; • 97,980 PS 2 of €2.00.

Free PS 2 preferred share allocation plan (Topaz Plans no. 1 no. 2)

Under the 34th resolution of the Combined Ordinary and Extraordinary Shareholders' General Meeting held on July 26, 2019, and in accordance with the powers it holds In accordance with Article L. 225-197-1 of the French Commercial Code, on December 18, 2019, our Board of Directors decided on December 18, 2019 to implement two free PS 2 allocation plans, namely:

- the free PS 2 Topaz no. 1 plan ("Topaz no. 1" plan) for employees, or certain categories of them, and for corporate officers, or certain categories of them, of the Company and/or affiliated companies within the meaning of Article L. 225-197-2 of the French Commercial Code; and
- the free PS 2 Topaz no. 2 plan ("Topaz no. 2" plan) for our Chief Executive Officer, Paul Boudre.

Purpose

Combined with conditions of continued employment, the primary objective of the Topaz no. 1 and no. 2 plans is to establish a long-term incentive plan linked to Company profits for employees, or certain categories of them, and for corporate officers, or certain categories of them, of the Company and/or affiliated companies within the meaning of Article L. 225-197-2 of the French Commercial Code.

Conditional allocations of PS 2 during fiscal year 2019-2020

Subject to a presence as described below, our employees and corporate officers were allocated 195,960 free PS 2, as follows:

- under the Topaz no. 1 plan, 163,978 PS 2 for employees, or certain categories of them, and for corporate officers, or certain categories of them, of the Company and/or affiliated companies within the meaning of Article L. 225-197-2 of the French Commercial Code; and
- under the Topaz no. 2 plan, 31,982 PS2 for our Chief Executive Officer, Paul Boudre.

Future vesting of PS 2 during fiscal years 2020-2021, 2021-2022 and 2022-2023

Subject to compliance with a continued employment condition related to the corporate office or the employment contract of beneficiaries and certain exceptions stipulated in the Topaz no. 1 and no. 2 plans, or in the terms and conditions of the PS 2, the PS 2 will vest at the end of three vesting periods according to the following terms:

- 40% of the PS 2 allocated will vest on December 18, 2020;
- 30% of the PS 2 allocated will vest on August 1, 2021; and
- 30% of the PS 2 allocated will vest on August 1, 2022.

The PS 2 may not be transferred before the earliest of the following three dates: (i) the Conversion Date [(1)], (ii) the Buyback Date [(2)], or (iii) July 26, 2029.

Summary table of allocations under the Topaz no. 1 and no. 2 plans

Date of the Shareholders' General Meeting	**07/26/2019**	**07/26/2019**
Name of plan	Free PS 2 Topaz no. 1	Free PS 2 Topaz no. 2
Date of Board of Directors' meeting	12/18/2019	12/18/2019
NUMBER OF SHARES (PS 2) ALLOCATED*	**163,978**	**31,982**
Of which number of shares for corporate officers	*-*	*31,982*
Of which number of shares for the top ten employee recipients	*110,504*	*-*
Beneficiaries number	372	1
Three vesting periods:		
Vesting of 40% of the PS 2 allocated	*from 12/18/2019 to 12/18/2020*	*from 12/18/2019 to 12/18/2020*
Vesting of 30% of the PS 2 allocated	*from 12/18/2019 to 08/01/2022*	*from 12/18/2019 to 08/01/2022*
Vesting of 30% of the PS 2 allocated	*from 12/18/2019 to 08/01/2022*	*from 12/18/2019 to 08/01/2022*
Holding period	The earliest of the following three dates: (i) the Conversion Date, (ii) the Repurchase Date, or (iii) July 26, 2029	The earliest of the following three dates: (i) the Conversion Date, (ii) the Repurchase Date, or (iii) July 26, 2029
Number of shares vested*	**-**	**-**
Number of shares remaining*	**163,978**	**31,982**

* *As of March 31, 2020.*

(1) The conversion date of the PS 2 into new or existing ordinary Company shares (the "Conversion Date") shall be determined by the Board of Directors, and said Conversion Date shall in any event be no later than the 180th calendar day following the date of approval by the Shareholders' General Meeting of the Group's consolidated financial statements for the year ending March 31, 2022.

(2) In the event that the performance targets are not achieved and the number of ordinary shares to which the conversion of the PS 2 would give right, by applying the Conversion Ratio, equals zero, the PS 2 may be purchased by the Company at its initiative no later than the 180th calendar day following the publication date of the Group's consolidated financial statements for the fiscal year ending March 31, 2022 (the "Repurchase Date"), at their par value, in accordance with the provisions of Article L. 228-12 III of the French Commercial Code.

Future conversion into ordinary shares during fiscal years 2020-2021, 2021-2022 and 2022-2023

As of August 1, 2022, the PS 2 will be convertible into a certain number of new or existing ordinary shares in our Company subject to compliance with a performance condition.

The conversion ratio will be determined by our Board of Directors based on the rate of achievement of three targets relating to:

(i) the Group's consolidated EBITDA as resulting from the Group's consolidated financial statements for the fiscal year ending March 31, 2022;

(ii) the Group's consolidated revenue as resulting from the Group's consolidated financial statements for the fiscal year ending March 31, 2022; and

(iii) the respective performance of the Total Shareholder Return (TSR) of the Company's ordinary share and of the Euro Stoxx 600 Technology index between July 26, 2019, and the reporting date of the Group's consolidated financial statements for the fiscal year ending March 31, 2022.

These targets were determined by our Company's Combined Ordinary and Extraordinary Shareholders' General Meeting held on July 26, 2019.

Subject to achieving the minimum and sufficient rate of the performance targets as set by the Shareholders' General Meeting, the PS 2 will be converted into ordinary shares on a date set by our Board of Directors between August 1, 2022, and no later than the 180th calendar day after the date of approval by the Shareholders' General Meeting of our Group's consolidated financial statements for the fiscal year ending March 31, 2022.

In the event that this minimum rate is not achieved, the number of ordinary shares to which the PS 2 could be converted will be equal to zero and the vested PS 2 may be repurchased by our Company at its initiative no later than the 180th calendar day after the reporting date of the Group's consolidated financial statements for the fiscal year ending March 31, 2022, at their par value in anticipation of their cancellation.

G. Free ordinary share allocation plan

Legal framework

In accordance with the statutory and regulatory provisions governing the allocation of free shares (in particular Articles L. 225-197-1 *et seq.* of the French Commercial Code), our Company's Combined Ordinary and Extraordinary Shareholders' General Meeting held on July 26, 2019, pursuant to its 32nd resolution, authorized our Board of Directors to allocate ordinary free shares in our Company with a par value of €2.00 each, on one or several occasions, to employees of our Group and corporate officers of our Company.

The total number of free ordinary shares that may be allocated pursuant to this authorization may not exceed 5% of the share capital as of the day the Board of Directors decides on the allocation.

Pursuant to the 32nd resolution of our Company's Combined Ordinary and Extraordinary Shareholders' General Meeting held on July 26, 2019, and in accordance with its powers resulting from Articles L. 225-197-1 *et seq.* of the French Commercial Code, during its meetings on December 18, 2019, and March 25, 2020, our Board of Directors approved two free ordinary share allocation plans during fiscal year 2019-2020.

Purpose

The primary objective is to establish long-term incentive plans tied to Company profits for (i) employees of the Company, or affiliated companies or groups in accordance with Article L. 225-197-2 of the French Commercial Code, and (ii) corporate officers of our Company, or affiliated companies or groups, and that meet the criteria listed in Article L. 225-197-1, II of the French Commercial Code.

Conditional free allocation of ordinary shares during 2019-2020

In accordance with the first plan approved by our Board of Directors on December 18, 2019, subject to their continued employment over the period from December 18, 2019, to August 1, 2022, our employees and/or corporate officers were allocated 23,953 free ordinary shares in the Company.

In accordance with the first plan approved by our Board of Directors on March 25, 2020, subject to their continued employment over the period from March 25, 2020 to August 1, 2022, our employees and/or corporate officers were allocated 14,863 free ordinary shares in the Company.

Summary table of free share allocations

Date of the Shareholders' General Meeting	**07/26/2019**	**07/26/2019**
Date of Board of Directors' meeting	12/18/2019	03/25/2020
NUMBER OF ORDINARY SHARES ALLOCATED*	**23,953**	**14,863**
Of which number of shares for corporate officers	-	-
Of which number of shares for the top ten employee recipients	*20,356*	*12,047*
Beneficiaries number	16	20
Performance conditions	Yes	Yes
Vesting period	from 12/19/2019 to 08/01/2022	from 03/26/2020 to 08/01/2022
Holding period	N/A	N/A
Number of shares vested*	**-**	**-**
Number of shares remaining*	**23,953**	**14,863**

* *As of March 31, 2020.*

Future vesting of ordinary shares in 2022-2023

These freely allocated ordinary shares will vest to their beneficiaries, subject to compliance with the continued employment and performance conditions, at the end of a vesting period that will expire on the first business day after August 1, 2022.

7.2.3.2 Information on the potential dilution of the Company's capital

As of June 10, 2020, the Company's share capital comprised a total of 33,278,901 shares, as follows:

- 33,180,921 ordinary shares with a par value of €2.00 each; and
- 97,980 PS 2 with a par value of €2.00 each.

All of the Company's shares are subscribed and fully paid up.

Nature of the potentially dilutive instruments	Maximum number [(1)]	Exercise price	Conversion ratio into ordinary shares	Number of ordinary shares to which such instruments give right	Maximum potential dilution that may arise from the existence of these instruments [(3)]
OCEANE 2023	1,435,818	-	1 [(2)]	1,435,818	4.31%
Free ordinary shares (PAT no. 3.1 of July 26, 2018)	266,726	-	-	266,726	0.80%
Free ordinary shares (PAT no. 3.2 of July 26, 2018)	34,674	-	-	34,674	0.10%
PS 2 (Reserved PS 2 issue of December 18, 2019)	97,980	-	2.08	203,775	0.61%
Free PS 2 (Topaz no. 1 of December 18, 2019)	163,978	-	2.08	341,036	1.02%
Free PS 2 (Topaz no. 2 of December 18, 2019)	31,982	-	2.08	66,515	0.20%
Free ordinary shares (December 18, 2019)	23,953	-	-	23,953	0.07%
Free ordinary shares (March 25, 2020)	14,863	-	-	14,863	0.04%
TOTAL MAXIMUM POTENTIAL DILUTION	**-**	**-**	**-**	**2,387,360**	**7%**

(1) As at March 31, 2020.
(2) See section 7.2.3.1, C Issuance of OCEANCE 2023, Convertible bonds around €150 million above with respect to the conversion ratios for 2023 OCEANEs to ordinary shares.
(3) Based on the number of shares at June 10, 2020.

7.2.4 RIGHTS TO PURCHASE AND OBLIGATIONS RELATED TO THE SUBSCRIBED, BUT NOT PAID-UP, CAPITAL

7.2.4.1 Review of existing authorizations and their use

A. Summary table of current authorizations

Transactions/Shares concerned (Date of Shareholders' General Meeting)	Maximum amount	Use(s) (date)	Duration of the authorization (expiry date)
Companys' share repurchase program OEGM of 07/26/2019 – 21st resolution	5% of the share capital Maximum €150 per share	2 allocations of treasury shares to employees as part of the liquidation of the PAT no. 1, PAT no. 2 and PAT no. 3 allocation plans: • one allocation on March 17, 2020, of 635 shares; and • one allocation on March 30, 2020, of 91 shares.	12 months (Shareholders' General Meeting called to approve the financial statements for the fiscal year ending on March 31, 2020)
Capital increase all securities included with PSR OEGM of 07/26/2019 – 22nd resolution	In share capital* = €30 million [(2)] In debt securities** = €300 million [(3)]	None	26 months (09/25/2021)
Capital increase, all securities included without PSR – offers to the public OEGM of 07/26/2019 – 23rd resolution	In share capital* = €6 million [(4)] In debt securities** = €300 million [(3)]	None	26 months (09/25/2021)
Capital increase, all securities included, without PSR – offerings referred to in Article L. 411-2 of the French Monetary and Financial Code (private placement) OEGM of 07/26/2019 – 24th resolution	In share capital* = €6 million [(4)] In debt securities** = €300 million [(3)]	None	26 months (09/25/2021)
Increase in the number of shares to be issued without preferential subscription rights - reserved for categories of persons who meet set criteria OEGM of 07/26/2019 – 25th resolution	In share capital* = €6 million [(4)] In debt securities** = €300 million [(3)]	None	18 months (01/25/2021)
Increase in the number of shares to be issued with or without PSR in case of excess demand (Greenshoe) OEGM of 07/26/2019 – 26th resolution	Up to (i) 15% of the initial issue, and (ii) the ceiling(s) pursuant to the resolution used for the initial issue	None	26 months (09/25/2021)
Capital increase, all securities included without PSR - derogation rules for setting the issue price (unrestricted price) OEGM of 07/26/2019 – 27th resolution	Up to (i) 10% of share capital, and (ii) the ceiling(s) pursuant to the resolution used for the initial issue	None	26 months (09/25/2021)
Capital increase in payment for contributions in kind composed of shares or securities giving access to the capital OEGM of 07/26/2019 – 28th resolution	In share capital* = 10% of the share capital up to €6 million [(4)] In debt securities** = €300 million [(3)]	None	26 months (09/25/2021)

Transactions/Shares concerned (Date of Shareholders' General Meeting)	Maximum amount	Use(s) (date)	Duration of the authorization (expiry date)
Capital increase by incorporating premiums, reserves, profits or other shares allowed to be capitalized OEGM of 07/26/2019 – 29th resolution	Up to the limit (i) of the total reserves, premiums, or profits, and (ii) of €30 millions (2) (in carrying amount)	None	26 months (09/25/2021)
Capital increase in payment for contributions of shares made for a public exchange offer initiated by our Company OEGM of 07/26/2019 – 30th resolution	In share capital* = €6 million (4) In debt securities** = €300 million (3)	None	26 months (09/25/2021)
Capital increase by issue of shares or securities giving access to the capital reserved for members of company savings plans with elimination of PSR OEGM of 07/26/2019 – 31st resolution	In share capital* = €560,000 (6) and within the limit of 280,000 shares In debt securities** = €300 million (3)	Issue of 206,007 OS (Decision of the CEO of 02/28/2020)	26 months (09/25/2021)
Allocation of free shares to employees and corporate officers without preferential subscription rights OEGM of 07/26/2019 – 32nd resolution	5% of the share capital (1) The allocation to corporate directors and officers must not exceed 20% of the total grant	One wave of 23,953 free OS allocated (Board meeting of 12/18/2019) One wave of 14,863 free OS allocated (Board meeting of 03/25/2020)	38 months (09/25/2022)
Authorization to grant free PS 2 OEGM of 07/26/2019 – 34th resolution	Maximum of 400,000 PS 2	163,978 PS 2 granted under the Topaz no. 1 plan and 31,982 PS 2 granted under the Topaz no. 2 plan	38 months (09/25/2022)
Cancellation of shares acquired pursuant to the authorizations to buy back our Company's treasury shares OEGM of 07/26/2019 – 36th resolution	10% of the share capital over a period of 24 months	None	12 months (Shareholders' General Meeting called to approve the financial statements for the fiscal year ended March 31, 2020)

(1) *Ceiling of 5% of share capital (as recorded on the date of the allocation decision by the Board of Directors) independent from the overall ceiling and sub-ceiling described in notes (2) and (4) below.*
(2) *Overall ceiling of €30 million in par value, applicable to all capital increase transactions that may result from the implementation of resolutions 22 to 31 of the OEGM of July 26, 2019. This ceiling of €30 million is in addition to the total nominal value of the capital increases related to the ordinary shares that may be issued in addition in order to preserve the rights of securities of rights giving access to our Company's share capital.*
(3) *Overall ceiling of €300 million in par value, applicable to all capital increase transactions described in note** below that may result from the implementation of resolutions 22 to 31 of the OEGM of July 26, 2019, except for resolution 29. This limit shall be increased, if applicable, by any redemption premium in excess of the par value.*
(4) *Overall sub-ceiling of €6 million in par value, applicable to all capital increase transactions resulting in a cancellation of the preferential subscription rights that may result from the implementation of resolutions 23 to 31 of the OEGM of July 26, 2018, except for resolution 29, which is not affected. This sub-ceiling of €6 million is in addition to the total nominal value of the capital increases related to the ordinary shares that may be issued in addition in order to preserve the rights of securities of rights giving access to our Company's share capital. This overall sub-ceiling of €6 million is charged against the overall limit of €30 million described in note (2) above.*
(6) *Maximum amount of €560,000 offset against the overall ceiling of €30 million described in note (2) above.*
* *Shares.*
** *Securities representing debt or equivalent securities giving access, immediately or in future, to the share capital of our Company.*

B. Description of existing authorizations

21st resolution of the OEGM of July 26, 2019 – Authorization granted to the Board of Directors to buy back shares in the Company

Section 7.2.2.3 *Sharebuyback program in force, adopted by the Combined Ordinary and Extraordinary General.*

Shareholders' Meeting of July 26, 2019) of this chapter provides further details on the authorization granted to our Board of Directors to buy back shares in the Company.

22nd resolution of the OEGM of July 26, 2019 – Delegation of authority to be granted to the Board of Directors for the purpose of proceeding with a capital increase through the issuance of shares and/or securities giving access to the Company's share capital, with preferential subscription rights, immediately or in the future

In its 22nd resolution, the Ordinary and Extraordinary Shareholders' General Meeting of July 26, 2019 granted to the Board of Directors, for a period of 26 months up to and including September 25, 2021, a delegation of authority to increase share capital with preferential subscription rights for shareholders.

Under this mechanism, the Board of Directors has authority to, one or more times, in the proportion and at the times that it decides, in euros, foreign currencies or in any other account unit established based on a basket of currencies, issue in France and/or abroad against payment or free of charge ordinary shares and/or securities giving immediate or future access at any time or on a fixed date whatever means including subscription, conversion, trade, presentation of a coupon or any other means to the share capital of the Company (including shares giving the right to the allocation of debt securities).

Subscription for these shares and/or other securities may be done in either cash, liquid and payable receivables, or by incorporation of reserves, profits or issue premiums.

The total amount of capital increases that may be implemented under this authorization may not exceed €30 million in par value.

This ceiling is in addition to the total par value of the capital increases related to the ordinary shares that may be issued in order to preserve, if applicable, the rights of the holders of securities and of holders of rights giving access to the Company's share capital.

This ceiling of €30 million is overall and combined with this 22nd resolution and resolutions 23 to 31 of the OEGM of July 26, 2019.

The par value of debt securities or similar securities giving access, immediately or in the future, to the Company's share capital, and likely to be issued under this delegation may not exceed €300 million, it being specified that this total will be increased, if applicable, by any redemption premium in excess of the par value.

This ceiling of €300 million is overall and combined with this 22th resolution and resolutions 23, 24, 25, 26, 27, and 30 of the OEGM of July 26, 2019.

In the event that the present delegation of authority is used by the Board of Directors, the issuance(s) will be reserved in favor of Company's shareholders who would have the right to subscribe in direct proportion to the number of shares they hold.

Nevertheless, the Board of Directors has the power to grant shareholders the right to subscribe to shares or securities in excess of the minimum number to which they have preferential subscription rights proportionally to their subscription rights, and in any event, within the limit of their request.

If the subscriptions as of right (*à titre irréductible*) and, where applicable, excess subscriptions (*à titre réductible*) do not cover the entire amount of the issuance of shares or -securities, as defined above, the Board of Directors may undertake, as provided by law, and in the order of its choosing, one and/or any of the following:

- limiting the capital increase to the subscriptions' amount upon the condition that this amount reaches at least three-quarters of the decided issuance;
- to freely distribute all or part of the non-subscribed securities between the individuals of its choice;
- offer to the public all or part of the non-subscribed securities, on the French market and/or internationally.

The issuances of warrants entitling their holders to subscribe to the Company's shares may be made by a subscription offer but also by a free allocation to the shareholders of the Company. In the case of a free allocation of warrants, the Board of Directors will have the power to decide that the associated rights will not be negotiable and that the corresponding (equity) shares will be sold.

The Board of Directors has the powers, with the possibility to sub-delegate in accordance with applicable law, to proceed with the aforementioned issuance in such a form as it deems appropriate and in compliance with applicable law, and notably:

- determining the dates and the terms of issuance as well as the form and characteristics of the shares and/or securities to be issued;
- determining the number of shares and/or other securities to be issued, the issue price and conditions attached thereto, if applicable, the issuance premium, the terms of their payment and their date of entitlement to dividends (if applicable, retroactively) and, as the case may be, their repurchase conditions;
- determine, if issuing debt securities, their subordination or not (and, if applicable, their rank of subordination), setting their interest rate, providing for their term (fixed or indefinite), the possibility to reduce or increase the par value of shares and other methods of issuance and amortization, modifying during the term of the securities concerned the methods set forth above, while respecting applicable formalities;
- setting, where appropriate, the terms for exercising the rights (as the case may be, the conversion, exchange, and reimbursement rights, including by providing Company assets such as treasury shares or securities already issued by the Company) attached to the shares or securities giving access to the capital and, in particular, setting the date, even retroactively, from which the new shares shall be entitled to dividend rights, as well as any other conditions and terms for completing capital increase;
- suspend, if need be, the exercise of rights attached to these shares and/or securities to be issued under the conditions and limits provided by applicable laws and regulations;
- at its sole discretion, charging issuance fees to the premium amounts associated therewith and withholding from these sums the amount necessary to bring the legal reserve to a tenth of the share capital as set after each increase;
- determining and making any adjustments intended to take into account the impact of transactions in the Company's capital or equity, in particular in the event of a change in the nominal amount of the share, of capital increase by incorporation of reserves, profits or premiums, free allocation of shares, stock split or reverse stock split, distribution of dividends, reserves or premiums or any other assets, amortization of capital, or any other transaction relating to capital or equity (including in the case of public offer and/or change of control), and setting out any other conditions to ensure, where appropriate, the preservation of the rights of holders of securities giving access to the capital or other rights giving access to the capital (including by way of cash adjustments);
- generally, to take all appropriate measures, conclude all agreements, obtain all authorizations, carry out all formalities and to do what is necessary to ensure successful completion of the issuance or stay the implementation thereof, and notably record the completion of any capital increases resulting from any issuance conducted under this delegation, amend the bylaws accordingly, and request the listing of any shares and/or securities issued as a result of this delegation.

The Board of Directors may not, except by prior authorization of the Shareholders' General Meeting, make use of this delegation from the time of deposit by a third party of a public offer for the Company's securities, until the end of the offer period.

23rd resolution of the OEGM of July 26, 2019 – Delegation of authority to be granted to the Board of Directors for the purpose of proceeding with a capital increase through the issuance of shares and/or securities giving access to the Company's share capital, without preferential subscription rights, immediately or in the future

In its 23rd resolution, the Ordinary Shareholders' General Meeting of July 26, 2019, granted to the Board of Directors, for a period of 26 months up to and including September 25, 2021, an authority to increase share capital without preferential subscription rights for shareholders.

Under this mechanism, the Board of Directors has authority to, one or more times, in the proportion and at the times that it decides, in euros, foreign currencies or in any other account unit established based on a basket of currencies, issue in France and/or abroad against payment or free of charge ordinary shares and/or securities giving immediate or future access at any time or on a fixed date whatever means including subscription, conversion, trade, presentation of a coupon or any other means to the share capital of the Company (including shares giving the right to the allocation of debt securities).

Subscription for these shares and/or other securities may be done in either cash, liquid and payable receivables, or by incorporation of reserves, profits or issue premiums.

The preferential subscription right of shareholders to shares and/or securities giving rights to shares that the Company may issue will be cancelled.

The total amount of capital increases that may be implemented under this authorization may not exceed €6 million in par value.

This ceiling is in addition to the total par value of the capital increases related to the ordinary shares that may be issued in order to preserve, if applicable, the rights of the holders of securities and of holders of rights giving access to the Company's share capital.

This ceiling of €6 million is overall and combined with this 23rd resolution and resolutions 24, 25, 26, 27, 28 and 30 of the OEGM of July 26, 2019.

It is charged against the overall ceiling of €30 million stipulated by the 22nd resolution of the OEGM of July 26, 2019.

The par value of debt securities or similar securities giving access, immediately or in the future to the Company's capital, likely to be issued under this delegation may not exceed €300 million. This limit shall be increased, if applicable, by any redemption premium in excess of -the par value.

This ceiling of €300 million is charged against the overall ceiling of €300 million stipulated by the 22nd resolution of the OEGM of July 26, 2019.

The issuances under this authorization will be carried out by public offer.

They may be carried out together with an offer or offers provided for under Article L. 411-2 II of the French Monetary and Financial Code on the basis of the 24th resolution of the OEGM of July 26, 2019.

The shareholders' preferential subscription rights to the shares and/or securities that may be issued under this delegation will be cancelled.

Nevertheless, our Board of Directors may establish for the benefit of shareholders a priority timeframe not resulting in the creation of negotiable rights, for a period that it will set in accordance with applicable law and regulations, for all or part of an issuance completed under this 23rd resolution. It should be exercised in proportion to the number of shares held by each shareholder in accordance with the legal and regulatory terms. It may eventually be supplemented by an excess subscription, it being specified that unsubscribed shares will be offered publicly in France or abroad.

If the subscriptions as of right and, where applicable, excess subscriptions, do not cover the entire amount of the issuance of shares or securities, as defined above, the Board of Directors may undertake, as provided by law, and in the order of its choosing, one and/or any of the following:

- to freely distribute all or part of the non-subscribed securities between the individuals of its choice;
- offer to the public all or part of the non-subscribed securities, on the French market and/or internationally; and/or
- in general, limit the capital increase to the amount of subscriptions, subject to the condition, in the event of the issuance of ordinary shares or securities whose main security is an ordinary share, that they reach at least three-quarters of the agreed issue after use of the two rights indicated above, where appropriate;

The methods for calculating the issue price are those provided by Article R. 225-119 of -the French Commercial Code. It shall be at least equal to the weighted average of the price of three (3) stock market trading sessions preceding its fixing, possibly reduced by a maximum discount of 5%.

The Board of Directors has the same powers as those set out in the previous paragraph describing the delegation of authority granted under the 22nd resolution of the OEGM of July 26, 2019 to decide on issuances under this authority and to proceed with them.

The Board of Directors may not, except by prior authorization of the Shareholders' General Meeting make use of this delegation from the time a third party submits a public offer for the Company's shares until the end of the offer period.

24th resolution of the OEGM of July 26, 2019 – Delegation of authority granted to the Board of Directors in order to issue, by an offer set out at Article L. 411-2 II of the French Monetary and Financial Code, shares and/or securities giving access, immediately or in the future, to the Company's share capital, without preferential subscription rights

In its 24th resolution, the Ordinary Shareholders' General Meeting of July 26, 2019, granted to the Board of Directors, for a period of 26 months up to and including September 25, 2021, an authority to increase the share capital within the context of offers covered by Article 411-2 II of the French Monetary and Financial Code (called "private placements").

Under this mechanism, the Board of Directors has authority to, one or more times, in the proportion and at the times that it decides, in euros, foreign currencies or in any other account unit established based on a basket of currencies, issue in France and/or abroad against payment or free of charge ordinary shares and/or securities giving immediate or future access at any time or on a fixed date whatever means including subscription, conversion, trade, presentation of a coupon or any other means to the share capital of the Company (including shares giving the right to the allocation of debt securities).

Subscription for these shares and securities may be done in either cash, liquid and payable receivables, or by incorporation of reserves, profits or issue premiums.

The preferential subscription rights of shareholders to shares and/or securities giving rights to shares that the Company may issue will be canceled.

The maximum amount of capital increases that may be carried out under this resolution may not, under the limit provided by regulations applicable on the issue date, exceed 20% of the share capital per year, and may not exceed the ceiling of €6 million in par value.

This ceiling of €6 million is overall and combined with this 24th resolution and resolutions 23, 25, 26, 27, 28 and 30 of the OEGM of July 26, 2019.

It is charged against the overall ceiling of €30 million stipulated by the 22nd resolution of the OEGM of July 26, 2019 for all capital increase transactions that may be carried out under resolutions 22 to 31 of the OEGM of July 26, 2019.

This ceiling is in addition to the total par value of the capital increases related to the ordinary shares that may be issued in order to preserve, if applicable, the rights of the holders of securities and of holders of rights giving access to the Company's share capital.

The par value of debt securities or similar securities giving access, immediately or in the future to the Company's capital, likely to be issued under this delegation may not exceed €300 million. This limit shall be increased, if applicable, by any redemption premium in excess of the par value.

This ceiling of €300 million is charged against the overall ceiling of €300 million stipulated by the 22nd resolution of the OEGM of July 26, 2019.

If the subscriptions do not absorb the total issuance, the Board of Directors may limit the transaction's amount to the amount of subscriptions received, provided that they reach at least three-quarters of the subscriptions issued.

The methods for calculating the issue price are those provided by Article R. 225-119 of the French Commercial Code. It shall be at least equal to the weighted average of the price of three (3) stock market trading sessions preceding its fixing, possibly reduced by a maximum discount of 5%.

The Board of Directors has the same powers as those set out in the previous paragraph describing the delegation of authority granted under the 22nd resolution of the OEGM of July 26, 2019 to decide on issuances under this authority and to proceed with them.

The Board of Directors may not, except by prior authorization of the Shareholders' General Meeting make use of this delegation from the time a third party submits a public offer for the Company's shares until the end of the offer period.

25th resolution of the OEGM of July 26, 2019 – Delegation of authority granted to the Board of Directors to issue shares and/or securities giving access, immediately or in the future, to the Company's share capital, without preferential subscription rights for shareholders in favor of those persons meeting specific criteria

In its 25th resolution, the Ordinary Shareholders' General Meeting of July 26, 2019 granted to the Board of Directors, for a period of 18 months up to and including January 25, 2021, an authority to increase the share capital for the benefit of those meeting the following criteria: financial institutions or French or foreign investment funds focused on supporting in the medium term growth companies in the technology sector.

Under this mechanism, our Board of Directors has authority to, on one or more occasions and in the proportion and at the times that it decides, in euros, foreign currencies or in any other account unit established based on a basket of currencies, issue in France and/or abroad, against payment or free of charge, ordinary shares and/or securities giving immediate or future access at any time or on a fixed date whatever means including subscription, conversion, trade, presentation of a coupon or any other means to the share capital of the Company (including shares giving the right to the allocation of debt securities).

Subscription for these shares and/or other securities may be done in either cash, liquid and payable receivables, or by incorporation of reserves, profits or issue premiums.

The preferential subscription rights of shareholders to shares and/or securities giving rights to shares that the Company may issue will be canceled.

The Board of Directors shall define the precise list of beneficiaries of the cancellation of preferential subscription rights and the number of shares and/or securities that may be allocated to each such entity.

The total amount of capital increases that may be implemented under this authorization may not exceed €6 million in par value.

This ceiling of €6 million is overall and combined with this 25th resolution and resolutions 23, 24, 25, 26, 27, 28 and 30 of the OEGM of July 26, 2019.

It is charged against the overall ceiling of €30 million stipulated by the 22nd resolution of the OEGM of July 26, 2019 for all capital increase transactions that may be carried out under resolutions 22 to 31 of the OEGM of July 26, 2019.

This ceiling is in addition to the total par value of the capital increases related to the ordinary shares that may be issued in order to preserve, if applicable, the rights of the holders of securities and of holders of rights giving access to the Company's share capital.

The par value of debt securities or similar securities giving access, immediately or in the future to the Company's capital, likely to be issued under this delegation may not exceed €300 million. This limit shall be increased, if applicable, by any redemption premium in excess of the par value.

This ceiling of €300 million is charged against the overall ceiling of €300 million stipulated by the 22nd resolution of the OEGM of July 26, 2019.

The (i) the issue price of the ordinary shares to be issued pursuant to this resolution or those to which the securities to be issued under this resolution may give right, shall be at least equal (x) to the latest closing price prior to the price setting with a maximum discount of 5% or (y) the average price of the share weighted by the trade volume during the trading day on which the issue price is set with a maximum discount of 5% and (ii) the issue price of securities giving access to the share capital shall be such that the sum immediately received by the Company, increased, where appropriate, by the sum likely to be collected subsequently by the Company, *i.e.* for each ordinary share issued as a consequence of the issuance of these securities, at least equal to the price defined in (i) of this paragraph.

The issue price of the securities giving access to the capital will be such that the amount immediately received by the Company, increased (if applicable) by the amount ultimately received, is, for each share issued as a result of the issue of these securities, at least equal to the minimum price defined above.

Our Board of Directors has the same powers as those set out in the previous paragraph describing the delegation of authority

The Board of Directors may not, except by prior authorization of the Shareholders' General Meeting make use of this delegation from the time a third party submits a public offer for the Company's shares until the end of the offer period.

26th resolution of the OEGM of July 26, 2019 – Delegation of authority granted to the Board of Directors for the purpose of increasing the issuance amount with or without preferential subscription rights within the limit of 15% of the initial issue.

In its 26th resolution, the Ordinary Shareholders' General Meeting of July 26, 2019, granted to the Board of Directors, for a period of 26 months up to and including September 25, 2021, an authority to increase the number of shares to be issued in application of resolutions 22, 23, 24 or 25, in the event that demand is greater than the proposed number of shares.

his additional issuance shall take place within thirty days of the closing of the subscription period, within the limits:

(i) of ceiling(s) applicable to the initial issuance; and

(ii) a maximum of 15% of its amount.

Furthermore, it must be made at the same price as the initial issuance.

The Board of Directors has all powers required, with the possibility to sub-delegate, in accordance with applicable law and the bylaws, to implement this delegation of authority.

27th resolution of the OEGM of July 26, 2019 – Delegation of authority granted to the Board of Directors in the event of issuance without preferential subscription rights, of shares and/or securities giving access, immediately or in the future, to the Company's share capital, for the purpose of fixing the issue price within the limit of 10% of the Company's share capital under the conditions adopted by the Shareholders' General Meeting.

In its 27th resolution, the Ordinary Shareholders' General Meeting of July 26, 2019 granted to the Board of Directors, for a period of 26 months up to and including September 25, 2021, an authorization to approve the derogation rules for setting the issue price.

Under this mechanism, the Board of Directors is authorized, for each of the issuances decided under the 23rd and 24th resolutions of the OEGM of July 26, 2019, to derogate from the price terms set forth in these resolutions.

It can thus set the issue price of the ordinary shares to be issued or which are likely to give the right to securities to be issued in accordance with the following methods:

- last closing price preceding the setting of the price with a maximum discount of 5%; or
- average share price on the market, weighted by the trade volume of the share during the trading day on which the issue price was set, with a maximum discount of 5%.

It is specified that the issue price for the securities other than ordinary shares should be that of the sums received immediately by the Company plus, where appropriate, the sum likely to be received subsequently by the Company for each ordinary share issued as a consequence of the issuance of the securities, at least equal to the amount determined by the Board of Directors in the above two formulas.

This authorization is valid up to the limit of 10% of the share capital of the Company for a period of 12 months. It is hereby specified that this 10% limit applies to the adjusted share capital based on transactions affecting it after the OEGM of July 26, 2019.

If it uses this delegation, the Board of Directors shall draft an additional report, certified by the statutory auditors, describing the final terms of the transaction and providing criteria for assessing the actual impact on the position of shareholders.

The Board of Directors has all powers required, with the possibility to sub-delegate, in accordance with applicable law and the Company's bylaws, to implement this authorization.

28th resolution of the OEGM of July 26, 2019 – Delegation of powers granted to the Board of Directors for the purpose of proceeding with an increase in the Company's share capital in payment for contributions in kind consisting of shares or securities giving access to the Company's share capital

In its 28th resolution, the Ordinary and Extraordinary Shareholders' General Meeting of July 26, 2019, granted to the Board of Directors for a period of 26 months up to and including September 25, 2021, the power to increase the Company's share capital in compensation for capital contributions in kind consisting of shares or securities giving access to the Company's share capital.

Under this mechanism, the Board of Directors has the powers to proceed, based on the statutory auditors' report, to issue ordinary shares and/or any securities giving access by any means, immediately or in the future, at any time or on a set date, by subscription, conversion, trade, reimbursement, presentation of a warrant or any other manner, to the share capital of the Company (including shares giving the right to the allocation of debt securities).

This delegation of authority is valid up to the limit of 10% of the share capital of the Company.

This percentage of 10% applies to the capital as existing on the date of the Board's decision to implement the delegation.

The total amount of capital increases that may be implemented under this authorization may not exceed €6 million in par value.

This ceiling of €6 million is overall and combined with this 28th resolution and resolutions 23, 24, 25, 26, 27 and 30 of the OEGM of July 26, 2019.

It is charged against the overall ceiling of €30 million stipulated by the 22th resolution of the OEGM of July 26, 2019 for all capital increase transactions that may be carried out under resolutions 22 to 31 of the OEGM of July 26, 2019.

This ceiling is in addition to the total par value of the capital increases related to the ordinary shares that may be issued in order to preserve, if applicable, the rights of the holders of securities and of holders of rights giving access to the Company's share capital.

The par value of debt securities or similar securities giving access, immediately or in the future to the Company's capital, likely to be issued under this delegation may not exceed €300 million, it being specified that this total will be increased, if applicable, by any redemption premium in excess of the -par value.

This ceiling of €300 million is charged against the overall ceiling of €300 million stipulated by the 22nd resolution of the OEGM of July 26, 2019.

Our Board of Directors has the same powers as those set out in the previous paragraph describing the delegation of authority granted under the 22nd resolution of the OEGM of July 26, 2019 to decide on issuances under this authority and to proceed with them.

Our Board of Directors may not, except by prior authorization of the Shareholders' General Meeting make use of this delegation from the time a third party submits a public offer for the Company's shares until the end of the offer period.

In its 29th resolution, the Ordinary Shareholders General Meeting of July 26, 2019, granted to the Board of Directors, an authority to increase the share capital by incorporating premiums, reserves, profits or other shares allowed to be capitalized

In its 29th resolution, the Ordinary Shareholders' General Meeting of July 26, 2019, granted to the Board of Directors, for a period of 26 months up to and including September 25, 2021, an authority to increase the share capital by incorporating premiums, reserves, profits or other shares allowed to be capitalized under applicable law and the bylaws.

These capital increases will be in the form of free share allocations or an increase in the par value of existing shares or even a combination of these two methods.

The total amount of the capital increases that may be implemented (increased, where applicable, by the amount necessary to preserve the rights of the holders of securities or other rights giving access to our share capital) may not exceed the total amount of the sums that may be incorporated nor a ceiling of €30 million in par value.

This ceiling of €30 million is charged against the overall ceiling of €30 million stipulated by the 22nd resolution of the OEGM of July 26, 2019.

The Board of Directors has all powers, with the possibility to sub-delegate, to proceed with the aforementioned issuances in such a form as it deems appropriate and in compliance with applicable law, notably to:

- determine the dates, methods, and other characteristics of the issuance;
- decide, with regard to free share allocation plans, that the rights forming fractional shares will not be negotiable or assignable and that the corresponding shares will be sold in accordance with the terms and conditions determined by the Board of Directors;
- set any terms and conditions to ensure, where appropriate, the preservation of the rights of the holders of securities giving access to capital or other rights giving access to the capital (including by way of cash adjustment);
- take all appropriate measures, execute all agreements, obtain all authorizations, carry out all formalities necessary to ensure successful completion of the issuance or stay the implementation thereof, notably acknowledging completion of any capital increases resulting from any issuance conducted under this delegation, amend the bylaws, and request the listing of any securities issued under this delegation.

30th resolution of the OEGM of July 26, 2019 – Delegation of authority granted to the Board of Directors for the purpose of proceeding with an increase of the share capital by the issuance of shares or securities giving access, immediately or in the future, to Company's share capital, in payment for shares contributed to a public exchange offer (PEO) initiated by the Company.

In its 30th resolution, the Ordinary and Extraordinary Shareholders' General Meeting of July 26, 2019, granted to the Board of Directors, for a period of 26 months up to and including September 25, 2021, an authority to increase share capital in payment for shares contributed to a PEO initiated by the Company.

Under this mechanism, the Board of Directors has authority to, on one or more occasions, in the proportion and at the times that it decides, in euros, foreign currencies or in any other account unit established based on a basket of currencies, issue ordinary shares and/or securities giving immediate or future access at any time or on a specific date by subscription, conversion, trade, reimbursement, presentation of a warrant or any other means to the share capital of the Company against payment or free of change, in payment for the securities that are contributed within the context of a PEO initiated in France or abroad, in accordance with local regulations, by the Company on its securities or the securities of another company registered on a regulated stock exchange as provided for under Article L. 225-148 of the French Commercial Code.

This delegation is valid for any other transaction having the same effect as a PEO initiated by the Company for its own shares or the shares of another company whose shares are admitted for trade on a relevant regulated market under foreign law, or which may be similar.

Our shareholders would not have a preferential subscription right to any shares and/or securities that may be issued pursuant to this delegation. These would in fact be intended solely to provide compensation for any (equity) shares contributed to a PEO initiated by our Company.

The total amount of capital increases that may be implemented under this authorization may not exceed €6 million in par value.

This ceiling of €6 million is overall and combined with this 30th resolution and resolutions 23, 24, 25, 26, 27 and 28 of the OEGM of July 26, 2019.

It is charged against the €30 million stipulated in the 22nd resolution of the OEGM of July 26, 2019 for all capital increase transactions that may result from the implementation of resolutions 22 to 31 of the OEGM of July 26, 2019.

To these ceilings shall be added the nominal amount of the capital increases in respect of the ordinary shares that may be issued in order to preserve, where applicable, the rights of the holders of securities and other rights giving access to the Company's share capital.

The nominal amount of the debt securities or similar securities giving access, immediately or in the future, to the share capital of our Company that may be issued pursuant to this delegation may not exceed €300 million, it being specified that this amount shall be increased, where applicable, by any redemption premium above par.

This €300 million ceiling is charged against the overall ceiling of €300 million stipulated by the 22nd resolution of the OEGM of July 26, 2019.

The price of the shares and/or securities that would be issued pursuant to this resolution shall be set in accordance with the laws and regulations concerning PEOs.

The Board of Directors has all powers, with the possibility to sub-delegate, to proceed with the aforementioned issuances in such a form as it deems appropriate and in compliance with applicable law, notably to:

- set the exchange parity as well as, where appropriate, the amount of cash portion to be paid;
- draw up the list of securities that may be contributed in exchange;
- determine the dates, methods, and other characteristics of the issuance;
- determine and make any adjustments intended to take into account the impact of transactions in the Company's capital or equity, in particular in the event of a change in the nominal amount of the share, of capital increase by incorporation of reserves, profits or premiums, free allocation of shares, stock split or reverse stock split, distribution of dividends, reserves or premiums or any other assets, amortization of capital, or any other transaction relating to capital or equity (including in the case of public offer and/or change of control), and setting out any other conditions to ensure, where appropriate, the preservation of the rights of holders of securities giving access to the capital or other rights giving access to the capital (including by way of cash adjustments);
- at its sole discretion, charging issuance fees to the premium amounts associated therewith and withholding from these sums the amount necessary to bring the legal reserve to a tenth of the share capital as set after each increase;
- take all appropriate measures, execute all agreements, obtain all authorizations, carry out all formalities necessary to ensure successful completion of the issuance or stay the implementation thereof, notably acknowledging completion of any capital increases resulting from any issuance conducted under this delegation, amend the bylaws, and request the listing of any securities issued under this delegation.

31st resolution of the OEGM of July 26, 2019 – Delegation of authority granted to the Board of Directors for the purpose of proceeding with an increase of the share capital through ordinary shares or securities issuance restricted to employees subscribing to an employee savings plan (ESP) without preferential subscription rights in favor of them

In its 31st resolution, the Ordinary and Extraordinary Shareholders' General Meeting of July 26, 2019, granted to the Board of Directors, for a period of 26 months up to and including September 25, 2021, an authority to increase the share capital for members of the ESP.

Under this mechanism, the Board of Directors has authority to, one or more times, in the proportion and at the times that it decides, in euros, foreign currencies or in any other account unit established based on a basket of currencies, issue in France and/or abroad against payment of free of charge ordinary shares and/or securities giving immediate or future access at any time or on a fixed date whatever means including subscription, conversion, trade, presentation of a coupon or any other means to the share capital of the Company (including shares giving the right to the allocation of debt securities).

The preferential subscription rights of shareholders to shares and/or securities giving rights to shares that the Company may issue will be canceled.

These issuances will be reserved to members of one or more ESPs that will be implemented within the scope of consolidation of the Group.

In the event of a free allocation of shares or securities giving access to capital to the beneficiaries indicated below, the shareholders waive all rights to said shares or securities giving access to capital, including to the portion of the reserves, profits or share premiums incorporated in the share capital, in proportion to the number of free shares allocated on the basis of this delegation.

With a total maximum par value of €560,000, these issuances will be charged against the overall ceiling of €30 million stipulated by the 22nd resolution of the OEGM of July 26, 2019 for all capital increases carried out through implementation of resolutions 22 to 31 of the OEGM of July 26, 2019.

This ceiling is in addition to the total par value of the capital increases related to the ordinary shares that may be issued in order to preserve, if applicable, the rights of the holders of securities and of holders of rights giving access to the Company's share capital.

The par value of debt securities or similar securities giving access, immediately or in the future, to the Company's share capital, and likely to be issued under this delegation may not exceed €300 million, it being specified that this total will be increased, if applicable, by any redemption premium in excess of the par value.

This ceiling of €300 million is charged against the overall ceiling of €300 million stipulated by the 22nd resolution of the OEGM of July 26, 2019.

The issue price of these new shares or securities giving access to the capital issued under this delegation (the "Reference Price") will be set with reference to the average share price on Euronext Paris during the last twenty trading days preceding the date that the Board of Directors decides to set the opening date of the subscription period for the capital increased reserved to ESP members.

A discount of 20% to 30% may be applied in accordance with legal requirements.

The Board of Directors may, if it determines that it is appropriate, reduce or waive the aforementioned discount, in particular to comply with the applicable local regulations in the countries in which the issue will be implemented.

The Board of Directors may proceed, by substitution of all or a part of the discount with respect to the Reference Price and/or contribution, with the free allocation of shares or securities giving access to capital.

The Board of Directors may transfer shares to ESP members. Share transfers completed with a discount for members of one or more ESPs will be charged against the par value of the shares thus sold against the ceilings set forth above.

The Board of Directors has all powers, with the possibility to sub-delegate, to proceed with the aforementioned issuances in such a form as it deems appropriate and in compliance with applicable law, notably to:

- establish, in accordance with the law, the list of companies for which the members of one or more employee savings plans may subscribe to the shares and securities conferring entitlement to shares thereby issued and benefit, where applicable, from the shares and securities conferring entitlement to shares allotted free-of-charge;
- decide that the subscriptions could be made directly by the beneficiaries, members of an employee savings plan, or through a company mutual fund or other structures or entities permitted under applicable legal or regulatory provisions;
- determine the conditions, in particular seniority, that the beneficiaries of capital increases provided for in the present delegation must meet;
- set subscription opening and closing dates;
- set the amount of the capital increases that will be completed by virtue of the present delegation of powers and in particular, to set the issue price, dates, periods, procedures and conditions of subscription, payment, delivery and enjoyment of shares (even retroactive), downsizing rules to be applied in case of over subscription, and all other terms and conditions for the issue, within the applicable legal and regulatory limits;
- determine and make any adjustments intended to take into account the impact of transactions on the Company's capital or equity, in particular in the event of a change in the nominal amount of the share, of capital increase by incorporation of reserves, profits or premiums, free allocation of shares, stock split or reverse stock split, distribution of dividends, reserves or premiums or any other assets, amortization of capital, or any other transaction relating to capital or equity (including in the case of public offer and/or change of control), and setting out any other conditions to ensure, where appropriate, the preservation of the rights of holders of securities giving access to the capital or other rights giving access to the capital (including by way of cash adjustments);
- in case of free allocation of shares or securities giving access to share capital, to determine the nature, the characteristics and the number of shares or securities giving access to share capital to be issued, the number to be allocated to each beneficiary, and to determine the dates, periods, terms and conditions for the allotment of these shares or securities conferring entitlement to shares, within the applicable legal and regulatory limits and in particular to choose either to fully or partially substitute the allotment of these shares or securities giving access to share capital for a discount to the Reference Price provided for herein, or to charge the equivalent value of these shares against the total amount of the employer's contribution, or to combine these two possibilities;
- in the event of issue of new shares being allotted free-of-charge, where applicable, to charge the sums necessary to pay up said shares against reserves, profits or share premiums;
- to acknowledge completion of capital increases with the number of subscribed shares (after reductions in the event of over subscription);
- where applicable, to charge the costs of the capital increase against the amount of related premiums, and take from this amount the sums necessary to bring the legal reserves to one-tenth of the new share capital resulting from these share capital increases;
- to enter into any agreements, to carry out all transactions directly or indirectly through an agent, including completing all necessary formalities further to the capital increases and the corresponding amendments to the bylaws, and, generally, to enter into any agreement, in particular to ensure the successful conclusion of the planned issues, to take all measures and decisions, and to carry out all formalities appropriate for the issue, admission to trading and financial servicing of the shares issued by virtue of the present delegation, as well as the exercise of the rights attaching thereto or resulting from the completed capital increases.

32nd resolution of the OEGM of July 26, 2019 – Authorization given to the Board of Directors to carry out the free allocation of shares

The Ordinary and Extraordinary Shareholders' General Meeting (OEGM) of July 26, 2019, in its 32nd resolution, authorized our Board of Directors to allocate existing or future ordinary shares in our Company free of charge, on one or more occasions, to beneficiaries or categories of beneficiaries that it will determine among (i) the employees of our Company, or affiliated companies or groups in accordance with Article L. 225-197-2 of the French Commercial Code, and (ii) the corporate officers of our Company or companies or groups that are affiliated with it and that meet the criteria listed in Article L. 225-197-1, II of said Code.

The total number of free ordinary shares that may be allocated pursuant to this authorization may not exceed 5% of the share capital as determined on the day of the Board of Directors' allocation decision, on the understanding that (i) this ceiling is set independently from the ceilings set in the 22nd to the 31st resolutions of the Combined Ordinary and Extraordinary Shareholders' General Meeting of July 26, 2019, and (ii) the allocation of free ordinary shares to corporate officers may not exceed 20% of the free shares allocated pursuant to this authorization.

The allocated ordinary shares of our Company will vest to their beneficiaries after the expiry of a vesting period whose term will be set by our Board of Directors, on the understanding that the minimum duration shall be that set by the legal provisions applicable on the day of the allocation decision.

The vesting of the shares allocated to the Company's corporate officers shall be linked to the achievement of performance conditions which the Board of Directors will determine.

Our Board of Directors has all powers, with the right to sub-delegate in accordance with the law, to implement the aforementioned authorization in such a form as it deems appropriate and in accordance with applicable law, particularly to:

- determine whether the free ordinary shares to be issued are existing or new ordinary shares;
- determine the number of ordinary shares granted to each beneficiary that it will have chosen;
- set the conditions and, as the case may be, the criteria to grant the ordinary shares, notably the minimum vesting period and, where appropriate, the duration of the holding period;
- increase, where appropriate, the capital through the capitalization of reserves, earnings, or issue premiums, to proceed with the issuance of new ordinary shares allocated free of charge;
- grant ordinary shares to those persons referred to in the first paragraph of item II of Article L. 225-197-1 of the French Commercial Code subject to the conditions set out in Article L. 225-197-6 of the French Commercial Code. For such ordinary shares, the Board of Directors (i) shall decide that the free ordinary shares granted cannot be sold by the beneficiaries before the end of their employment with the Company, or (ii) shall determine the minimum number of free ordinary shares that the beneficiaries must hold as registered shares until the end of their employment with the Company;

- schedule, where appropriate, the right to delay the definitive allocation dates of ordinary shares and, for the same period, the end of the holding period of such ordinary shares (such that the minimum holding period remains unchanged);
- adjust, where appropriate, the number of free ordinary shares that shall be allocated in order to maintain the beneficiaries' rights, depending on potential transactions involving the Company's share capital or equity under the circumstances provided in Articles L. 225-181 and L. 228-99 of the French Commercial Code. It is specified that ordinary shares granted within the framework of these adjustments shall be considered as having been granted on the same day as those initially granted; and
- determine the dates and terms and conditions for allocating the free shares, and generally do what is appropriate and execute all agreements to successfully proceed with the contemplated allocations.

33rd resolution of the OEGM of July 26, 2019 – Creation of a new class of preferred shares convertible into ordinary shares and corresponding amendment to the bylaws

The Ordinary and Extraordinary Shareholders' General Meeting (OEGM) held on July 26, 2019, in its 33rd resolution, decided to introduce into our Company's bylaws a new class of preferred shares, in accordance with the provisions of Articles L. 228-11 *et seq.* of the French Commercial Code; its features, special rights and terms for converting into ordinary shares in the Company are outlined below (the "PS 2"):

i. PS 2 will not be listed on the Euronext Paris exchange;

ii. PS 2 will have the same par value as the Company's ordinary shares, *i.e.*, two (2.00) euros;

iii. other than those exceptions defined in the event of death or the occurrence of a Complex Major Acquisition or a Substantial Investment, the PS 2 cannot be transferred before the earliest of the following three dates (i) the Conversion Date (as defined below), (ii) the Repurchase Date (as defined below), and (iii) July 26, 2029;

iv. PS 2 will either be (i) converted to ordinary shares at a conversion ratio determined under the terms set out below if the performance conditions are achieved, (ii) bought back by the Company at their par value to be cancelled if the performance conditions are not achieved;

v. each PS 2 will carry one voting right at Shareholders' General Meetings;

vi. holders of PS 2 will constitute a Shareholders' Special Meeting under the conditions provided for by Article L. 225-99 of the French Commercial Code and the special rights granted to them will be upheld in accordance with the law;

vii. PS 2 will bear dividends and the same right to the liquidation payout as ordinary shares and will carry preferential subscription rights in the event of a capital increase or any transaction with preferential subscription rights to new ordinary shares in the Company. The right to dividends and to the liquidation bonus attached to the PS 2 and identical to that attached to ordinary shares will expire on the earlier of the following dates: (i) the Conversion Date or (ii) the Repurchase Date;

viii. All PS 2 issued or to be issued at the Conversion Date (as defined below) will be converted to a variable number of ordinary shares subject to achieving targets based on EBITDA, revenue and the return on the Company's ordinary shares (Total Shareholder Return or "**TSR**") criteria as detailed below. If the performance targets are met, the total number of ordinary shares resulting from the conversion of PS 2 cannot in any case exceed the number of ordinary shares (the "**Max OS**") determined as follows:

Max OS = 3.75% x OS Capital

with:

"**OS Capital**" means all of the ordinary shares which make up the share capital of the Company as of the date of the Shareholders' General Meeting of July 26, 2019, plus the ordinary shares created as a result of (i) free share allocation plans applicable as of the date of the Shareholders' General Meeting of July 26, 2019, (ii) the conversion of the PS 1, and (iii) the conversion of the PS 2, with it being stipulated that this ceiling has been set without taking into account any legal, regulatory, or contractual adjustments necessary for the protection of the rights of beneficiaries of PS 2.

Our Board of Directors will have the authority to determine the maximum number of PS 2 that may be issued. This number shall be equal to the total value of the PS 2 as calculated by an independent appraiser, divided by the unit price per PS 2 (the "**Max PS 2**") and cannot in any case be greater than 600,000, it being stipulated that this cap has been set without taking into account any legal, regulatory, or contractual adjustments necessary for the protection of the rights of beneficiaries of PS 2.

Subject to early conversion, the date of the PS 2 conversion into new or existing ordinary shares in the Company (the "**Conversion Date**") shall be set by the Board of Directors; the Conversion Date must be no later than the one hundred eightieth (180th) calendar day after the approval by the Ordinary and Extraordinary Shareholders' General Meeting of July 26, 2019, of the Group's consolidated financial statements for the fiscal year ending March 31, 2022.

Our Board of Directors is authorized to temporarily suspend conversion rights.

The conversion ratio used to calculate the number of ordinary shares resulting from the conversion of existing PS 2 at the Conversion Date will be determined by our Board of Directors and based on three targets as follows:

i. *Rate of achievement of the EBITDA target*

The rate of achievement of the EBITDA target is determined based on the Group's consolidated EBITDA presented in the consolidated financial statements for the financial year ending March 31, 2022 ("**2022 EBITDA**") as follows:

a. the rate of achievement of the EBITDA target will be zero percent (0%) if 2022 EBITDA is strictly less than two hundred and five million euros (€205,000,000);

b. the rate of achievement of the EBITDA target will be fifty percent (50%) if 2022 EBITDA is strictly equal to two hundred five million euros (€205,000,000);

c. the rate of achievement of the EBITDA target will be one hundred percent (100%) if EBITDA 2022 is strictly equal or greater than three hundred and ten million euros (€310,000,000);

it being specified that (a) the rate of achievement of the EBITDA target shall be determined by linear interpolation if 2022 EBITDA falls between the levels indicated above, that (b) the achievement of the targets described in this section (i) shall be determined on the basis of a constant exchange rate set at one euro (€1.00) for one U.S. dollar and thirteen cents ($1.13), and (c) that in the event of any change in IFRS having an impact (negative or positive) on the achievement of the targets set out in this section (i), the Board of Directors shall take all measures necessary in order to neutralize this impact.

ii. *Rate of achievement of the revenue target*

The rate of achievement of the revenue target is determined based on the Group's consolidated revenues presented in the consolidated financial statements for the year ending March 31, 2022 ("**2022 Revenue**"), it being specified that:

a. the rate of achievement of the revenue target will be zero percent (0%) if Revenue 2022 is strictly less than seven hundred and one million U.S. dollars ($771,000,000);

b. the rate of achievement of the revenue target will be fifty percent (50%) if 2022 Revenue is strictly equal to seven hundred and seventy-one million U.S. dollars ($771,000,000);

c. the rate of achievement of the revenue target will be one hundred percent (100%) if 2022 Revenue is strictly equal to or greater than one billion, one hundred and twenty-nine million U.S. dollars ($1,129,000,000);

it being specified that (a) the rate of achievement of the revenue target will be determined *via* linear interpolation if Revenue 2022 falls between the levels indicated above, that (b) the achievement of the targets described in this (ii) shall be determined on the basis of a constant exchange rate set at one euro (€1.00) for one dollar and thirteen cents ($1.13), and (c) that in the event of any change in IFRS standards having an impact (negative or positive) on the achievement of the targets set out in this section (ii), the Board of Directors shall take all measures necessary in order to neutralize this impact.

iii. *Rate of achievement of the performance of the Company's ordinary share (Total Shareholder Return or "**TSR**") target*

The rate of achievement of the TSR target shall be determined based on the respective performance of the TSR of the Company's ordinary share and the Euro Stoxx 600 Technology index between July 26, 2019 and the publication date of the Group consolidated financial statements for the year ending on March 31, 2022 as follows:

a. the rate of achievement of the TSR target will be zero percent (0%) if the TSR of the Company's share is strictly less than eighty percent (80.00%) of the Euro Stoxx 600 Technology index performance;

b. the rate of achievement of the TSR target will be one hundred percent (100%) if the TSR of the Company's share is strictly greater than or equal to one hundred and twenty percent (120.00%) of the Euro Stoxx 600 Technology index performance;

it being specified that the rate of achievement of the TSR target will be determined *via* linear interpolation if the TSR of the Company share falls between the levels indicated above.

The TSR of the Company's shares will be determined as follows:

$$\frac{\text{Final Reference Price + Dividends – Initial Reference Price}}{\text{Initial Reference Price}}$$

with:

- the Initial Reference Price is the average of the last twenty (20) closing prices of the Company's ordinary share before the General Meeting of July 26, 2019;
- dividends are equal to the dividends paid during the period in question; and
- the Final Reference Price is the average of the last twenty (20) closing prices of the Company's ordinary share following the publication date of the Group's consolidated financial statements for the year ending March 31, 2022.

If the Euro Stoxx 600 Technology index ceases to exist, our Board of Directors may decide to replace it with any substitute index that, in the Board's opinion, would be suitable for assessing TSR performance.

The conversion ratio, stated as the total number of ordinary shares in the Company resulting from the conversion of all PS 2 issued or to be issued (the "**Conversion Ratio**") shall be calculated using the following formula:

Conversion Ratio = Max Ordinary Shares x Actual PS x Max PS 2 x Rate of Achievement)

with:

- "**Max OS**" is as defined above;
- "**Max PS 2**" is as defined above;
- "**Actual PS 2**" means the maximum number of PS 2 issued and to be issued as of the Conversion Date;
- "**Rate of Achievement**" means the global rate of achievement of those targets described in (i), (ii) and (iii) above and calculated using the following formula:

  Rate of Achievement = 1/3 x (EBITDA Rate + Revenue Rate + TSR Rate)
- "**EBITDA Rate**" is the rate of achievement of the EBITDA calculated in accordance with the detailed methods set out in (i) above, it being stipulated that (x) in the event of the achievement of a theoretical Revenue Rate of between 100% and 110% (calculated on a linear basis), and (y) in the event of the achievement of an EBITDA Rate of between 80% and 100%, the EBITDA Rate shall then be increased by that fraction of the theoretical Revenue Rate percentage falling between 100% and 110% without this resulting in an EBITDA Rate in excess of 100%;
- "**Revenue Rate**" us the rate of achievement of revenues calculated in accordance with the detailed methods set out in (ii) above, it being stipulated that (x) in the event of the achievement of a theoretical EBITDA Rate of between 100% and 110% (calculated on a linear basis), and (y) in the event of the achievement of a Revenue Rate of between 80% and 100%, the Revenue Rate shall then be increased by the fraction of the theoretical EBITDA Rate percentage falling between 100% and 110% without this resulting in a Revenue Rate in excess of 100%;
- "**TSR Rate**" is the rate of achievement of the TSR target determined using the methods set out in (iii) above.

The number of ordinary shares resulting from the conversion must be determined for each PS 2 holder by applying the Conversion Ratio to the number of PS 2 held by each holder on the Conversion Date divided by the number of PS 2 on that date, and when the total number of ordinary shares due to a holder of PS 2 by applying the Conversion Ratio to the number of PS 2 held is not a whole number, the holder will receive the number of ordinary shares rounded down to the nearest whole number. All ordinary shares resulting from the conversion of PS 2 will be the same as outstanding ordinary shares at the Conversion Date and will bear dividends with immediate effect.

As an exception in the event of the death of a holder of PS 2 prior to the Date of Conversion, the PS 2 held by the deceased may, at the request of the heir(s) or other beneficiaries of the deceased, and within a maximum of six (6) months following the death, be converted in advance (the "**Date of Early Conversion**") into a number of ordinary shares in the Company calculated by applying the Conversion Ratio set out above to the number of PS 2 held by the deceased on the Date of Early Conversion over the number of Actual PS 2 on the Date of Early Conversion, considering however that:

- the Rate of Achievement is equal to 1; and that
- the number of Actual PS 2 means the maximum number of PS 2 issued or to be issued on the Date of Early Conversion (considering in particular any potential condition regarding continued employment stipulated in the context of any free allocation of PS 2 as being met).

Our Board of Directors may, in the event of a Simple External Growth Transaction, a divestment or exceptional capital expenditure (CAPEX) lower or higher than that set out in the business plan, make adjustments to performance targets as follows:

i. revenue and EBITDA levels in the Group's consolidated financial statements for the fiscal year ending on March 31, 2022, will be restated in order to neutralize the impact of these transactions;

ii. TSR targets will remain unchanged;

where "Simple External Growth Transaction" means any acquisition transaction not classified as a Complex Major External Growth Transaction.

In the event of a Complex Major External Growth Transaction or Substantial Equity Investment:

a. the Conversion Ratio will be determined at the completion date of the Complex Major External Growth Transaction or Substantial Equity Investment, *mutatis mutandis*, it being specified that the Revenue Rate and the EBITDA Rate will be (i) determined on the basis of the most recent available consolidated financial statements on the date of the Complex Major External Growth Transaction or Substantial Equity Investment and (ii) measured on the basis of the targets:

- of EBITDA and of revenue calculated as of the date of these most recent financial statements, *prorata temporis* and *via* linear interpolation between (i) the level of Group consolidated EBITDA or revenue (as applicable) as shown in the Group's consolidated financial statements for the fiscal year ending on March 31, 2019, and (ii), firstly, (x) the target 2022 EBITDA and 2022 Revenue enabling the achievement of an EBITDA Rate and a Revenue Rate, as applicable, of 50% and, secondly, (y) the 2022 EBITDA and 2022 Revenue targets enabling the achievement of an EBITDA Rate and a Revenue Rate, as applicable, of 100%;
- the TSR Rate (i) will be assessed on the date of the Complex Major External Growth Transaction or of the Substantial Equity Investment, as the case may be, and (ii) by taking as the Final Reference Price, as applicable, either the exchange ratio approved for a Complex Major External Growth Transaction, or the price offered by the third party as part of a Substantial Equity Investment;
- the number of Actual PS 2 means the maximum number of PS 2 issued or to be issued on the Conversion Date defined in paragraph b) below (considering any potential condition regarding continued employment stipulated in the context of any free allocation of PS 2 to be fulfilled);

  with:

  - "**Complex Major External Growth Transaction**" means any acquisition completed *via* merger by absorption,
  - "**Substantial Equity investment**" means any public takeover or exchange bid launched with regard to the Company's shares, further (i) to the transfer by one or several Strategic Investor(s) of their ordinary shares in the Company to the initiator of the bid or to whom this Strategic Investor(s) may have contributed their ordinary shares in the Company or (ii) to the acquisition of an investment resulting in the initiator of the bid crossing the threshold of 30% of the share capital or voting rights of the Company,
  - "**Strategic Investor**" means Bpifrance Participations, CEA Investissement and NSIG Sunrise S.à.r.l, taken individually;

b. the PS 2 may be converted as an exception to paragraph 3 as follows:

- if the date of completion of the Complex Major External Growth Transaction or of the Substantial Equity Investment is prior to the date of the Shareholders' General Meeting called to approve the Group's consolidated financial statements for the fiscal year ending on March 31, 2021, then (i) seventy-five percent (75%) of the PS 2 issued or to be issued shall be converted into ordinary shares within six (6) months following the date of the Shareholders' General Meeting called to approve the Group's consolidated financial statements for the fiscal year ending on March 31, 2021, and (ii) the remaining twenty-five percent (25%) shall be converted on the Conversion Date stipulated in paragraph 3;
- if the completion date of the Complex Major External Growth Transaction or of the Substantial Equity Investment is between the date of the Shareholders' General Meeting called to approve the Group's consolidated financial statements for the fiscal year ending March 31, 2021 and the date of the Shareholders' General Meeting called to approve the Group's consolidated financial statements for the fiscal year ending March 31, 2022, then (i) seventy-five percent (75%) of the PS 2 issued or to be issued shall be converted into ordinary shares within two (2) months following the date of completion of the Complex Major External Growth Transaction or of the Substantial Equity Investment, as applicable, and (ii) the remaining twenty-five percent (25%) shall be converted on the Conversion Date stipulated in paragraph 3.

Where applicable, the Board of Directors may make adjustments to the ratio for converting the PS 2 into ordinary shares in order to protect the rights of beneficiaries, depending on potential transactions on the Company's share capital, specifically in the case of a change of the par value of ordinary shares, a capital increase by capitalization of reserves through an increase in the number of ordinary shares, the capitalization of reserves, earnings, premiums or other amounts allowed to be capitalized by increasing the par value of the ordinary shares, the granting of bonus (free) shares to all shareholders, the issuance of new shares or securities giving access to the Company's share capital with preferential subscription rights reserved for shareholders, a stock split or reverse stock split, the distribution of reserves, issue premiums or any other assets, share capital redemption, changes to the appropriation of earnings, share capital reduction due to losses *via* a reduction in the number of ordinary shares, or any other operation impacting shareholders' equity (including by way of a takeover bid and/or in the event of a change of control).

The PS 2 outstanding at the Conversion Date may be converted to new or existing ordinary shares held under the share repurchase program, and notes that the conversion of PS 2 to new ordinary shares entails the waiver by shareholders of their preferential subscription rights to new ordinary shares resulting from the conversion. In any event, PS 2 cannot be converted to ordinary shares between the notice of the Shareholders' General Meeting in the so-called *Bulletin officiel des annonces légales obligatoires* (French official legal gazette) and the date on which the meeting convenes. If this is the case, the Conversion Date would be postponed until after the Shareholders' General Meeting.

If the performance targets are not achieved and the number of ordinary shares to which the conversion of the PS 2 would give right, by applying the Conversion Ratio, equals zero, the PS 2 may be purchased by the Company at its initiative no later than the one hundred and eightieth (180th) calendar day following the publication date of the Group's consolidated financial statements for the fiscal year ending on March 31, 2022 (the "Repurchase Date"), at their par value, in accordance with the provisions of Article L. 228-12 III of the French Commercial Code.

The PS 2 thus repurchased would be canceled and the share capital would be proportionally reduced, pursuant to Articles L. 225-205 and 228-12-1 of the French Commercial Code, within sixty (60) calendar days as from the Repurchase Date.

Our Board of Directors must, if applicable, acknowledge the number of new ordinary shares resulting from the conversion of PS 2 on the Conversion Date and amend our Company's bylaws accordingly.

As a result of the creation of a new class of PS 2 and its features described above, the Ordinary and Extraordinary Shareholders' General Meeting (OEGM) held on July 26, 2019, amended Article 10 of our Company's bylaws (see section 9.1.2 *Bylaws* of this Universal Registration Document).

34th resolution of the OEGM of July 26, 2019 – Authorization to the Board of Directors to allocate, pursuant to Articles L. 225-197-1 *et seq.* of the French Commercial Code, free Company PS 2 to employees and/or corporate officers of the Company and/or its directly or indirectly affiliated companies or groups, entailing the waiver by shareholders of their preferential subscription rights

The Ordinary and Extraordinary Shareholders' General Meeting (OEGM) of July 26, 2019, in its 34th resolution, authorized our Board of Directors, for a period of 38 months through September 25, 2022, inclusive, pursuant to Articles L. 225-197-1 *et seq.* of the French Commercial Code and in accordance with this 34th resolution, to allocate existing or future free PS 2 in the Company on one or more occasions, to beneficiaries that it will determine among the employees and the corporate officers of the Company or Group.

The maximum number of free PS 2 that can be allocated under this resolution shall be equal to two-thirds of the maximum total number of PS 2 that could be issued and that shall be set by our Board of Directors in accordance with the 33rd resolution and shall in no event be greater than 400,000, and, in view of the terms of the PS 2 set out in the 33rd resolution, notes that the number of ordinary shares resulting from the conversion of free PS 2 shall not exceed 2.5% of the share capital on the date of this Shareholders' General Meeting of July 26, 2019, plus the number of ordinary shares resulting from (i) the free share allocation plans on-going as of the date of the Shareholders' General Meeting of July 26, 2019, (ii) the conversion of the PS 1 and (iii) the conversion of the PS 2, it being specified that these ceilings do not take the necessary legal, regulatory or contractual adjustments to maintain the rights of holders of PS 2 into account.

The maximum total number of free PS 2 allocated to corporate officers of the Company under this resolution, which will be charged against the 400,000 PS 2 ceiling referred to in paragraph 2 above, may not represent more than 54,000 PS 2 allocated under this authorization.

The PS 2 will vest to their beneficiaries at the end of a vesting period whose duration, set by our Board of Directors, may not be less than one year, and the minimum lockup period, also set by the Board of Directors, may not be less than one year from the date the shares are vested. However, the lockup period for allocated shares with a vesting period of more than two years may be reduced or waived such that the shares can be freely sold once vested.

As an exception and subject to the bylaws, in the event a beneficiary dies or is classified as having a category two or three disability under Article L. 341-4 of the French Social Security Code, the PS 2 will vest immediately at the formal request of the beneficiary (or their assignees, if applicable), no lockup period will apply and the shares may be immediately sold.

This authorization automatically entails the waiver, in favor of beneficiaries of free PS 2, by shareholders of (i) their preferential subscription rights to free PS 2 issued in the future, (ii) the portion of reserves, earnings or premiums that will be incorporated into the share capital if free PS 2 are issued in the future, and (iii) all rights to existing free PS 2. Any corresponding capital increases will be definitively completed by the sole fact of the vesting of shares to their beneficiaries;

The Company can buy back existing ordinary shares resulting from the conversion of PS 2 allocated under this resolution.

Our Board of Directors has all powers, with the right to sub-delegate in accordance with the law, to implement the aforementioned authorization in such a form as it deems appropriate and in accordance with applicable law, particularly to:

- approve all the terms, methods and conditions of the free PS 2 allocation plan(s);
- determine the beneficiaries and the number of PS 2 allocated to each one;
- set the conditions and determine the criteria, dates and terms for allocating PS 2, such as the minimum vesting period and, if applicable, the duration of the lockup period for each beneficiary, and in general take all necessary measures and conclude any agreement to properly allocate the shares;
- change the number of PS 2 allocated in the event of any share capital or equity transactions occurring during the vesting period to preserve the rights of beneficiaries of free PS 2;
- decide either that the PS 2 and ordinary shares issued from their conversion and held by corporate officers may not be sold by the beneficiaries before their employment has ceased, or require corporate officers to hold a set number of PS 2 and ordinary shares in registered form until the end of their employment, pursuant to the last paragraph of Section II of Article L. 225-197-1 of the French Commercial Code;
- determine whether the ordinary shares resulting from the conversion of PS 2 will be existing or newly issued shares, and, in the case of newly issued shares, if applicable, deduct from reserves, earnings, premiums or other amounts that may incorporated into the share capital the sums needed to pay up said ordinary shares, note the capital increase(s) carried out under this authorization, amend the bylaws accordingly, and, in general, follow all necessary procedures;
- if need be, note the existence of sufficient reserves and for each allocation, transfer to a non-distributable reserves account the sums needed to pay up the PS 2 to be allocated;
- if need be, and when the time comes, increase the capital by incorporating reserves, earnings, premiums or other amounts that may be incorporated into the share capital as a result of the issuance of freely allocated new vested PS 2;
- where necessary, buy back ordinary shares;
- where necessary, take all necessary measures to ensure beneficiaries comply with the lockup period; and
- do whatever is necessary to implement this authorization within the framework of the law.

35th resolution of the OEGM of July 26, 2019 – Delegation of authority granted to the Board of Directors to issue PS 2, without preferential subscription rights, to persons meeting defined criteria

The Ordinary and Extraordinary Shareholders' General Meeting (OEGM) of July 26, 2019, in its 35th resolution, granted our Board of Directors, for a 38-month period until September 25, 2022, inclusive, a delegation with the right to sub-delegate in accordance with the law, for the purpose of issuing PS 2 against payment.

This 35th resolution waives the shareholders' preferential subscription rights to the PS 2 and reserves the right to subscribe these PS 2 for the category of beneficiaries who meet the following criteria: corporate officers or employees of the Company, or of companies or groups that are directly or indirectly affiliated with it in accordance with Article L. 233-4 of the French Commercial Code.

Our Board of Directors will have the authority to establish the precise list of beneficiaries of the waiver of preferential subscription rights and to set the number of PS 2 to be subscribed by each of them under this delegation of authority.

This delegation automatically waives in favor of the beneficiaries, the list of whom will have been approved by our Board of Directors, the preferential subscription rights to the new shares to which the PS 2 that may be issued under this resolution would give entitlement.

If the Board of Directors makes use of this delegation of authority, the maximum number of PS 2 that may be issued under this resolution shall be equal to one-third of the maximum total number of PS 2 that could be issued and that shall be set by the Board of Directors in accordance with the thirty-third resolution and shall in no event be greater than 200,000 PS 2, and shall acknowledge the terms and conditions of the PS 2 set out in the thirty-third resolution, which notes that the number of ordinary shares resulting from the conversion of the PS 2 under this resolution shall not exceed 1.25% of the share capital at the date of this Shareholders' General Meeting of July 26, 2019, increased by the number of ordinary shares resulting from (i) the outstanding free share allocation plans as of the date of this Shareholders' General Meeting of July 26, 2019, (ii) the conversion of the PS 1 and (iii) the conversion of the PS 2; it being specified that these ceilings were set without taking the necessary legal, regulatory or contractual adjustments to maintain the rights of holders of PS 2 into account.

Our Board of Directors shall determine, according to the applicable regulations, the subscription price that shall be set, after consulting an independent appraiser, based on factors that influence its value.

The Board of Directors has all powers, with the right to sub-delegate in accordance with the law, to implement the aforementioned delegation of authority in such a form as it deems appropriate and in accordance with applicable law, particularly to:

- set the terms of issue, and particularly the subscription price;
- to determine if the ordinary shares resulting from the conversion of the PS 2 shall be existing shares or shares to be issued and, in case of issue of new ordinary shares, to attribute, as the case may be, the necessary funds to pay up the said ordinary shares on the reserves, earnings or premiums or any amount which could be capitalized;
- amend the bylaws as necessary with regard to the amount of share capital and the number of shares comprising it;
- on its sole initiative, to deduct the costs of capital increases from the amount of related premiums and take from this amount the sums required to constitute the legal reserve;
- to make whatever changes are needed to take into account transactions on the Company's share capital, conclude any agreement needed to properly carry out the planned issues, note the completion of capital increases, amend the bylaws accordingly, follow all necessary procedures, and in general do whatever is necessary.

36th resolution of the OEGM of July 26, 2019 – Authorization for the Board of Directors to cancel, if necessary, the Company's own treasury shares up to a maximum of 10%

In its 36th resolution, the Ordinary and Extraordinary Shareholders' General Meeting of July 26, 2019, authorized the Board of Directors to cancel shares of the Company acquired under authorizations granted by the Shareholders' General Meeting.

In accordance with Article L. 225-209 of the French Commercial Code, at its sole discretion, the Board of Directors has authority to cancel treasury shares, in one or more transactions, up to a maximum of 10% of the share capital during a period of 24 months. Furthermore, it has the power to proceed with a corresponding decrease in share capital.

At the date of each cancellation, the total number of ordinary shares canceled by our Company over the 24-month period prior to the cancellation (including those to be canceled in the aforementioned cancellation) may not exceed 10% of the ordinary shares comprising the Company's share capital on that date; it being specified that this limit applies to the Company's share capital adjusted as necessary to take into account transactions affecting the share capital after the Ordinary and Extraordinary Shareholders' General Meeting of July 26, 2019.

This authorization is valid until the day of the Shareholders' General Meeting called to approve the financial statements for the year ended March 31, 2020.

The Board of Directors has all powers, with the possibility to sub-delegate, to undertake any act, formality or declaration with a view to cancelling the shares acquired and decreasing the share capital, and to amend the bylaws as a result.

7.2.4.2 Special report on stock option transactions for fiscal year 2019-2020

Pursuant to Article L. 225-184 of the French Commercial Code, we disclose below the transactions allocating, exercising and cancelling stock options in the Company undertaken during the 2019-2020 fiscal year.

I. Allocation of stock options during the 2019-2020 fiscal year

During 2019-2020 fiscal year, no stock option has been allocated to employees or to the corporate officer, neither by our Company nor by the companies under its control within the meaning of Article L. 233-16 of the French Commercial Code, nor by affiliated companies or groups under the conditions set forth by Article L. 225-180 of the French Commercial Code.

II. Exercise of stock options or stock purchases during the 2019-2020 fiscal year

1. Exercise of stock options under plans allocated in 2019-2020:

Not applicable.

2. Exercise of stock options under plans previously allocated:

Not applicable.

III. Cancellation of stock options during fiscal year 2019-2020

Not applicable.

7.2.4.3 Special report on transactions completed on free shares allocated for fiscal year 2019-2020

Pursuant to Article L. 225-197-4 of the French Commercial Code, we disclose below the transactions allocating, exercising and cancelling stock options in the Company (the "Company") undertaken during the 2019-2020 fiscal year.

I. Free allocation of shares during the 2019-2020 fiscal year

Under the authorization adopted by the Ordinary and Extraordinary Shareholders' General Meeting of July 26, 2019, the Board of Directors again used the delegations of authority granted to it to allocate free ordinary shares (32nd resolution) or PS 2 (34th resolution).

To that end, on December 18, 2019, our Board of Directors set up two free PS 2 allocation plans that vest subject to compliance with a continued employment condition expiring on August 1, 2022 (inclusive) and convert into ordinary shares as from that date and no later than the 180th calendar day following the date of approval by the Shareholders' General Meeting of the consolidated financial statements of our Group for the fiscal year ending March 31, 2022, subject to compliance with a performance condition (see section 7.2.3.1, G *Free ordinary share allocation plan* of this Universal Registration Document).

Our Board of Directors has also set up two free ordinary share allocation plans, pursuant to its decisions dated December 18, 2019 and March 25, 2020. The ordinary shares freely allocated in both plans will vest to their beneficiaries, subject to compliance with the continued employment condition, at the end of a vesting period that will expire on the first business day after August 1, 2022.

The table below sums up the information relating to these four free ordinary share allocations:

Date of the Shareholders' General Meeting	07/26/2019	07/26/2019	07/26/2019	07/26/2019
Name of Plan	Free PS 2 allocation plan Topaz no. 1	Free PS 2 allocation plan Topaz no. 2	Free OS allocation	Free OS allocation
Date of Board of Directors' meeting	12/18/2019	12/18/2019	12/18/2019	03/25/2020
NUMBER OF SHARES ALLOCATED (1)	**163,978**	**31,982**	**23,953**	**14,863**
Of which number of shares for corporate officers	-	31,982	-	-
Of which number of shares for the top ten employee recipients	110,504	-	20,356	12,047
Beneficiaries number	**372**	**1**	**16**	**20**
Vesting period			from 12/19/2019 to 08/01/2022	from 3/26/2020 to 08/01/2022
Vesting of 40% of the PS 2 allocated	*from 12/18/2019 to 12/18/2020*	*from 12/18/2019 to 12/18/2020*		
Vesting of 30% of the PS 2 allocated	*from 12/18/2019 to 08/01/2021*	*from 12/18/2020 to 08/01/2021*		
Vesting of 30% of the PS 2 allocated	*from 12/18/2019 to 08/01/2022*	*from 12/18/2019 to 08/01/2022*		
Holding period	until the earliest of the following three dates: (i) the Conversion Date (1), (ii) the Repurchase Date (2), or (iii) July 26, 2029	until the earliest of the following three dates: (i) the Conversion Date (1), (ii) the Repurchase Date (2), or (iii) July 26, 2029	N/A	N/A
Number of shares vested (1)	**-**	**-**	**-**	**-**
Number of shares remaining (1)	**163,978**	**31,982**	**23,953**	**14,863**

(1) *The conversion date of the PS 2 into new or existing ordinary Company shares (the "Conversion Date") shall be determined by the Board of Directors, and said Conversion Date shall in any event be no later than the 180th calendar day following the date of approval by the Shareholders' General Meeting of the Group's consolidated financial statements for the year ending March 31, 2022.*

(2) *In the event that the performance targets are not achieved and the number of ordinary shares to which the conversion of the PS 2 would give right, by applying the Conversion Ratio, equals zero, the PS 2 may be purchased by the Company at its initiative no later than the 180th calendar day following the publication date of the Group's consolidated financial statements for the fiscal year ending March 31, 2022 (the "Repurchase Date"), at their par value, in accordance with the provisions of Article L. 228-12 III of the French Commercial Code.*

II. Vesting during fiscal year 2019-2020 of free shares allocated during previous fiscal years

For fiscal year 2019-2020, several waves of free shares allocated during previous fiscal years vested.

Vesting of free ordinary shares allocated under PAT no. 1 and PAT no. 2

In accordance with a decision by our Chief Executive Officer dated March 30, 2020, rendered under the authorization granted by the Board of Directors on March 25, 2020, 110,767 ordinary shares allocated under PAT no. 1, and 59,480 ordinary shares allocated under PAT no. 2, vested to their beneficiaries due to compliance with the continued employment condition within the Company's workforce at the end of a two-year vesting period that expired on the first business day after March 28, 2020.

Vesting of PS 1 shares and conversion into ordinary shares under the MIP

During the fiscal year ended March 31, 2020, the balance of the conditional rights to PS 1 existing as of April 1, 2019 (*i.e.*, 26,338), gave rise, subject to a continued employment condition, to the vesting of PS 1 to five MIP beneficiaries who are non-French tax residents.

These PS 1 were immediately converted into ordinary shares on the dates and in the proportions shown in section 7.2.3.1, A *Free prefered share allocation plan (MIP)* of this Universal Registration Document.

III. Cancellations during fiscal year 2019-2020 of free shares allocated during previous fiscal years

For fiscal year 2019-2020, no free shares allocated during the year ended or during fiscal year 2018-2019 were canceled.

7.2.5 INFORMATION ABOUT THE SHARE CAPITAL OF GROUP COMPANIES WHICH IS UNDER OPTION OR AGREED CONDITIONALLY OR UNCONDITIONALLY TO BE PUT UNDER OPTION

To the Company's knowledge, as of the date of this Universal Registration Document, there was not any option on the capital of a company of the Group or a conditional or unconditional agreement providing for placing the capital of these companies under option.

7.2.6 CHANGES IN THE SHARE CAPITAL DURING THE LAST FIVE YEARS

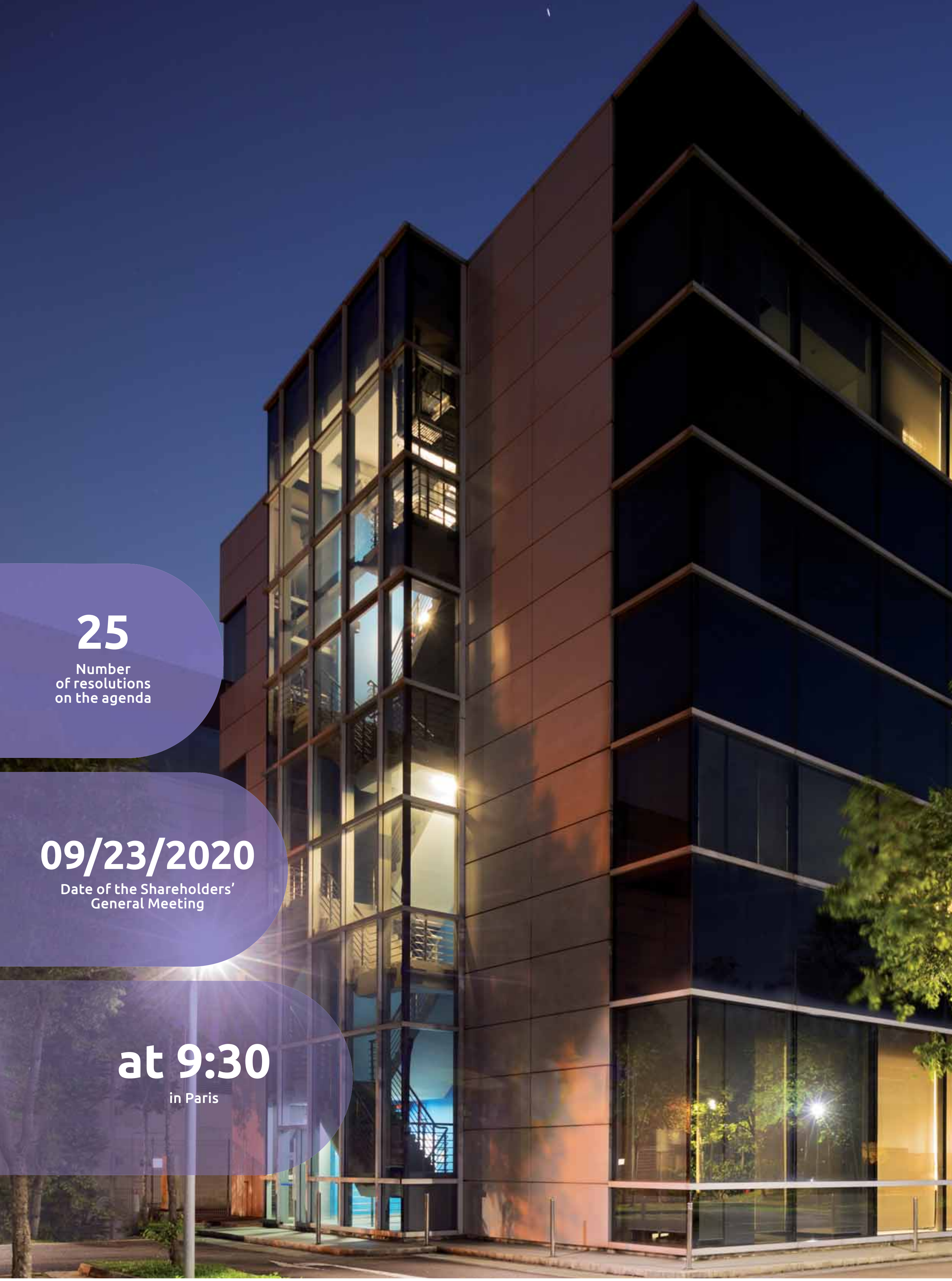
The table below summarizes each of the changes in the Company's share capital during the last five years.

› Data -before reverse-stock split operations that became effective on February 8, 2017

Date	Type of transaction	Changes in the share capital *(in €)*	Issue premium and capital contributions *(in €)*	Change in number of outstanding shares *(in €)*	Par Value *(in €)*	Cumulative structure of share capital *(in €)*	Cumulative structure of share capital *(in shares)*
02/03/2015	**CAPITAL INCREASE BY ISSUANCE OF SHARE WARRANTS**	**600,000**	**4,620,000**	**6,000,000**	**0.10**	**23,108,543**	**231,085,432**
03/10/2015	Capital increase by purchase of free shares and conversion of convertible bonds into new or existing shares (OCEANE 2018)	10,299	29,546	102,994	0.10	23,118,843	231,188,426
04/28/2015	Capital increase by vesting of free shares	11,489	-	114,894	0.10	23,130,332	231,303,320
12/18/2015	Capital increase by vesting of free shares	2,086	-	20,864	0.10	23,132,418	231,324,184
05/02/2016	**CASH CAPITAL INCREASES RESERVED FOR BPIFRANCE PARTICIPATIONS, CEA INVESTISSEMENT AND NSIG SUNRISE S.À.R.L.**	**13,903,405**	**62,565,323**	**139,034,051**	**0.10**	**37,035,824**	**370,358,235**
06/08/2016	**CAPITAL INCREASE WITH PREFERENTIAL SUBSCRIPTION RIGHTS**	**23,568,251**	**51,850,152**	**235,682,510**	**0.10**	**60,604,074**	**606,040,745**
06/14/2016	Capital increase by vesting of free shares	18,947	-	189,472	0.10	60,623,022	606,230,217
12/02/2016	Capital increases by conversion of OCEANE 2018 bonds	0.10	-	1	0.10	60,623,022	606,230,218
12/06/2016	Capital reduction (not caused by losses) through cancellation of treasury shares	(1.80)	-	(18)	0.10	60,623,020	606,230,200

› Data after reverse-stock split that became effective on February 8, 2017

Date	Type of transaction	Changes in the share capital *(in €)*	Issue premium and capital contributions *(in €)*	Change in number of outstanding shares *(in €)*	Par Value *(in €)*	Cumulative structure of share capital *(in €)*	Cumulative structure of share capital *(in shares)*
07/26/2017	Capital increase by vesting of free preferred shares	23,615.70	-	236,157	0.10	60,646,635.70	30,547,667
08/08/2017	**CAPITAL INCREASES BY CONVERSION OF OCEANE 2018 BONDS**	**2,112,114**	**-**	**1,056,057**	**2.00**	**62,758,749.70**	**31,603,724**
12/06/2017	Capital increase by vesting of free preferred shares	379.80	-	3,798	0.10	62,759,129.50	31,607,522
03/30/2018	Capital increase by vesting of free preferred shares	2,941	-	29,410	0.10	62,762,070.50	31,636,932
07/29/2019	**CAPITAL INCREASE RESULTING FROM THE CONVERSION OF PS 1 INTO ORDINARY SHARES (MIP)**	**2,472,422.30**	**-**	**1,011,862**	**2.00**	**65,234,492.80**	**32,648,794**
12/06/2019	**CAPITAL INCREASE RESULTING FROM THE CONVERSION OF PS 1 INTO ORDINARY SHARES (MIP)**	**64,060.20**	**-**	**28,422**	**2.00**	**65,298,553.00**	**32,677,216**
12/18/2019	**CAPITAL INCREASE THROUGH THE ISSUE OF RESERVED PS 2**	**195,960**	**8,051,016.60**	**97,980**	**2.00**	**65,494,513**	**32,775,196**
02/28/2020	**CASH CAPITAL INCREASE RESERVED FOR THE COMPANY MUTUAL FUND SOITEC JADE 2020**	**412,014**	**13,600,582.14**	**206,007**	**2.00**	**65,906,527**	**32,981,203**
03/30/2020	**CAPITAL INCREASE RESULTING FROM THE VESTING OF ORDINARY SHARES (PAT NO. 1 AND PAT NO. 2)**	**340,494**	**-**	**170,247**	**2.00**	**66,247,021**	**33,151,450**
03/30/2020	**CAPITAL INCREASE RESULTING FROM THE CONVERSION OF PS 1 INTO ORDINARY SHARES (MIP)**	**310,781**	**-**	**127,451**	**2.00**	**66,557,802.00**	**33,278,901**



25

Number
of resolutions
on the agenda

09/23/2020

Date of the Shareholders'
General Meeting

at 9:30

in Paris

8. Shareholders' General Meeting

8.1 AGENDA

During its session of July 27, 2020, our Board of Directors decided to convene an Ordinary and Extraordinary Shareholders' General Meeting on:

Wednesday September 23, 2020, at 9:30 a.m, Paris time
at the Cloud Business center, 10 bis rue du Quatre Septembre 75002 Paris, France

in order to submit the 25 draft resolutions relating to the agenda below for shareholders' approval.

It should be noted that in case the *quorum* is not reached, the Ordinary and Extraordinary Shareholders' General Meeting will be convened for Monday October 5, 2020 at 9:30, Paris time, also at the Cloud Business center, 10 bis rue du Quatre Septembre 75002 Paris, France.

› *Resolutions within the competence of the Ordinary Shareholders' General Meeting*

First resolution:	Approval of the statutory financial statements for the fiscal year ended March 31, 2020
Second resolution:	Approval of the consolidated financial statements for the fiscal year ended March 31, 2020
Third resolution:	Appropriation of income for the fiscal year ended March 31, 2020
Fourth resolution:	Approval of the regulated agreements and commitments subject to the provisions of Articles L. 225-38 *et seq.* of the French Commercial Code
Fifth resolution:	Approval of the information regarding to the compensation of each of the Company's corporate officers required by Article L. 225-37-3, I of the French Commercial Code
Sixth resolution:	Approval of the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or granted to Mr Paul Boudre, Chief Executive Officer, for the fiscal year ended March 31, 2020
Seventh resolution:	Approval of the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or granted to Mr Éric Meurice, Chairman of the Board of Directors, for the fiscal year ended March 31, 2020
Eighth resolution:	Approval of the compensation policy for executive corporate officers for the current fiscal year ending on March 31, 2021
Ninth resolution:	Setting the amount of the total annual compensation to the directors
Tenth resolution:	Authorization to be granted to the Board of Directors to carry out transactions on the Company's shares

› *Resolutions within the competence of the Extraordinary Shareholders' General Meeting*

Eleventh resolution:	Modification of the bylaws of the Company to enable the appointment of directors representing employees within the Board of Directors of the Company
Twelfth resolution:	Delegation of authority to be granted to the Board of Directors for the purpose of proceeding with a capital increase by way of the issuance of shares and/or securities giving access to the Company's share capital, with preferential subscription rights, immediately or in the future
Thirteenth resolution:	Delegation of authority to be granted to the Board of Directors for the purpose of proceeding with a capital increase by way of the issuance of shares and/or securities giving access, immediately or in the future, to the Company's share capital, without preferential subscription rights, through a public offer with the exception of the offers referred to in part 1° of Article L. 411-2 of the French Monetary and Financial Code
Fourteenth resolution:	Delegation of authority to be granted to the Board of Directors in order to issue, by a public offer pursuant to part 1° of Article L. 411-2 of the French Monetary and Financial Code, shares and/or securities giving access, immediately or in the future, to the Company's share capital, without shareholders' preferential subscription rights
Fifteenth resolution:	Delegation of authority to be granted to the Board of Directors for the purpose of issuing shares and/or securities giving access, immediately or in the future, to the Company's share capital, reserved to categories of persons meeting defined requirements, without shareholders' preferential subscription rights
Sixteenth resolution:	Delegation of authority to be granted to the Board of Directors for the purpose of increasing the issuance amount with or without preferential subscription rights, within the limit of 15% of the initial issuance
Seventeenth resolution:	Authorization to be granted to the Board of Directors in the event of issuance, without preferential subscription rights, of shares and/or securities giving access, immediately or in the future, to the Company's share capital, for the purpose of setting the issuance price within the limit of 10% of the Company's share capital under the terms and conditions adopted by the Shareholders' General Meeting
Eighteenth resolution:	Delegation of powers to be granted to the Board of Directors in order to issue shares and/or securities giving access, immediately or in the future, to the Company's share capital in compensation for contributions in kind consisting of shares or securities giving access to the Company's share capital
Nineteenth resolution:	Delegation of authority to be granted to the Board of Directors for the purpose of increasing the share capital by capitalizing premiums, reserves, profits, or any other funds that may be capitalized
Twentieth resolution:	Delegation of authority to be granted to the Board of Directors for the purpose of proceeding with an increase of the share capital by the issuance of shares or securities giving access, immediately or in the future, to the Company's share capital, to compensate shares brought within the framework of a public exchange offer initiated by the Company
Twenty-first resolution:	Delegation of authority to be granted to the Board of Directors for the purpose of proceeding with an increase of the share capital through shares or securities issuance reserved to employees subscribing to a company savings plan, without preferential subscription rights
Twenty-second resolution:	Delegation of authority to be granted to the Board of Directors for the purpose of issuing PS 2, without preferential subscription rights, reserved to persons meeting defined requirements
Twenty-third resolution:	Authorization to be granted to the Board of Directors to cancel, where applicable, treasury shares held by the Company, up to a maximum of 10%
Twenty-fourth resolution:	Amendment of Article 15 of the bylaws of the Company due to legislative and regulatory changes, to allow the Board of Directors to make decisions by way of written consultation
Twenty-fifth resolution:	Powers for formalities

8.2 EXPLANATION OF THE REASONS FOR THE DRAFT RESOLUTIONS SUBMITTED TO OUR ORDINARY AND EXTRAORDINARY SHAREHOLDERS' GENERAL MEETING OF SEPTEMBER 23, 2020

8.2.1 RESOLUTIONS WITHIN THE COMPETENCE OF THE ORDINARY SHAREHOLDERS' GENERAL MEETING

- RESOLUTIONS NO. 1 TO 3: APPROVAL OF THE FINANCIAL STATEMENTS AND APPROPRIATION OF INCOME -

Under resolutions 1 to 3, we propose you to:

- approve the annual financial statements of our Company for the fiscal year ended March 31, 2020, which **show** revenue of €577,355 thousand and profit of €99,727,192.64, and to approve the overall amount of expenses and non-deductible charges subject to corporate income tax standing at €124,507 for the fiscal year, as well as the related tax charge estimated at €41,502;
- approve the consolidated annual financial statements for the fiscal year ended March 31, 2020, which show revenue of €597,549 thousand and net profit Group share of €109,681 thousand; and
- appropriate the profit from the fiscal year ended March 31, 2020, standing at €99,727,192.64, as follows:
  - €379,513.15, to the "Statutory Reserve", taking it from €6,276,207.05 to €6,655,720.20 and consequently reaching an amount at least equal to 10% of our share capital, and
  - the balance, representing €99,347,679.49, to "Retained Earnings", taking it from €153,124,369.71 to €252,472,049.20.

First resolution – Approval of the statutory financial statements for the fiscal year ended March 31, 2020

The Shareholders' General Meeting, under the conditions of *quorum* and majority required for Ordinary Shareholders' General Meetings, having considered the report of the Board of Directors and the statutory auditors' reports, approves the statutory financial statements for the fiscal year ended March 31, 2020, in their entirety, including the balance sheet, the income statement and the notes, as well as the transactions reflected in these financial statements or summarized in these reports, as they are presented, showing revenue of €577,355 thousand and profit of €99,727,192.64.

The Shareholders' General Meeting also approves the overall amount of expenses and charges referred to in Article 39-4 of the French General Tax Code standing at €124,507 for the fiscal year ended March 31, 2020 and which generated a tax charge estimated at €41,502.

Second resolution – Approval of the consolidated financial statements for the fiscal year ended March 31, 2020

The Shareholders' General Meeting, under the conditions of *quorum* and majority required for Ordinary Shareholders' General Meetings, having considered the report of the Board of Directors and the statutory auditors' reports, approves the consolidated financial statements for the fiscal year ended March 31, 2020, including the balance sheet, the income statement and the notes, as well as the operations reflected in these financial statements or summarized in these reports, as they are presented, showing revenue of €597,549 thousand and a net profit Group share of €109,681 thousand as well as transactions reflected in these accounts and summarized in these reports.

Third resolution – Appropriation of income for the fiscal year ended March 31, 2020

The Shareholders' General Meeting, under the conditions of *quorum* and majority required for Ordinary Shareholders' General Meetings, having considered the Board of Directors' Management report and the statutory auditors' report on the annual financial statements for the fiscal year ended March 31, 2020, decides to appropriate the profit for the fiscal year ended March 31, 2020, amounting to €99,727,192.64, as follows:

- €379,513.15 to the "Statutory Reserve", taking it from €6,276,207.05 to €6,655,720.20, consequently reaching an amount at least equal to 10% of the share capital of the Company; and
- the balance, representing €99,347,679.49 to "Retained earnings", taking it from €153,124,369.71 to €252,472,049.20.

The Shareholders' General Meeting acknowledges that there has not been any payment of dividends over the past three fiscal years.

- RESOLUTION NO. 4: REGULATED AGREEMENTS -

During the fiscal year ended March 31, 2020, no new regulated agreement was submitted to the Board of Directors.

Pursuant to the law, the Board of Directors has completed the annual review of all agreements entered into and authorized during previous fiscal years, the performance of which continued during the fiscal year ended March 31, 2020.

Pursuant to the fourth resolution, we ask you to acknowledge that the special report by the statutory auditors on regulated agreements does not mention any new agreement. This report can be found in section 8.4 (Statutory auditors' report on related party agreements) of the Universal Registration Document.

Fourth resolution – Approval of the regulated agreements and commitments subject to theprovisions of Articles L. 225-38 *et seq.* of the French Commercial Code

The Shareholders' General Meeting, under the conditions of *quorum* and majority required for Ordinary Shareholders' General Meetings, having considered the statutory auditors' special report on related-party agreements and commitments under Article L. 225-38 *et seq.* of the French Commercial Code, acknowledges that no regulated agreement of this type has been entered into during the fiscal year ended March 31, 2020.

- RESOLUTIONS NO. 5 TO 8: COMPENSATION OF OUR EXECUTIVE CORPORATE OFFICERS -

- RESOLUTIONS NO. 5 TO 7 – *EX-POST* SAY-ON-PAY -

In accordance with the ordinance 2019-1234 dated November 27, 2019 in application of the law 2019-486 dated May 22, 2019 relative to growth and the transformation of companies ("PACTE law"), our shareholders are requested to approve:

- pursuant to the 5th resolution, in application of Article L. 225-100, II of the French Commercial Code, the information regarding to the compensation paid during the fiscal year ended March 31, 2020 or granted with respect to the same fiscal year, to corporate officers of the Company for their corporate offices, mentioned in section I of Article L. 225-37-3 of the French Commercial Code, as presented to the Shareholders' General Meeting in the report on corporate governance.
- pursuant to the 6th and 7th resolutions, in application of Article L. 225-100, III of the French Commercial Code, the fixed, variable and exceptional elements composing the total compensation and benefits of any kind paid during the past fiscal year or granted for the same fiscal year to:
  - Paul Boudre, Chief Executive Officer, and
  - Éric Meurice, Chairman of the Board of Directors.

The principles and criteria concerning this compensation were the subject of the 20th resolution submitted for the approval of our Shareholders Meeting on July 26, 2019, in accordance with Article L. 225-37-2 of the French Commercial Code (*ex-ante* Say-on-pay).

The adoption of this 20th resolution had the effect of validating the compensation policy for our executive corporate officers as approved by our Board of Directors on March 27, 2019, upon the recommendation of the Compensation Committee.

We invite you to consult section 4.2 (Compensation) of this Universal Registration Document, which sets out the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or granted to our executive corporate officers for the fiscal year ended March 31, 2020.

- RESOLUTION NO. 8 – *EX-ANTE* SAY-ON-PAY -

In application of Article L. 225-37-2 of the French Commercial Code, we ask our shareholders, pursuant to the 8th resolution, to approve the compensation policy of the Company's corporate officers, namely the directors, the Chief Executive Officer and the Chairman of the Board of Directors. This policy is in the corporate interest of the Company, contributes to its viability and forms part of its commercial strategy.

This compensation policy was adopted by the Board of Directors during its meeting of August 4, 2020 upon the recommendation of the Compensation Committee.

We invite you to consult section 4.2.3 (Compensation policy for corporate officers for the current fiscal year (2020-2021)) of this Universal Registration Document where this compensation policy is presented in detail).

If the resolution is not approved by the shareholders and in case the previous General Meeting of Shareholders had approved a compensation policy of the Company's corporate officers, namely the directors, the Chief Executive Officer and the Chairman of the Board of Directors at the previous General Meeting, such compensation policy continues to apply, in accordance with Article L. 225-37-2 of the French Commercial Code.

Fifth resolution – Approval of the information regarding to the compensation of each of the Company's corporate officers required by Article L. 225-37-3, I of the French Commercial Code

The Shareholders' General Meeting, under the conditions of *quorum* and majority required for Ordinary Shareholders' General Meetings, having considered the report from the Board of Directors on corporate governance, including the information on compensation paid during, or granted, during the fiscal year ended March 31, 2020, to the Company's corporate officers for their corporate offices, approves, in application of Article L. 225-100, II of the French Commercial Code, the information mentioned in section I of Article L. 225-37-3 of the French Commercial Code, as presented to the Ordinary Shareholders' General Meeting in the aforementioned report.

Sixth resolution – Approval of the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or granted to Mr Paul Boudre, Chief Executive Officer, for the fiscal year ended on March 31, 2020

The Shareholders' General Meeting, under the conditions of *quorum* and majority required for Ordinary Shareholders' General Meetings, having considered the report from the Board of Directors on corporate governance, approves, in application of Article L. 225-100, III of the French Commercial Code, the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or granted to Mr Paul Boudre for the fiscal year ended March 31, 2020, as presented in the aforementioned report and granted in respect of his term of office as Chief Executive Officer.

Seventh resolution – Approval of the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or granted to Mr Éric Meurice, Chairman of the Board of Directors, for the fiscal year ended March 31, 2020

The Shareholders' General Meeting, under the conditions of *quorum* and majority required for Ordinary Shareholders' General Meetings, having considered the Board of Directors' report on corporate governance, approves, in application of Article L. 225-100, III of the French Commercial Code, the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or granted to Mr Éric Meurice for the fiscal year ended March 31, 2020, as presented in the aforementioned report and granted in respect of his term of office as Chairman of the Board.

Eighth resolution – Approval of the compensation policy for executive corporate officers for the current fiscal year ending on March 31, 2021

The Shareholders' General Meeting, under the conditions of *quorum* and majority required for Ordinary Shareholders' General Meetings, having considered the Board of Directors' report on corporate governance established in accordance with the provisions of Article L. 225-37-2 of the French Commercial Code and presented in the Company's 2019-2020 Universal Registration Document approves the compensation policy for the Company's corporate officers, namely the directors, the Chief Executive Officer and the Chairman of the Board of Directors.

- RESOLUTION NO. 9: SETTING THE AMOUNT OF THE TOTAL ANNUAL COMPENSATION PAID TO THE DIRECTORS -

According to the terms of the **9th resolution**, we propose **to set the total annual amount of the compensation allocated to the directors from the fiscal year 2021-2022 onward.**

The current compensation budget intended for our directors is €720,000. Further to a recommendation from the Compensation Committee, our Board of Directors proposed, at is meeting on August 4, 2020 **to increase to** €780,000 effective April 1, 2021, the compensation available each year for allocation to the directors (being specified that the compensation of the Chairman would not be part of this budget), and, in the event of an increase in the Company's turnover for the year April 1, 2020 - March 31, 2021, such increase could be retroactive, upon decision of the Board of Directors as from April 1, 2020.

The proposed increase in particular takes into consideration the increase in the number of meetings of the Board of Directors and of certain Committees.

The criteria for and rules governing the distribution of this compensation are presented in the compensation policy for our directors set out in Section 4.2.3.6 (Compensation policy for our directors) of this Universal Registration Document.

Ninth resolution – Setting the amount of the total annual compensation to the directors

The Shareholders' General Meeting, under the conditions of *quorum* and majority required for Ordinary Shareholders' General Meetings, having considered the Board of Directors' report on corporate governance, resolves, in accordance with Article 18 of the bylaws, effective from the fiscal year 2021-2022, to set the total annual compensation allocated to the directors described in Article L. 225-45 of the French Commercial Code at €780,000 (being specified that the compensation of the Chairman would not be part of this budget).

The Shareholders' General Meeting grants all powers to the Board of Directors to distribute all or part of this compensation between its members, in accordance with the methods that it will determine and in particular, in the event of an increase in the Company's turnover for the year April 1, 2020 - March 31, 2021, the budget Increase to €780,000 could be retroactive, upon decision of the Board of Directors as from April 1, 2020.

- RESOLUTION NO. 10: AUTHORIZATION TO CARRY OUT TRANSACTIONS ON TREASURY SHARES -

Under the terms of the 10th resolution, we ask you to grant a new authorization to our Board of Directors, in accordance with the provisions of Article L. 225-209 of the French Commercial Code, to carry out transactions on the Company's shares.

This authorization would be granted up to a maximum of 5% of the share capital of our Company, and subject to the condition that the number of shares that the Company holds at any time shall not exceed 10% of our share capital.

The maximum purchase price per share will be fixed at €150 (excluding acquisition costs). In application of Article R. 225-151 of the French Commercial Code, we request you to set at 1,663,945 the maximum number of shares that may be acquired as part of our share repurchase program, and at €249,591,750 the maximum overall amount that will be allocated to this program. We specify that this number and maximum amount were calculated based on our share capital on June 10, 2020, standing at €66,557,802.00.

This authorization would be valid for a period expiring on the day of our Shareholders' General Meeting to be called in 2021 to approve the financial statements for the fiscal year ended on March 31, 2021, and would void the authorization granted on July 26, 2019.

Tenth resolution – Authorization to be given to the Board of Directors to carry out transactions on the Company's shares

The Shareholders' General Meeting, under the conditions of *quorum* and majority required for Ordinary Shareholders' General Meetings, having considered the Board of Directors' report, and in accordance with the provisions of Articles L. 225-209 *et seq.* of the French Commercial Code, Articles 241-1 to 241-5 of the General Regulations of the French Financial Markets Authority (AMF), the European legislation on market abuse and on market practices accepted by the AMF, authorizes the Board of Directors, with the right to sub-delegate, in accordance with the conditions set by law and in the Company's bylaws, to acquire or to cause Company shares to be acquired, particularly for the purpose of:

- ensuring liquidity and making a market on the secondary share market of the Company through an investment service provider acting independently within the framework of a liquidity agreement which complies with the market practice accepted by the French *Autorité des marchés financiers* (as amended where appropriate); or
- the allocation or sale of shares to employees to allow them to participate in the benefits of Company's expansion or for the implementation of company or group savings plans (or similar plans) under the conditions provided for by law, and notably Articles L. 3332-1 *et seq.* of the French Labor Code; or
- the allocation of free shares under the provisions of Articles L. 225-197-1 *et seq.* of the French Commercial Code; or
- in general, meeting obligations related to share option programs or other share allocations to employees or corporate officers of the issuer or of a related company; or
- the retention and deferred award of shares (in exchange, as payment or other) for external growth operations, on the understanding that the maximum amount of shares acquired with a view to their retention and subsequent award as payment or in exchange for merger, demerger or capital contribution operations may not exceed 5% of the capital; or
- hedging securities giving rights to shares of the Company upon the exercise of rights attached to securities, giving rights to the attribution of Company shares through redemption, conversion, exchange, presentation of bonds, or any other means; or
- subject to the adoption of the twenty-second resolution, subsequently canceling, in whole or in part, the shares thus bought under the conditions provided in Article L. 225-209 of the French Commercial Code.

This program is also designed to allow the implementation of all market practices accepted or that may be accepted by the market authorities, and more generally, the completion of transactions for other reasons that are permitted or may come to be permitted by current laws and regulations, subject to the Company's shareholders being sent notification. The share purchase may involve a number of shares, such as:

- the number of shares acquired during the term of the repurchase program may not exceed 5% of the Company's share capital (for information purposes, at the date of this Shareholders' General Meeting, a maximum of 1,663,945 shares), at the date of each buyback. This percentage applies to the capital adjusted according to these transactions occurring after this Shareholders' General Meeting, on the understanding that this is particular case of shares repurchased under a liquidity contract;
- the number of shares taken into account for the calculation of the 5% limit corresponds to the number of shares purchased, less the shares resold during the term of the authorization;
- the number of shares acquired for the purpose of conserving and subsequently delivering them as part of a merger, demerger or contribution operation may not exceed 5% of its share capital;
- the number of shares that the Company holds at any time may not exceed 10% of the Company's share capital, with this percentage applying to capital adjusted as a result of transactions occurring after this Shareholders' General Meeting.

The purchase of shares may be made on one or more occasions, by any means, on a regulated market, a multilateral trading facility, from a systematic internalizer or by mutual agreement, including by public offer or transactions for blocks of shares (which may represent the entire program). However, the Company does not intend to use derivatives. These transactions may be performed at any time, pursuant to the legal provisions in force, excluding during public offerings of Company securities.

The Shareholders' General Meeting decides that the maximum purchase price per share is set at one hundred fifty (€150) (excluding acquisition costs). In the event of share capital transactions, particularly the division or splitting of shares or award of free shares, the aforementioned amount will be adjusted in the same proportions (adjustment coefficient equal to the ratio between the number of shares comprising the capital prior to the transaction and the number of shares after the transaction).

The overall amount assigned to the share buyback program authorized above shall not exceed €249,591,750.

The Shareholders' General Meeting delegates to the Board of Directors all powers, with the right to sub-delegate, to implement this authorization, sign all agreements, stipulate, if required, the terms and approve the arrangements, to carry out this repurchase program, and notably to place any market order, sign any agreement, allocate or reallocate the acquired shares to the objectives pursued under the applicable legal and regulatory conditions, set the terms and conditions under which, where appropriate, the preservation of the rights of holders of securities giving access to the share capital or other rights giving access to the share capital will be guaranteed, in accordance with legal and regulatory provisions, and, where appropriate, with the contractual provisions for other adjustment cases, conduct all formalities and declarations with all organizations and, generally, do all that is necessary.

This authorization becomes effective at the close of this General Meeting and will expire on the day of the Shareholders' General Meeting called in 2021 to approve the financial statements for the fiscal year ended March 31, 2021, it being stipulated that this authorization cancels and supersedes all authorizations previously granted by a resolution of the same nature.

8.2.2 RESOLUTIONS WITHIN THE COMPETENCE OF THE EXTRAORDINARY SHAREHOLDERS' GENERAL MEETING

- RESOLUTION NO. 11: MODIFICATION OF THE BYLAWS OF THE COMPANY TO ENABLE THE APPOINTMENT OF DIRECTORS REPRESENTING EMPLOYEES TO THE BOARD OF DIRECTORS OF THE COMPANY -

Under **11th resolution**, we ask you **to approve the modification of the bylaws to enable the appointment of directors representing employees**.

To date, our **Board of Directors does not have any directors who represent our employees**, or any director who represents our employee shareholders.

In accordance with the provisions of Article L. 225-27-1 of the French Commercial Code, **when a company, at the end of two consecutive fiscal years, has at least 1,000 permanent employees** within the company and at its direct or indirect subsidiaries whose registered office is in France, or at least 5,000 permanent employees within the company and at its direct or indirect subsidiaries whose registered office is within French territory or abroad, the bylaws state that the Board of Directors shall include, in addition to those directors whose number and method of appointment are set out in Articles L. 225-17 and L. 225-18 of this Code, directors who represent the employees.

At the end of fiscal year 2019-2020, the number of full-time employees holding an open-ended employment contract with one of the French companies of our Group exceeded, over the course of two consecutive fiscal years, the threshold of 1,000 permanent employees within the Company and at any direct or indirect subsidiaries whose registered office is in France.

Law 2019-486 dated May 22, 2019 relative to growth and the transformation of companies **(PACTE law) reduced the threshold from 12 to 8 directors, above which two directors representing employees must be appointed**. Given the current composition of our Board of Directors (12 members), **two directors representing employees must be appointed to our Board**.

The appointment of these two directors representing employees must be completed within 6 months following the date on which the bylaws are amended to enable their appointment. In accordance with the provisions of Article L. 225-27-1 of the French Commercial Code, our Company's bylaws should be modified by September 30, 2020 at the latest in order to determine the conditions under which directors representing employees would be appointed to the Board of Directors.

Article L. 225-27-1 I (4) of the French Commercial Code states that when two or more directors representing employees are to be appointed, the detailed methods used for such appointment are as follows:

(i) one of these directors is appointed by:
   a. an **election** held amongst the employees of the company and those of its direct or indirect subsidiaries whose registered office is in France, or
   b. the **Group Works** Council pursuant to Article L. 2331-1 of the French Labor Code, the Central Works Council, or the Works Council of the Company, as applicable, or
   c. **the labor union** organization having obtained the most votes in the first round of the elections referred to in Articles L. 2122-1 and L. 2122-4 of the French Labor Code held within the Company and those of its direct or indirect subsidiaries whose registered office is in French territory; and

(ii) the other director is appointed by **the Group's European Works** Council, if there is one. Please note that our Group does not have a European Works Council.

In this 11th resolution, we suggest stipulating that when one single director is to be appointed, such appointment should be made by the Group Committee (or, if none exists, by the Company's Social and Economic Committee) and that when two directors are to be appointed, each one should be appointed by the two labor unions having received the greatest number of votes in the first round of the elections referred to in articles L. 2122-1 and L. 2122-4 of the French Labor Code within the company and those of its direct or indirect subsidiaries whose registered office is within French National territory.

Eleventh resolution – Modification of the Company's bylaws to enable the appointment of directors representing employees within the Board of Directors of the Company

The Shareholders' General Meeting, under the conditions of *quorum* and majority required for Extraordinary Shareholder's General Meetings, having considered the Board of Directors' report, resolves to add a paragraph 5 worded as follows to Article 12 (Board of Directors) of the bylaws:

"5 - Directors representing the employees

In accordance with the provisions of Articles L. 225-27-1 to L. 225-34 of the French Commercial Code, the Board of Directors includes two (2) directors representing the employees in addition to those directors whose number and method of appointment are determined in paragraph 1 of this article.

The number of such directors representing the employees may be reduced to one (1) if the number of directors elected by the Shareholders' General Meeting (excluding directors representing the employees) is equal to or fewer than eight (8).

The directors representing the employees are not taken into consideration when determining the minimum and maximum number of directors pursuant to paragraph 1 of this article.

The directors representing the employees have voting rights. Subject to the legal provisions specifically applicable thereto, they have the same rights, are bound by the same obligations (in particular with regard to confidentiality) and have the same responsibilities as the other members of the Board of Directors. However, having operational duties within our Group, they are not eligible for a specific remuneration as directors of the Board.

When a single director is to be appointed, the appointment is made by the Group's Economic and Social Committee or, failing that, the Company's Economic and Social Committee.

The Chairman of the relevant Economic and Social Committee shall agree with its Secretary to put on the agenda of a meeting occurring no later than six (6) months following the modification of the bylaws, or when the terms of office of the director representing the employees come to an end the appointment of the director representing the employees, fulfilling the conditions required by law and in particular those defined in the first paragraph of Article L. 225-28 and by Article L. 225-30 of the French Commercial Code

When two directors are to be appointed, the appointments are made by each of the two trade union organizations having obtained the most votes in the first round of the elections referred to in Articles L. 2122-1 and L. 2122-4 of the French Labor Code held within the Company and those of its direct or indirect subsidiaries whose registered office is in France.

Within six (6) months following the modification of the bylaws, or when the terms of office of the director(s) representing the employees come to an end, the relevant labor union organization(s) shall be invited by hand-delivered letter for which a receipt is given or via registered letter with acknowledgement of receipt to appoint a director representing the employees, fulfilling the conditions required by law and in particular those defined in the first paragraph of Article L. 225-28 and by Article L. 225-30 of the French Commercial Code.

Within a maximum of fifteen (15) days, the trade union organization must send the Chairman of the Board of Directors the name and job title of the director representing the employees thereby appointed, via registered letter with acknowledgment of receipt.

The term of their office is three (3) years. On the expiry of said office, the renewal of the term of office of the director(s) representing the employees shall be subject to the continued fulfillment of the conditions of application set out in Article L. 225-27-1 of the French Commercial Code.

The duties of the director appointed in application of Article L. 225-27-1 of the French Commercial Code are terminated at the end of the Shareholders' Ordinary General Meeting having approved the financial statements for the past fiscal year, and held during the year in which the term of office expires.

The termination of an employment contract terminates the term of office of the director appointed in application of Article L. 225-27-1 of the French Commercial Code.

The directors appointed in application of Article L. 225-27-1 of the French Commercial Code may be dismissed for breach in the performance of their duties, under the conditions described in Article L. 225-32 of the French Commercial Code.

If the position of director representing the employees filled in accordance with this article becomes vacant as a result of death, resignation, dismissal, termination of employment contract, or for any other reason whatsoever, an appointment is made under the same conditions. The term of appointment of the director thus appointed comes to an end on the expiry of the normal term of office of all other directors appointed in application of Article L. 225-27-1 of the French Commercial Code.

The potential annulment of the appointment of a director representing the employees does not trigger the annulment of any deliberations in which the director whose appointment was unlawful may have taken part."

- RESOLUTIONS NO. 12 TO 21: FINANCIAL RESOLUTIONS -

In order **to have available the appropriate resources for our Group's development, we are asking you to approve resolutions whose purpose is to grant our Board of Directors delegations of authority or powers which would give it the means to implement various types of share or securities issue (12th to 21st resolutions).**

These resolutions aim to provide our Board of Directors with the most extensive flexibility to be able to take advantage of any potential financing opportunities.

According to market conditions, the type of investors concerned by the issue and the type of shares issued, it may be preferable, or even necessary, to cancel shareholders' preferential subscription rights. This would provide our Board of Directors with the option of carrying our placements of (equity) shares under optimal conditions, and of thereby obtaining a higher level of equity. Furthermore, the cancellation of the preferential subscription rights would increase the speed **of the** transactions, which is sometimes an essential **condition for their success.**

We will also submit for your approval **a resolution enabling our Company to allow its employees** and officers to benefit from its success by allowing it to carry out an increase **of the share capital reserved for employees who are members of a company savings** plan **(21st resolution).**

These 12th to 21st resolutions involve **renewing almost all of the delegations of authority and powers granted by you in 2019 in order to carry out share capital increases by issuing ordinary shares and/or any securities of any kind giving access by whatever means**, immediately and/or in the future, at any time or on a fixed date, *via* subscription, conversion, exchange, redemption, presentation of a warrant, or in any other manner, **to the share capital of our Company.**

The limits of the authorizations and delegations of authority you granted us in 2019 would be amended to take into consideration the increase in our Company's share capital over the last 12 months.

Therefore, under the 12th **resolution, the maximum nominal value of those share capital increases that may be completed on the basis of 12th to 21st resolutions may not exceed an overall ceiling of €32.5 million in nominal value, compared with €30 million last year.**

As of June 10, 2020, this overall ceiling represents approximately 48.83% of our share capital.

Within this overall ceiling of €32.5 million, you are requested to establish a sub-ceiling set at €6.5 million in nominal value (compared to €6 million last year) for transactions involving a cancellation of shareholders' preferential subscription rights (13th resolution).

As of June 10, 2020, this sub-ceiling represents approximately 9.77% of our share capital.

This sub-ceiling would be common to 13th to 20th resolutions, with the exception of resolution 19 which would not be affected by this.

This would be deducted from the overall ceiling of €32.5 million.

To these ceilings of €32.5 million and €6.5 million would be added the nominal value of any share capital increases on the basis of the ordinary shares that may be issued in addition, on the basis of adjustments intended to take into account the impact of transactions on our Company's share capital and completed to protect the rights of holders of securities and other rights giving access to the share capital of our Company.

Moreover, **the maximum nominal amount of the debt securities or related securities, giving access to our Company's share capital, that may be issued pursuant to 12th to 21st resolutions** (with the exception of 19th resolution which would not be affected) may also not exceed an overall ceiling of €325 million (compared with €300 million last year).

This limit would be increased, where appropriate, by any redemption premium in excess of the par value.

In addition, this €325 million ceiling would be independent from the value of any debt securities that may be issued or authorized by our Board of Directors in accordance with Articles L. 228-36-A, L. 228-40, L. 228-92 paragraph 3, L. 228-93 paragraph 6, and L. 228-94 paragraph 3 of the French Commercial Code.

Our Board of Directors would not, except by prior authorization from shareholders, **be able to use these delegations with effect from the time of filing by a third party of a public offer for our Company's (equity) shares**, until the end of the offer period (except for 21st resolution).

These authorizations and delegations would be **granted with the right to sub-delegate.**

They would each be valid for a period of 26 months as from the date of your Shareholders' General Meeting, with the exception of resolution 15 for which the period would be 18 months. They would cancel and **supersede any authorization or delegation granted by the resolutions of the same nature adopted on July 26, 2019 for the unused part.**

Should our Board of Directors use the authorizations and/or delegations granted thereto pursuant to the terms of 12th to 21st resolutions, it must establish the **additional report or reports required by law and give an account thereof to the shareholders at the next Shareholders' General Meeting, in accordance with the applicable laws and regulations in force.**

We invite you to consult section 8.3 (Report from our Board of Directors on the resolutions submitted to our Ordinary and Extraordinary Shareholders' Meeting of September 23, 2020) of this Universal Registration Document containing our Board of Directors' report on the resolutions submitted for your approval. This report provides more detailed explanations about each of the delegations and authorizations under 12th to 21st resolutions.

Furthermore, a summary table is shown in section 8.2.3 (Summary table of delegations and authorizations requested at the Shareholders' General Meeting of September 23, 2020) below.

- RESOLUTIONS NO. 12 TO 15: CAPITAL INCREASES WITH OR WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS -

12th to 15th resolutions aim to grant delegations of authority to our Board of Directors for the purpose of carrying out **capital increases through the issuance of any securities, in the following contexts:**

- with shareholders' preferential subscription rights (**12th resolution**);
- without shareholders' preferential subscription rights, through a public offer with the exception of the offers referred to in part 1° of Article L. 411-2 of the French Monetary and Financial Code (**13th resolution**);
- without shareholders' preferential subscription rights as part of a private **placement, through a public offering referred to in** part 1° of Article L. 411-2 **of the French Monetary and Financial Code** (**14th resolution**);
- without shareholders' preferential subscription rights in favor of the categories of individuals or entities with the following specific characteristics rights, for the benefit of those meeting the following criteria: (i) financial institutions or French or foreign investment funds or any placement vehicles focused on providing support in the medium term to growth companies in the technology sector or investing on a regular basis or exercising a significant part of their activity in the technology sector or (ii) French or foreign investment service providers, or any foreign institution with equivalent status, that can guarantee the completion of an issue intended to be placed with the persons referred to in the (i) above and, in this context, to subscribe to the securities issued (15th resolution).

These delegations would each be valid for a term of 26 months starting on the day of your Shareholders' General Meeting, except for that granted by resolution 15 which would have a term of 18 months.

Furthermore, they would each respectively have the effect of voiding the four delegations granted by 22nd to 25th resolutions of the same type adopted on July 26, 2019.

Twelfth resolution – Delegation of authority to be granted to the Board of Directors for the purpose of proceeding with a capital increase by way of the issuance of shares and/or securities giving access to the Company's share capital, with preferential subscription rights, immediately or in the future

The Shareholders' General Meeting, under the conditions of *quorum* and majority required for Extraordinary Shareholders' General Meetings, having considered the Board of Directors' report and the statutory auditors' special report, and pursuant to the provisions of Articles L. 225-129 *et seq.* and notably Articles L. 225-129, L. 225-129-2, L. 225-132 to L. 225-134 and L. 228-91 *et seq.* of the French Commercial Code:

1. **delegates** to the Board of Directors, with the right to sub-delegate in accordance with the conditions set by law, its authority to issue, on one or more occasions, in such amount and at such times as it deems appropriate, in euros, in foreign currencies, or any accounting unit established by reference to a basket of currencies, in France and/or abroad, with preferential subscription rights, for consideration or for free, ordinary shares and/or securities governed by Articles L. 228-92 paragraph 1, L. 228-93 paragraphs 1 and 3 or L. 228-94 paragraph 2 of the French Commercial Code, giving access by any means, immediately and/or in the future, at any time or on a determined date, by way of subscription, conversion, exchange, reimbursement, presentation of a warrant or in any other manner, to the Company's share capital (including equity securities giving the right to the allocation of debt securities), on the understanding that these ordinary shares and/or securities may be paid-up by cash, or by offsetting against liquid and due receivables, or by capitalization of reserves, earnings or premiums;
2. **sets** at twenty-six (26) months from the day of this Shareholders' General Meeting the term of validity of this delegation, on the understanding that it has the effect of voiding all other delegations of authority granted previously by a resolution of the same nature;
3. **decides** to set the following limits on the issuance amounts authorized in the event that the Board of Directors decides to use this delegation of authority:
   - a. the maximum nominal amount of capital increases that may be carried out, immediately or in the future, based on this delegation of authority, may not exceed the ceiling of €32.5 million in nominal value, or the counter-value of this amount in any other currency or any accounting unit established by reference to a basket of currencies, on the understanding that:
     - (i) the aggregate nominal amount of the capital increases in respect of ordinary shares issued directly or indirectly on the basis of this resolution and the thirteenth, fourteenth, fifteenth, sixteenth, seventeenth, eighteenth, nineteenth, twentieth and twenty-first resolutions, subject to their adoption by this Shareholders' General Meeting, and on the basis of the issuances authorized by the resolutions of the same nature that could succeed these resolutions during the term of validity of this delegation, may not exceed the overall ceiling of €32.5 million in nominal value, or the counter-value of this amount in any other currency or any accounting unit established by reference to a basket of currencies, and
     - (ii) to this ceiling will be added the nominal amount of capital increases related to ordinary shares which may be issued to preserve, in accordance with the law, and, where appropriate, contractual provisions providing for other adjustments, the rights of holders of securities and other rights giving access to the Company's capital,
   - b. the maximum nominal amount of securities representing debt or related securities, giving access immediately or in the future, to the Company's share capital that may be issued pursuant to this delegation of authority may not exceed the ceiling of €325 million or the counter-value of this amount in any currency or accounting unit established by reference to a basket of currencies, on the understanding that this amount shall be increased, where appropriate, by any reimbursement premium over the par value and decreased by the nominal amount of securities representing debt securities or related securities, giving access to the Company's share capital that may be issued on the basis of this resolution and the thirteenth, fourteenth, fifteenth, sixteenth, seventeenth, eighteenth, twentieth and twenty-first resolutions, subject to their adoption by this Shareholders' General Meeting, and on the basis of issuances authorized by the resolutions of the same nature that may succeed these resolutions during the term of validity of this delegation. This ceiling is independent from the amount of debt securities that may be issued or authorized by the Board of Directors in accordance with Articles L. 228-36-A, L. 228-40, L. 228-92 paragraph 3, L. 228-93 paragraph 6 and L. 228-94 paragraph 3 of the French Commercial Code;
4. in the event that the present delegation of authority is used by the Board of Directors:
   - **decides** that the issuance(s) will be reserved in favor of Company shareholders who have the right to subscribe in direct proportion to the number of shares they hold,
   - **grants**, nevertheless, to the Board of Directors the power to grant shareholders the right to subscribe to ordinary shares or securities in excess of the minimum number to which they have preferential subscription rights proportionally to their subscription rights, and in any event, within the limit of their request,
   - **decides** that if the subscriptions as of right (*à titre irréductible*) and, where appropriate, excess subscriptions (*à titre réductible*) do not cover the entire amount of the issuance of ordinary shares or securities, as defined above, the Board of Directors may undertake, as provided by law, and in the order of its choosing, one and/or any of the following:
     - freely distributing all or part of the non-subscribed securities between the individuals of its choice,
     - offer to the public all or part of the non-subscribed securities, on the French market and/or internationally, and/or
     - limits the capital increase to the amount of subscriptions, subject to the condition, in the event of the issue of ordinary shares or securities whose main security is the ordinary share, of this reaching at least three-quarters of the agreed issue after use of the two rights indicated above, where appropriate;
5. **decides** that the issuance of warrants giving access to the Company's ordinary shares may be made through a subscription offer, but also through free allocation to the Company's shareholders, on the understanding that the Board of Directors may decide that the resulting fractional shares shall not be negotiable and that the corresponding securities shall be sold in compliance with applicable legal and regulatory provisions;
6. **grants all powers** to the Board of Directors, with the option to sub-delegate, in accordance with applicable law, to carry out the abovementioned issues according to the terms it sets in accordance with the law, and in particular to:
   - to determine the dates and the terms of issuance as well as the form and characteristics of the ordinary shares and/or securities to be issued,

- to determine the number of ordinary shares and/or other securities to be issued, the issue price and conditions attached thereto, if applicable, the issue premium, the terms of their payment and their date of entitlement to dividends (where, appropriate retroactively),
- to set the terms and conditions under which the Company would have, if applicable, the right to purchase or exchange the securities giving access to the share capital on the stock market, at any time or during set periods, for the purpose of cancelling or not cancelling them, depending on the legal provisions;
- in the event of the issuance of debt securities, to decide whether or not they should be subordinated (and, where appropriate, their rank of subordination, according to the provisions of Article L. 228-97 of the French Commercial Code), set their interest rate, establish their duration (fixed or indeterminate), the possibility of reducing or increasing the nominal value of the securities and the other issuance and amortization terms and conditions, amend, during the lifetime of the concerned securities, the terms and conditions indicated above, in accordance with applicable formalities,
- to set, if applicable, the way in which rights are to be exercised (where appropriate, the rights to conversion, exchange, reimbursement, including by contribution of Company assets, such as treasury shares or securities already issued by the Company) attached to the ordinary shares or securities giving access to the share capital, and notably, set the date, even retroactively, from which the new shares shall carry dividend rights, as well as all other terms and conditions for completing the capital increase,
- to suspend, where appropriate, the exercise of rights attached to the shares and/or securities to be issued under the conditions and limits provided by applicable legal and regulatory provisions,
- at its sole discretion, to charge the costs of the capital increase against the amount of related premiums, and take from this amount the sums necessary to bring the legal reserves to one tenth of the new share capital after each increase,
- to determine and carry out all adjustments to take into account the impact of the transactions on the Company's capital or equity, notably in the event of modifications to the ordinary share's par value, capital increases by capitalization of reserves, earnings or premiums, the allocation of free shares, stock splits or reverse stock splits, distribution of dividends, reserves or premiums or all other assets, capital amortization, or all other operations on the capital or equity (including in the event of a public offer and/or change of control), and to set all other terms and conditions to ensure, where appropriate, the preservation of the rights of holders of securities giving access to the share capital or other rights giving access to the share capital (including by way of cash adjustments),
- generally, to take all appropriate measures, conclude all agreements, obtain all authorizations, carry out all formalities and to do what is necessary to ensure successful completion of the issuance or stay the implementation thereof, and notably record the completion of any capital increases resulting from any issuance conducted under this delegation, amend the bylaws accordingly, and request the listing of any ordinary shares and/or securities issued as a result of this delegation.

The Board of Directors may not, except by prior authorization of the Shareholders' General Meeting, make use of this delegation from the time of deposit by a third party of a public offer for the Company's securities, until the end of the offer period.

Thirteenth resolution – Delegation of authority to be granted to the Board of Directors for the purpose of proceeding with a capital increase by way of the issuance of shares and/ or securities giving access, immediately or in the future, to the Company's share capital, without preferential subscription rights, through a public offer with the exclusion of the offers referred to in part 1° of Article L. 411-2 of the French Monetary and Financial Code

The Shareholders' General Meeting, under the conditions of *quorum* and majority required for Extraordinary Shareholders' General Meetings, having considered the Board of Directors' report and the statutory auditors' special report, and pursuant to the provisions of Articles L. 225-129 *et seq.* of the French Commercial Code, notably Articles L. 225-129, L. 225-129-2, L. 225-135, L. 225-136 and L. 228-91 *et seq.* of the French Commercial Code:

1. **delegates** to the Board of Directors, with the right to sub-delegate in accordance with the conditions set by law, its authority to issue, on one or more occasions, in such amount and at such times as it deems appropriate, in euros, in foreign currencies, or any accounting unit established by reference to a basket of currencies, in France and/or abroad, without preferential subscription rights, for consideration or for free, by way of a public offer with the exclusion of the offers referred to in part 1° of Article L. 411-2 of the French Monetary and Financial Code, ordinary shares and/or securities governed by Articles L. 228-92 paragraph 1, L. 228-93 paragraphs 1 and 3 or L. 228-94 paragraph 2 of the French Commercial Code, giving access by any means, immediately and/or in the future, at any time or on a determined date, by way of subscription, conversion, exchange, reimbursement, presentation of a warrant or in any other manner, to the Company's share capital (including equity securities giving the right to the allocation of debt securities), on the understanding that these ordinary shares and/or securities may be paid-up in cash, or by offsetting against liquid and due receivables, or by capitalization of reserves, earnings or premiums;
2. **sets** at twenty-six (26) months from the day of this Shareholders' General Meeting the term of validity of this delegation, on the understanding that it has the effect of voiding all other delegations of authority granted previously by a resolution of the same nature;
3. **sets** the following limits on the issuance amounts in the event that the Board of Directors decides to use this delegation of authority:
   a. the maximum nominal amount of capital increases that may be carried out, immediately or in the future, based on this delegation of authority, may not exceed the ceiling of €6.5 million in nominal value, or the counter-value of this amount in any other currency or any accounting unit established by reference to a basket of currencies, on the understanding that:
   (i) this ceiling is common to this resolution, and to the fourteenth, fifteenth, sixteenth, seventeenth, eighteenth and twentieth resolutions,
   (ii) this amount shall be deducted from the amount of the overall nominal ceiling of €32.5 million defined in "3. a. (i)" of the twelfth resolution of this Shareholders' Meeting or, where appropriate, from the amount of the ceiling provided by a resolution of the same nature succeeding this resolution during the term of validity of this delegation,

(iii) to these ceilings will be added the nominal amount of capital increases related to ordinary shares which may be issued to preserve, in accordance with the law, and, where appropriate, contractual provisions providing for other adjustments, the rights of holders of securities and other rights giving access to the Company's capital,

b. the maximum nominal amount of securities representing debt or related securities, giving access immediately or in the future to the Company's share capital that may be issued pursuant to this resolution may not exceed the ceiling of €325 million or the counter-value of this amount in any other currency or monetary unit established in reference to several currencies, on the understanding that this amount, increased, where appropriate, by any reimbursement premium over the par value, shall be deducted from the amount of the overall ceiling of €325 million indicated in "3. b." of the twelfth resolution of this Meeting or, where appropriate, from the amount of any ceiling provided by a resolution of the same nature succeeding this resolution during the term of validity of this delegation. This ceiling is independent from the amount of debt securities that may be issued or authorized by the Board of Directors in accordance with Articles L. 228-36-A, L. 228-40, L. 228-92 paragraph 3, L. 228-93 paragraph 6 and L. 228-94 paragraph 3 of the French Commercial Code;

4. **decides** that the issuances resulting from this delegation will be made by way of a public offer, on the understanding that this may be carried out in conjunction with an offer or offers arising under part 1° of Article L. 411-2 of the French Monetary and Financial Code, which may be carried out on the basis of the fourteenth resolution of this Meeting;

5. **decides** to eliminate shareholders' preferential subscription rights to the ordinary shares and/or securities that may be issued based on this delegation;

6. **decides** that the Board of Directors may grant a priority subscription period to shareholders, that does not give rise to the creation of negotiable rights, of a duration that it shall set in accordance with the law and regulatory provisions, for all or part of the issuance carried out under this resolution and in proportion to the number of shares held by each shareholder, in application of the legal and regulatory provisions, and may potentially grant excess subscription rights (*à titre réductible*), on the understanding that the unsubscribed securities within the priority subscription period will be subject to a public offering in France or abroad;

7. **decides** that if the subscriptions do not cover the entire amount of the issuance of ordinary shares or securities as defined above, the Board of Directors may use, as provided by law, and in the order of its choosing, one and/or any of the following powers:

- limiting the capital increase to the subscriptions' amount upon the condition that this amount reaches at least three-quarters of the decided issuance,
- freely distributing all or part of the non-subscribed securities between the individuals of its choice,
- offering to the public all or part of the non-subscribed securities, on the French market and/or internationally;

8. acknowledges and decides, where necessary, that this delegation shall, to the benefit of holders of any securities giving access to the Company's ordinary shares that may be issued pursuant to this delegation, automatically result in the waiver of shareholder preferential subscription rights to the new ordinary shares to which these securities would give right;

9. **decides** that (i) the issue price for ordinary shares to be issued pursuant to this resolution or those to which the securities to be issued under this resolution may give right, shall be at least equal to the minimum price permitted by legal and regulatory provisions applicable on the date of issue (to date, the weighted average of the last three trading days prior to the beginning of the public offering less a discount of 10%), after, where appropriate, adjusting this average to take into account any difference between the maturity dates, and (ii) the issue price for the securities giving access to the share capital and the number of ordinary shares to which the conversion, reimbursement or more generally the transformation of each security giving access to the share capital may give the rights, shall be that of the sum immediately received by the Company, increased, where appropriate, by the sum likely to be collected subsequently by the Company, *i.e.* for each share issued as a consequence of the issuance of these securities, at least equal to the minimum price defined in part (i) or this paragraph;

10. **grants** all powers to the Board of Directors, with the option to sub-delegate, in accordance with applicable law, to carry out the abovementioned issues according to the terms and conditions it sets in accordance with the law, and in particular to:

- to determine the dates and the terms of issuance as well as the form and characteristics of the ordinary shares and/or securities to be issued,
- to determine the number of ordinary shares and/or other securities to be issued, the issue price and conditions attached thereto, if applicable, the issue premium, the terms of their payment and their date of entitlement to dividends (where, appropriate retroactively),
- to set the terms and conditions under which the Company would be able, if applicable, to purchase or exchange the securities giving access to the share capital on the stock market, at any time or during set periods, for the purpose of canceling or not canceling them, depending on the legal provisions,
- in the event of the issuance of debt securities, to decide whether or not they should be subordinated (and, where appropriate, their rank of subordination, according to the provisions of Article L. 228-97 of the French Commercial Code), set their interest rate, establish their duration (fixed or indeterminate), the possibility of reducing or increasing the nominal value of the securities and the other issuance and amortization terms and conditions, amend, during the lifetime of the concerned securities, the terms and conditions indicated above, in accordance with applicable formalities,
- to set, if applicable, the way in which rights are to be exercised (where appropriate, the rights to conversion, exchange, reimbursement, including by contribution of Company assets, such as treasury shares or securities already issued by the Company) attached to the ordinary shares or securities giving access to the share capital, and notably, set the date, even retroactively, from which the new shares shall carry dividend rights, as well as all other terms and conditions for completing the capital increase,
- to suspend, where appropriate, the exercise of rights attached to the shares and/or securities to be issued under the conditions and limits provided by applicable legal and regulatory provisions,
- at its sole discretion, to charge the costs of the capital increase against the amount of related premiums, and take from this amount the sums necessary to bring the legal reserves to one tenth of the new share capital after each increase,

- to determine and carry out all adjustments to take into account the impact of the transactions on the Company's capital or equity, notably in the event of modifications to the share's par value, capital increases by capitalization of reserves, earnings or premiums, the allocation of free shares, stock splits or reverse stock splits, distribution of dividends, reserves or premiums or all other assets, capital amortization, or all other operations on the capital or equity (including in the event of a public offer and/or change of control), and to set all other modalities to ensure, where appropriate, the preservation of the rights of holders of securities giving access to the share capital or other rights giving access to the share capital (including by way of cash adjustments),
- generally, to take all appropriate measures, conclude all agreements, obtain all authorizations, carry out all formalities and to do what is necessary to ensure successful completion of the issuance or stay the implementation thereof, and notably record the completion of any capital increases resulting from any issuance conducted under this delegation, amend the bylaws accordingly, and request the listing of any shares and/or securities issued as a result of this delegation.

The Board of Directors may not, except by prior authorization of the Shareholders' General Meeting, make use of this delegation from the time of deposit by a third party of a public offer for the Company's securities, until the end of the offer period.

Fourteenth resolution – Delegation of authority to be granted to the Board of Directors in order to issue, by a public offer set out in part 1° of Article L. 411-2 of the French Monetary and Financial Code, shares and/or securities giving access, immediately or in the future, to the Company's share capital, without shareholders' preferential subscription rights

The Shareholders' General Meeting, under the conditions of *quorum* and majority required for Extraordinary Shareholders' General Meetings, having considered the Board of Directors' report and the statutory auditors' special report, and pursuant to the provisions of Articles L. 225-129 *et seq.* and L. 228-91 *et seq.* of the French Commercial Code, notably Articles L. 225-129-2, L. 225-135, and L. 225-136 and Articles L. 228-91 *et seq.* of the French Commercial Code and Article L. 411-2 of the French Monetary and Financial Code:

1. **delegates** to the Board of Directors, with the right to sub-delegate, in accordance with the conditions set by law, its authority to issue, on one or more occasions, in such amount and at such times as it deems appropriate, in France and/or abroad, as part of public offers indicated in part 1° of Article L. 411-2 of the French Monetary and Financial Code, in euros, in foreign currencies, or any accounting unit established by reference to a basket of currencies, for consideration or for free, ordinary shares and/or securities governed by Articles L. 228-92 paragraph 1, L. 228-93 paragraphs 1 and 3 or L. 228-94 paragraph 2 of the French Commercial Code, giving access by any means, immediately and/or in the future, at any time or on a determined date, by way of subscription, conversion, exchange, reimbursement, presentation of a warrant or in any other manner, to the Company's share capital (including equity securities giving the right to the allocation of debt securities), on the understanding that these ordinary shares and/or securities may be paid-up in cash, or by offsetting against liquid and due receivables, or by capitalization of reserves, earnings or premiums;
2. **decides** to eliminate shareholders' preferential subscription rights to the securities that can be issued under this resolution;
3. **decides** that the maximum nominal amount of capital increases that may be carried out, immediately or in the future, pursuant to this resolution, may not, within the limits set out by the applicable regulations on the day of issue (for information purposes, at the date of this Shareholders' General Meeting, the issue of equity securities through a public offering indicated in part 1° of Article L. 411-2 of the French Monetary and Financial Code is limited to 20% of the Company's share capital per year and as determined on the date of implementation of a this delegation by the Board of Directors), exceed the ceiling of €6.5 million, or the counter-value of this amount in any currency or any accounting unit established by reference to a basket of currencies, on the understanding that this amount shall be deducted:
   (i) this ceiling is common to this resolution and to the thirteenth, fifteenth, sixteenth, seventeenth, eighteenth and twentieth resolutions,
   (ii) from the shared ceiling of €6.5 million in nominal value referred to in "3. a. (i)" of the thirteenth resolution of this Shareholders' General Meeting, or, where appropriate, from the amount of the ceiling provided by a resolution of the same nature succeeding this resolution during the term of this delegation, on the understanding that, in any event, issuances of securities made in this framework are moreover limited according to the legal provisions in force on the day of issuance,
   (iii) from the nominal ceiling of €32.5 million referred to in "3. a. (i)" of the twelfth resolution or, where appropriate, from the amount of the ceiling provided by a resolution of the same nature succeeding this resolution during the term of this delegation.

   To these ceilings will be added the nominal amount of capital increases related to ordinary shares which may be issued to preserve, in accordance with the law and, where appropriate, contractual provisions providing for other adjustments, the rights of holders of securities and other rights giving access to the Company's capital;
4. **decides** that the nominal amount of the securities representing debt or equivalent securities giving access immediately or in the future, to the Company's share capital, that may be issued pursuant to this delegation, may not exceed €325 million, or the counter-value of this amount in any currency or any accounting unit established by reference to a basket of currencies, on the understanding that this amount, increased where appropriate by any reimbursement premium over the par value, will be deducted from the overall ceiling of €325 million indicated in "3. b." of the twelfth resolution or, where appropriate, from the amount of any ceiling provided by a resolution of the same nature succeeding this resolution during the term of this delegation. This ceiling is independent from the amount of debt securities that may be issued or authorized by the Board of Directors in accordance with Articles L. 228-36-A, L. 228-40, L. 228-92 paragraph 3, L. 228-93 paragraph 6 and L. 228-94 paragraph 3 of the French Commercial Code;
5. **acknowledges** that if the subscriptions do not absorb the total issuance, the Board of Directors may use, under the conditions set by the law and in such order as it shall determine, one and/or any of the options provided by Article L. 225-134 of the French Commercial Code, or some of these options only, and in particular those to limit the operation's amount to the amount of subscriptions received, provided that, in the event of the issue of ordinary shares or securities whose main security is an ordinary share, that they reach at least three-quarters of the agreed issue;

6. **decides** that (i) the issue price for ordinary shares to be issued pursuant to this resolution or those to which the securities to be issued under this resolution may give right, shall be at least equal to the minimum price permitted by legal and regulatory provisions applicable on the date of issue (to date, the weighted average of the last three trading days prior the beginning of the public offering less a discount of 10%), after, where appropriate, adjusting this average to take into account any difference between the maturity dates, and (ii) the issue price for the securities giving access to the share capital and the number of ordinary shares to which the conversion, reimbursement or more generally the transformation of each security giving access to the share capital may give the rights, shall be that of the sum immediately received by the Company, increased, where appropriate, by the sum likely to be collected subsequently by the Company, *i.e.* for each share issued as a consequence of the issuance of these securities, at least equal to the minimum price defined in part (i) or this paragraph;
7. **grants all powers** to the Board of Directors, with the option to sub-delegate, in accordance with applicable law, to carry out the abovementioned issues according to the terms it sets in accordance with the law, and in particular to:
   - to determine the dates and the terms of issuance as well as the form and characteristics of the ordinary shares and/or securities to be issued,
   - to determine the number of ordinary shares and/or other securities to be issued, the issue price and conditions attached thereto, if applicable, the issue premium, the terms of their payment and their date of entitlement to dividends (where, appropriate retroactively),
   - to set the terms and conditions under which the Company would have, if applicable, the right to purchase or exchange the securities giving access to the share capital on the stock market, at any time or during set periods, for the purpose of cancelling or not cancelling them, depending on the legal provisions,
   - in the event of the issuance of debt securities, to decide whether or not they should be subordinated (and, where appropriate, their rank of subordination, according to the provisions of Article L. 228-97 of the French Commercial Code), set their interest rate, establish their duration (fixed or indeterminate), the possibility of reducing or increasing the nominal value of the securities and the other issuance and amortization terms and conditions, amend, during the lifetime of the concerned securities, the terms and conditions indicated above, in accordance with applicable formalities,
   - to set, if applicable, the way in which rights are to be exercised (where appropriate, the rights to conversion, exchange, reimbursement, including by contribution of Company assets, such as treasury shares or securities already issued by the Company) attached to the ordinary shares or securities giving access to the share capital, and notably, set the date, even retroactively, from which the new shares shall carry dividend rights, as well as all other terms and conditions for completing the capital increase,
   - to suspend, where appropriate, the exercise of rights attached to the shares and/or securities to be issued under the conditions and limits provided by applicable legal and regulatory provisions,
   - at its sole discretion, to charge the costs of the capital increase against the amount of related premiums, and take from this amount the sums necessary to bring the legal reserves to one tenth of the new share capital after each increase,
   - to determine and carry out all adjustments to take into account the impact of the transactions on the Company's capital or equity, notably in the event of modifications to the ordinary share's par value, capital increases by capitalization of reserves, earnings or premiums, the allocation of free shares, stock splits or reverse stock splits, distribution of dividends, reserves or premiums or all other assets, capital amortization, or all other operations on the capital or equity (including in the event of a public offer and/or change of control), and to set all other terms and conditions to ensure, where appropriate, the preservation of the rights of holders of securities giving access to the share capital or other rights giving access to the share capital (including by way of cash adjustments),
   - generally, to take all appropriate measures, conclude all agreements, obtain all authorizations, carry out all formalities and to do what is necessary to ensure successful completion of the issuance or stay the implementation thereof, and notably record the completion of any capital increases resulting from any issuance conducted under this delegation, amend the bylaws accordingly, and request the listing of any shares and/or securities issued as a result of this delegation;
8. **sets** at twenty-six (26) months from the day of this Shareholders' General Meeting the term of validity of this delegation, on the understanding that it has the effect of voiding all other delegations of authority granted previously by a resolution of the same nature.

The Board of Directors may not, except by prior authorization of the Shareholders' General Meeting, make use of this delegation from the time of deposit by a third party of a public offer for the Company's securities, until the end of the offer period.

Fifteenth resolution – Delegation of authority to be granted to the Board of Directors for the purpose of issuing shares and/or securities giving access, immediately or in the future, to the Company's share capital, reserved to persons meeting defined requirements, without shareholders' preferential subscription rights

The Shareholders' General Meeting, under the conditions of *quorum* and majority required for Extraordinary Shareholders' General Meetings, having considered the Board of Directors' report and the statutory auditors' special report, and pursuant to the provisions of Articles L. 225-129 *et seq.*, L. 228-91 to L. 228-93, and L. 225-135 and L. 225-138 of the French Commercial Code:

1. **delegates** to the Board of Directors, with the right to sub-delegate in accordance with the conditions set by law, its authority to carry out on one or more occasions, in such amount and at such times as it deems appropriate, in euros, or in foreign currency or any accounting unit established by reference to a basket of currencies, the issue, without preferential subscription rights, in France and/or abroad, for consideration or for free, ordinary shares and/or securities governed by Articles L. 228-92 paragraph 1, L. 228-93 paragraphs 1 and 3 or L. 228-94 paragraph 2 of the French Commercial Code, giving access by any means, immediately and/or in the future, at any time or on a determined date, by way of subscription, conversion, exchange, reimbursement, presentation of a warrant or in any other manner, to the Company's share capital (including equity securities giving the right to the allocation of debt securities), on the understanding that these ordinary shares and/or securities may be paid-up in cash, or by offsetting against liquid and due receivables, or by capitalization of reserves, earnings or premiums;

2. **decides** to eliminate the preferential subscription rights of the shareholders to shares and/or securities giving access to Company equity to be issued and to reserve, as it pertains to this delegation, the right to subscribe these ordinary shares and/or securities to categories of persons meeting the following requirements: (i) financial institutions or investment funds or any placement vehicles under French or foreign law aiming at supporting in the mid-term growth technology companies or investing on a regular basis or exercising a significant part of their activity in the technology sector, or (ii) French or foreign investment service providers, or any foreign institution with equivalent status, that can guarantee the completion of an issue intended to be placed with the persons referred to in the (i) above and, in this context, to subscribe to the securities issued;
3. **delegates** the authority to define the precise list of beneficiaries of the elimination of preferential subscription rights to the Board of Directors as well as the authority to set the number of ordinary shares and/or securities that may be allocated to each of them;
4. **acknowledges** and decides, where necessary, that this delegation automatically entails, in favor of the beneficiaries on the list approved by the Board of Directors, a waiver by the shareholders of their preferential subscription rights to the new ordinary shares to which the securities likely to be issued pursuant to this resolution would entitle them;
5. **sets** the following limits on the issuance amounts in the event that the Board of Directors decides to use this delegation of authority:
   a. the maximum nominal amount of capital increases that may be carried out, immediately or in the future, based on this delegation of authority, may not exceed the ceiling of €6.5 in nominal value, or the counter-value of this amount in any other currency or any accounting unit established by reference to a basket of currencies, on the understanding that this amount shall be deducted:
      (i) this ceiling is common to this resolution and to the thirteenth, fourteenth, sixteenth, seventeenth, eightieth, twentieth resolutions,
      (ii) from the shared ceiling of €6.5 million in nominal value referred to in "3. a. (i)" of the thirteenth resolution of this Shareholders' General Meeting, or, where appropriate, from the amount of the ceiling provided by a resolution of the same nature succeeding this resolution during the term of this delegation, on the understanding that, in any event, issuances of securities made in this framework are moreover limited according to the legal provisions in force on the day of issuance,
      (iii) from the overall ceiling of €32.5 million in nominal value referred to in "3. a. (i)" of the twelfth resolution of this Shareholders' Meeting or, where appropriate, from the amount of the ceiling provided by a resolution of the same nature succeeding this resolution during the term of this delegation.

      To these ceilings will be added the nominal amount of capital increases related to ordinary shares which may be issued to preserve, in accordance with the law and, where appropriate, contractual provisions providing for other adjustments, the rights of holders of securities and other rights giving access to the Company's capital,
   b. the maximum nominal amount of securities representing debt or related securities, giving access immediately or in the future to the Company's share capital that may be issued pursuant to this resolution may not exceed the ceiling of €325 million or the counter-value of this amount in any other currency or monetary unit established in reference to several currencies, on the understanding that this amount, increased, where appropriate, by any reimbursement premium over the par value, shall be deducted from the amount of the overall ceiling of €325 million indicated in "3. b." of the twelfth resolution of this Meeting or, where appropriate, from the amount of any ceiling provided by a resolution of the same nature succeeding this resolution during the term of validity of this delegation. This ceiling is independent from the amount of debt securities that may be issued or authorized by the Board of Directors in accordance with Articles L. 228-36-A, L. 228-40, L. 228-92 paragraph 3, L. 228-93 paragraph 6 and L. 228-94 paragraph 3 of the French Commercial Code;
6. **decides** that (i) the issue price of the ordinary shares to be issued pursuant to this resolution or those to which the securities to be issued under this resolution may give right, shall be at least equal (x) to the latest closing price prior to the price setting with a maximum discount of 10% or (y) the average price of the share weighted by the trade volume during the trading day on which the issue price is set with a maximum discount of 10% and (ii) the issue price of securities giving access to the share capital shall be such that the sum immediately received by the Company, increased, where appropriate, by the sum likely to be collected subsequently by the Company, *i.e.* for each ordinary share issued as a consequence of the issuance of these securities, at least equal to the price defined in (i) of this paragraph;
7. **grants all powers** to the Board of Directors, with the option to sub-delegate, in accordance with applicable law, to carry out the abovementioned issues according to the terms it sets in accordance with the law, and in particular to:
   - to determine the list of beneficiaries in the indicated categories and the number of shares to be awarded to each one,
   - to determine the terms of issuance as well as the form and characteristics of the ordinary shares and/or securities that would grant access to Company equity, the terms under which the ordinary shares or securities would be allocated as well as the dates on which the allocation rights may be exercised,
   - in the event of the issuance of debt securities, to decide whether or not they should be subordinated (and, where appropriate, their rank of subordination, according to the provisions of Article L. 228-97 of the French Commercial Code), set their interest rate, establish their duration (fixed or indeterminate), the possibility of reducing or increasing the nominal value of the securities and the other issuance and amortization terms and conditions, amend, during the lifetime of the concerned securities, the terms and conditions indicated above, in accordance with applicable formalities,
   - to set, if applicable, the way in which rights are to be exercised (where appropriate, the rights to conversion, exchange, reimbursement, including by contribution of Company assets, such as treasury shares or securities already issued by the Company) attached to the ordinary shares or securities giving access to the share capital, and notably, set the date, even retroactively, from which the new shares shall carry dividend rights, as well as all other terms and conditions for completing the capital increase,
   - to suspend, where appropriate, the exercise of rights attached to the shares and/or securities to be issued under the conditions and limits provided by applicable legal and regulatory provisions,

- on its sole initiative, to deduct the costs of capital increases from the amount of related premiums and take from this amount the sums required to constitute the legal reserve,
- to make whatever changes are needed to take into account transactions on the Company's share capital, conclude any agreement needed to properly carry out the planned issues, note the completion of capital increases, amend the bylaws accordingly, follow all necessary procedures, and in general do whatever is necessary;

8. **sets** the validity of this delegation at eighteen (18) months, from the date of this Shareholders' General Meeting, on the understanding that it has the effect of voiding all other delegations of authority granted previously by a resolution of the same nature.

The Board of Directors may not, except by prior authorization of the Shareholders' General Meeting, make use of this delegation from the time of deposit by a third party of a public offer for the Company's securities, until the end of the offer period.

- RESOLUTION NO. 16: ABILITY TO INCREASE THE AMOUNT OF THE ISSUANCES IN THE EVENT OF EXCESS DEMAND -

Also known as the "Greenshoe", the purpose of the 16th resolution is to grant a delegation to our Board of Directors providing it **with the ability to increase the initial amount of issuances in the event of excess demand as part of the capital increases made with or without preferential** subscription rights under 12th to 15th resolutions.

The delegation that would be granted to your Board of Directors pursuant to this resolution would have a term of 26 months starting from the date of your Shareholders' General Meeting. Furthermore, it would have the effect of voiding the delegation granted by the 26th resolution of the same type adopted on July 26, 2019.

Sixteenth resolution – Delegation of authority to be granted to the Board of Directors for the purpose of increasing the issuance amount with or without preferential subscription rights, within the limit of 15% of the initial issuance

The Shareholders' General Meeting, under the conditions of *quorum* and majority required for Extraordinary Shareholder's General Meetings, having considered the Board of Directors' report and the statutory auditors' special report, and pursuant to the provisions of Articles L. 225-135-1 of the French Commercial Code:

1. **delegates** to the Board of Directors, with the right to sub-delegate in accordance with the conditions set by law, its authority to decide to increase the number of ordinary shares to be issued, in the event of an issuance of shares or securities giving access to the Company's share capital with or without preferential subscription rights decided on the basis of the twelfth, thirteenth, fourteenth and fifteenth resolutions of this Meeting, at the same price as the initial issuance and with the same time periods and limits as those provided by the applicable legal and regulatory provisions on the day of the issuance (to date, within thirty days of the subscription and limited to 15% of the initial issuance), subject to the ceiling(s) under which the issuance is decided, notably for the purpose of granting an over-subscription option in accordance with market practices;
2. **sets** at twenty-six (26) months from the day of this Shareholders' General Meeting the term of validity of this delegation, on the understanding that it has the effect of voiding all other delegations of authority granted previously by a resolution of the same nature;
3. **decides** that the Board of Directors shall have all powers, with the right to sub-delegate, required to implement the present delegation of authority in accordance with the conditions set by law and the Company's bylaws.

- RESOLUTION NO. 17: ABILITY TO SET THE ISSUE PRICE AS A DEROGATION TO THE ISSUE PRICE IN THE EVENT OF CAPITAL INCREASES WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS -

The purpose of the 17th **resolution** is to grant an authorization to our Board of Directors providing **the ability, as part of issuances without preferential subscription rights through a public offering with the exclusion of the offers referred to in part 1° of Article L. 411-2 of the French Monetary and Financial Code (13th resolution) or public offerings referred to in part 1° of Article L. 411-2 of the French Monetary and Financial Code (14th resolution), to agree to waive the price conditions stipulated by these resolutions.**

It could thus set the issue price of its choice as being equal:

- **the last closing price preceding the setting of the price with a maximum discount of 10%; or**
- **the average volume-weighted share price on the market, on the trading day on which the issue price is set, with a maximum discount of 10%.**

The authorization that would be granted to your Board of Directors pursuant to this resolution would have a term of 26 months starting from the date of your Shareholders' General Meeting. In addition, it would have the effect of voiding the authorization granted by the 27th resolution of the same type adopted on July 26, 2019.

Seventeenth resolution – Authorization to be granted to the Board of Directors in the event of issuance, without preferential subscription rights, by way of public offerings, of shares and/or securities giving access, immediately or in the future, to the Company's share capital, for the purpose of setting the issuance price within the limit of 10% of the Company's share capital under the terms and conditions adopted by the Shareholders' General Meeting

The Shareholders' General Meeting, under the conditions of *quorum* and majority required for Extraordinary Shareholders' General Meetings, having considered the Board of Directors' report and the statutory auditors' special report, and pursuant to the provisions of Article L. 225-136-1 of the French Commercial Code:

1. **authorizes** the Board of Directors, with the right to sub-delegate in accordance with the conditions set by law, in the event of an issuance, without preferential subscription rights, of ordinary shares and/or securities governed by Articles L. 228-92 paragraph 1, L. 228-93 paragraphs 1 and 3 or L. 228-94 paragraph 2 of the French Commercial Code, pursuant to the thirteenth and fourteenth resolutions submitted for approval to this Meeting, to waive the price conditions set out in these resolutions and to set the issue price according to the following modalities:
   a. the issue price for ordinary shares to be issued pursuant to this issuance shall, at the Board of Directors' discretion, be equal to the latest closing price prior to the price setting with a maximum discount of 10% or (ii) the average trading price of the ordinary share, weighted by the trade volume during the trading day on which the issue price was set with a maximum discount of 10%,
   b. the issue price for the securities other than ordinary shares shall be that of the sums received immediately by the Company, plus, where appropriate, the sum likely to be collected subsequently by the Company, *i.e.* for each ordinary share issued as a consequence of the issuance of these securities, at least equal to the amount determined by the Board of Directors in "1. a." above;
2. **decides** that the maximum nominal amount of the increases in the Company's share capital carried out under the conditions provided by this resolution, immediately or in the future, pursuant to this resolution, may exceed neither 10% of the share capital per 12 month period (this percentage applies to a share capital adjusted according to the transactions that affect it after this Meeting and as determined on the date of implementation of a this delegation by the Board of Directors), nor the ceilings set forth in the thirteenth and/or fourteenth resolutions on the basis of which the issues are carried out, on the understanding that at the date of each capital increase, the total number of ordinary shares issued pursuant to this resolution during the 12 month period prior to the said capital increase, including the shares issued pursuant to the said capital increase, may not exceed 10% of the shares comprising the Company's share capital at that date;
3. **acknowledges** that the Board of Directors shall draft an additional report, certified by the statutory auditors, describing the final terms of the transaction and providing criteria for assessing the actual impact on the shareholder's position;
4. **sets** at twenty-six (26) months as from the day of this Shareholders' General Meeting the term of validity of this authorization, on the understanding that it has the effect of voiding all authorizations previously granted by a resolution of the same nature;
5. **decides** that the Board of Directors shall have all powers, with the right to sub-delegate, to implement this authorization in accordance with the conditions set by law.

Eighteenth resolution – Delegation of powers to be granted to the Board of Directors for the issuance of shares and/or securities giving access, immediately or in the future, to the Company's share capital in compensation for contributions in kind consisting of shares or securities giving access to the Company's share capital

The Shareholders' General Meeting, under the conditions of *quorum* and majority required for Extraordinary Shareholders' General Meetings, having considered the Board of Directors' report and the statutory auditors' special report, and in accordance with the provisions of the French Commercial Code and specifically Articles L. 225-129, L. 225-129-2, L. 225-147, and L. 228-91 *et seq.*:

1. **delegates** to the Board of Directors, with the right to sub-delegate in accordance with the conditions set by law and the Company's bylaws, the powers required to proceed, upon the Contribution Auditors' report, with the increase in share capital, through the issue of ordinary shares and/or securities governed by Articles L. 228-92 paragraph 1, L. 228-93 paragraphs 1 and 3 or L. 228-94 paragraph 2 of the French

Commercial Code, giving access by all means, immediately and/or in the future, at any time or at a set date, by subscription, conversion, exchange, reimbursement, presentation of a warrant or any other manner, to the Company's share capital (including equity securities giving the right to the allocation of debt securities), for the purpose of remunerating contributions in kind granted to the Company and consisting of equity securities or securities giving access to the share capital, when the provisions of Article L. 225-148 of the French Commercial Code are not applicable;

2. **decides** that the maximum nominal amount of capital increases that may be carried out immediately or in the future pursuant to this delegation of powers may not exceed the ceiling of €6.5 million, or the counter-value of this amount in any currency or any accounting unit established by reference to a basket of currencies, on the understanding that this amount shall be deducted:

   (i) this ceiling is common to this resolution and to the thirteenth, fourteenth, fifteenth, sixteenth, seventeenth and twentieth resolutions,

   (ii) from the shared ceiling of €6.5 million referred to in "3. a. (i)" of the thirteenth resolution of this Shareholders' General Meeting, or, where appropriate, from the amount of the ceiling provided by a resolution of the same nature succeeding this resolution during the term of this delegation, on the understanding that, in any event, issuances of securities made in this framework are limited according to the legal provisions in force on the day of issuance, and

   (iii) from the ceiling of €32.5 million referred to in "3. a. (i)" of the twelfth resolution or, where appropriate, from the amount of the ceiling provided by a resolution of the same nature succeeding this resolution during the term of this delegation.

   To these ceilings will be added the nominal amount of capital increases related to ordinary shares which may be issued to preserve, in accordance with the law and, where appropriate, contractual provisions providing for other adjustments, the rights of holders of securities and other rights giving access to the Company's capital.

   In any event, the issuance of ordinary shares and securities giving access to the share capital pursuant to this delegation of powers shall not exceed 10% of the share capital, as it exists at the date of the Board of Directors' decision to implement the delegation;

3. **decides** that the maximum nominal amount of the securities representing debt or related securities, giving access immediately or in the future to the Company's share capital, that may be issued pursuant to this resolution, shall not exceed the ceiling of €325 million or the counter-value of this amount in any other currency or monetary unit established in reference to several currencies, on the understanding that this amount may be increased, where appropriate, by any reimbursement premium over the par value, shall be deducted from the overall ceiling of €325 million indicated in "3. b. 3. b. of the twelfth resolution of this Shareholders' General Meeting or, where appropriate, from the amount of any ceiling provided by a resolution of the same nature succeeding this resolution during the term of this delegation. This ceiling is independent from the amount of debt securities that may be issued or authorized by the Board of Directors in accordance with Articles L. 228-36-A, L. 228-40, L. 228-92 paragraph 3, L. 228-93 paragraph 6 and L. 228-94 paragraph 3 of the French Commercial Code;

4. **sets** at twenty-six (26) months from the day of this Shareholders' General Meeting the term of validity of this delegation, on the understanding that it has the effect of voiding all other delegations of powers granted previously by a resolution of the same nature;

5. **grants** to the Board of Directors, with the right to sub-delegate, all powers necessary to decide the aforementioned issuance in accordance with the terms it will determine in compliance with the law, and notably:

   - to decide the issuance of ordinary shares and/or securities giving access, immediately or in the future to the Company's share capital, to remunerate contributions,
   - to establish the list of equity securities and securities giving access to the share capital that are contributed, approve the valuation of the contribution, set the conditions for the issue of ordinary shares and/or securities to remunerate the contribution, as well as, where appropriate, the amount of any cash portion to be paid, approve the grant of specific benefits, and reduce, if the contributors agree, the valuation of the contributions or the consideration for the specific benefits,
   - to determine the number, modalities and features of the ordinary shares and/or securities to be issued as consideration for the contributions, as well as their terms and conditions, and if applicable, the amount of the premium, make a decision on the valuation of the contribution and the grant of any specific benefits,
   - to set the terms and conditions under which the Company would have, if applicable, the right to purchase or exchange the securities giving access to the share capital on the stock market, at any time or during set periods, for the purpose of cancelling or not cancelling them, depending on the legal provisions,
   - to suspend, where appropriate, the exercise of rights attached to these securities for a maximum time period of three months under the conditions and the limits provided by laws and regulations,
   - at its sole discretion, to charge the costs of the capital increase against the amount of related premiums, and take from this amount the sums necessary to bring the legal reserves to one tenth of the new share capital after each increase,
   - to determine and carry out all adjustments to take into account the impact of the transactions on the Company's capital or equity, notably in the event of modifications to the ordinary share's par value, capital increases by capitalization of reserves, earnings or premiums, the allocation of free shares, stock splits or reverse stock splits, distribution of dividends, reserves or premiums or all other assets, capital amortization, or all other operations on the capital or equity (including in the event of a public offer and/or change of control), and to set all other terms and conditions to ensure, where appropriate, the preservation of the rights of holders of securities giving access to the share capital or other rights giving access to the share capital (including by way of cash adjustments),
   - generally, to take all appropriate measures, conclude all agreements, obtain all authorizations, carry out all formalities and to do what is necessary to ensure successful completion of the issuance or stay the implementation thereof, and notably record the completion of any capital increases resulting from any issuance conducted under this delegation, amend the bylaws accordingly, and request the listing of any securities issued as a result of this delegation.

The Board of Directors may not, except by prior authorization of the Shareholders' General Meeting, make use of this delegation from the time of deposit by a third party of a public offer for the Company's securities, until the end of the offer period.

- RESOLUTION NO. 19: CAPITAL INCREASES BY CAPITALIZATION OF PREMIUMS, RESERVES, EARNINGS OR OTHER -

The purpose of the 19th **resolution** is to grant a delegation to our Board of Directors to increase the share capital by capitalizing premiums, reserves, profits or any other funds that may be capitalized, **up to a limit of €32.5 million.**

The delegation that would be granted to your Board of Directors pursuant to this resolution would have a term of 26 months starting from the date of your Shareholders' General Meeting. Furthermore, it would have the effect of voiding the delegation granted by 29th resolution of the same type adopted on July 26, 2019.

Nineteenth resolution – Delegation of authority to be granted to the Board of Directors for the purpose of increasing the share capital by capitalizing premiums, reserves, profits, or any other funds that may be capitalized

The Shareholders' General Meeting, under the conditions of *quorum* and majority required for Extraordinary Shareholders' General Meetings, having considered the Board of Directors' report and the statutory auditors' special report, and pursuant to the provisions of Articles L. 225-129, L. 225-129-2, and L. 225-130 of the French Commercial Code:

1. **delegates** to the Board of Directors, with the right to sub-delegate in accordance with the conditions set by law and the Company's bylaws, its authority for the purpose of carrying out a share capital increase, on one or more occasions, in the proportion and at the times it deems appropriate, by the successive or simultaneous capitalization of premiums, reserves, earnings, or any other funds that may be capitalized, in the form of the issue of new ordinary shares or the increase in the nominal value of existing ordinary shares or the combination of the two modalities;
2. **sets** at twenty-six (26) months from the day of this Shareholders' General Meeting the term of validity of this delegation, on the understanding that it has the effect of voiding all other delegations granted previously by a resolution of the same nature;
3. **decides** that the maximum nominal amount of capital increases that may be carried out immediately or in the future pursuant to this delegation of authority may not exceed the total value of the amounts which can be capitalized or a ceiling of a nominal value of €32.5 million or the counter-value of this amount in any currency or any accounting unit established by reference to a basket of currencies, on the understanding that this amount shall be deducted from the global ceiling of €32.5 million referred to in "3. a. (i)" of the twelfth resolution of this Shareholders' Meeting or, where appropriate, from the amount of the ceiling provided by a resolution of the same nature succeeding this resolution during the term of this delegation. To these ceilings will be added, where appropriate, the nominal amount of the ordinary shares to be issued to preserve, in accordance with legal and regulatory provisions, and, where appropriate, contractual provisions providing for other adjustments, the rights of holders of securities and other rights giving access to the share capital;
4. **decides** that, in case of an increase in capital in the form of distribution of free shares and in accordance with Article L. 225-130 of the French Commercial Code, the rights to fractional shares shall not be negotiable and the corresponding securities shall be sold, with the stipulation that the proceeds of the sale shall be allocated to the holders of these rights under legal conditions;
5. **grants** to the Board of Directors, with the right to sub-delegate, all powers necessary to decide the aforementioned issuance in accordance with the terms it will determine in compliance with the law, and notably:
   - to determine the dates, terms and conditions and features of the issuance and notably set the amount and nature of the sums to be capitalized, set the number of new equity securities to be issued and/or the amount by which the nominal value of the existing equity securities shall be increased, set the date, even retroactively, from which the new equity securities shall open rights to dividends, or from which the increase in the nominal value of the existing equity securities shall take effect,
   - to decide, in the event of the allocation of free equity securities, that the resulting fractional shares shall not be negotiable and that the corresponding equity securities shall be sold in accordance with the modalities set by the Board of Directors, and that the shares that may be allocated pursuant to this delegation due to old ordinary shares benefiting from double voting rights shall benefit from this right from the date of their issuance,
   - to set any terms and conditions to guarantee, where appropriate, the preservation of the rights of holders of securities giving access to the share capital or other rights giving access to the share capital (including by means of cash adjustment),
   - generally, to take all appropriate measures, conclude all agreements, obtain all authorizations, carry out all formalities and to do what is necessary to ensure successful completion of the issuance or stay the implementation thereof, and notably record the completion of any capital increases resulting from any issuance conducted under this delegation, amend the bylaws accordingly, and request the listing of any securities issued as a result of this delegation.

The Board of Directors may not, except by prior authorization of the Shareholders' General Meeting, make use of this delegation from the time of deposit by a third party of a public offer for the Company's securities, until the end of the offer period.

- RESOLUTION NO. 20: CAPITAL INCREASE AS PART OF A PUBLIC EXCHANGE OFFER INITIATED BY OUR COMPANY -

The purpose of **the 20th resolution** is to grant a delegation to our Board of Directors to issue **shares or securities giving access to our share capital in the event of a public** offer implemented by our Company for the securities of another listed company.

The delegation that would be granted to your Board of Directors pursuant to this resolution would have a **term of 26 months** starting from the date of your Shareholders' General Meeting. Furthermore, it would have the effect **of voiding the delegation granted by the 20th resolution of the same type adopted on July 26, 2019.**

Twentieth resolution – Delegation of authority to be granted to the Board of Directors for the purpose of proceeding with an increase of the share capital by the issuance of shares or securities giving access, immediately or in the future, to the Company's share capital as consideration for securities contributed as part of a public exchange offer initiated by the Company

The Shareholders' General Meeting, under the conditions of *quorum* and majority required for Extraordinary Shareholders' General Meetings, having considered the Board of Directors' report and the statutory auditors' special report, in accordance with Articles L. 225-129, L. 225-148, and L. 228-91 of the French Commercial Code:

1. **delegates** to the Board of Directors, with the right to sub-delegate in accordance with the conditions set by law, its authority to decide, on one or more occasions, in the proportion and that the times that it deems appropriate, in euros, or in a foreign currency, or in any accounting unit established by reference to a basket of currencies, the issuance of ordinary shares and/or securities governed by Articles L. 228-92 paragraph 1, L. 228-93 paragraphs 1 and 3 or L. 228-94 paragraph 2 of the French Commercial Code, giving access, immediately and/or in the future, at any time or at a set date, by subscription, conversion, exchange, reimbursement, presentation of a warrant or in any other manner, to the Company's share capital, against payment or free of charge, in consideration for securities that may be contributed as part of a public exchange offer initiated in France or abroad, according to local rules, by the Company on its securities or the securities of another company admitted to trading on one of the regulated markets indicated in Article L. 225-148 of the French Commercial Code (including all other transactions with the same impact as a public exchange offer initiated by the Company on its own securities or the securities of any other company admitted to trading on a regulated market under foreign law, or equivalent);
2. **sets** at twenty-six (26) months from the day of this Shareholders' General Meeting the term of validity of this delegation, on the understanding that it has the effect of voiding all other delegations granted previously by a resolution of the same nature;
3. **decides** that the maximum nominal amount of capital increases that may be carried out immediately or in the future pursuant to this delegation of authority may not exceed a ceiling of €6.5 million or the counter-value of this amount in any currency or any accounting unit established by reference to a basket of currencies, on the understanding that this amount shall be deducted:
   - (i) this ceiling is common to this resolution and to the thirteenth, fourteenth, fifteenth, sixteenth, seventeenth and eighteenth resolutions,
   - (ii) from the shared ceiling of €6.5 million referred to in "3. a. (i)" of the thirteenth resolution of this Shareholders' General Meeting or, where appropriate, from the amount of any ceiling provided by a resolution of the same nature succeeding this resolution during the term of this delegation, on the understanding that these capital increases shall not be subject to the issuance price rules set out in the fourteenth resolution, and
   - (iii) from the overall ceiling of €32.5 million referred to in "3. a. (i)" of the twelfth resolution of this Shareholders' Meeting or, where appropriate, from the amount of the ceiling provided by a resolution of the same nature succeeding this resolution during the term of this delegation.

   To these ceilings will be added the nominal amount of capital increases related to ordinary shares which may be issued to preserve, in accordance with the law and, where appropriate, contractual provisions providing for other adjustments, the rights of holders of securities and other rights giving access to the Company's capital;
4. **decides** that the maximum nominal amount of the securities representing debt or related securities, giving access immediately or in the future to the Company's share capital, that may be issued pursuant to this resolution, shall not exceed the ceiling of €325 million or the counter-value of this amount in any other currency or monetary unit established in reference to several currencies, on the understanding that this amount may be increased, where appropriate, by any reimbursement premium over the par value, shall be deducted from the overall ceiling of €325 million indicated in "3. b." of the twelfth resolution of this Shareholders' General Meeting or, where appropriate, from the amount of any ceiling provided by a resolution of the same nature succeeding this resolution during the term of this delegation. This ceiling is independent from the amount debt securities that may be issued or authorized by the Board of Directors in accordance with Articles L. 228-36-A, L. 228-40, L. 228-92 paragraph 3, L. 228-93 paragraph 6 and L. 228-94 paragraph 3 of the French Commercial Code;
5. **acknowledges** that the shareholders of the Company will not be entitled to preferential subscription rights to subscribe to ordinary shares and/or securities that would be issued under this delegation, the latter being solely issued as consideration for shares contributed within the framework of a public exchange offer initiated by the Company;
6. **acknowledges** that the price of the ordinary shares and/or securities that would be issued pursuant to this resolution shall be set in accordance with the laws and regulations concerning public exchange offers;
7. **grants** to the Board of Directors, with the right to sub-delegate, all powers necessary to carry out the aforementioned issuance in accordance with the terms it will determine in compliance with the law, and notably:
   - to set the exchange parity as well as, where appropriate, the amount of cash portion to be paid,
   - to establish the list of securities that may be contributed to the exchange,

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- to determine the dates, methods, and other characteristics of the issuance,
- to determine and carry out all adjustments to take into account the impact of the transactions on the Company's capital or equity, notably in the event of modifications to the ordinary share's par value, capital increases by capitalization of reserves, earnings or premiums, the allocation of free shares, stock splits or reverse stock splits, distribution of dividends, reserves or premiums or all other assets, capital amortization, or all other operations on the capital or equity (including in the event of a public offer and/or change of control), and to set all other terms and conditions to ensure, where appropriate, the preservation of the rights of holders of securities giving access to the share capital or other rights giving access to the share capital (including by way of cash adjustments),
- at its sole discretion, to charge the costs of the capital increase against the amount of related premiums, and take from this amount the sums necessary to bring the legal reserves to one tenth of the new share capital after each increase,
- generally, to take all appropriate measures, conclude all agreements, obtain all authorizations, carry out all formalities and to do what is necessary to ensure successful completion of the issuance or stay the implementation thereof, and notably record the completion of any capital increases resulting from any issuance conducted under this delegation, amend the bylaws accordingly, and request the listing of any securities issued as a result of this delegation.

The Board of Directors may not, except by prior authorization of the Shareholders' General Meeting, make use of this delegation from the time of deposit by a third party of a public offer for the Company's securities, until the end of the offer period.

- RESOLUTION NO. 21: CAPITAL INCREASES RESERVED FOR MEMBERS OF A COMPANY SAVINGS PLANS -

The purpose of the **21st resolution** is to grant a delegation to our Board of Directors to **increase our share capital and/or allocate treasury shares for the benefit of members of a company savings plan in our Company or related companies, up to a maximum ceiling of €700,000 in nominal** (up from €560,000 last year), and with a **maximum discount of 30% compared to the Reference Price** (as defined below), **which may go up to 40% under certain conditions.**

The delegation that would be granted to your Board of Directors pursuant to this resolution would have a term **of 26 months starting** from the date of your Shareholders' General Meeting. Furthermore, it would have the effect **of voiding the delegation granted by 31st resolution of the same type adopted on July 26, 2019.**

Twenty-first resolution – Delegation of authority to be granted to the Board of Directors for the purpose of carrying out a capital increase through the issue of shares or securities giving access to the share capital reserved for members of savings plans with elimination of preferential subscription rights in their favor

The Shareholders' General Meeting, under the conditions of *quorum* and majority required for Extraordinary Shareholders' General Meetings, having considered the Board of Directors' report and the statutory auditors' special report, in accordance with the provisions of Articles L. 225-129, L. 225-129-2 to L. 225-129-6, L. 225-138, L. 225-138-1, L. 228-91, and L. 228-92 of the French Commercial Code, and Articles L. 3332-18 *et seq.* of the French Labor Code:

1. **delegates** to the Board of Directors, with the right to sub-delegate in accordance with the conditions set by law, its authority to decide on an increase of the share capital, on one or more occasions, in such amount and at such times as it deems appropriate, in euros, or in foreign currency or any accounting unit established by reference to a basket of currencies, on the issue, without preferential subscription rights, in France and/or abroad, for consideration or for free, in a maximum nominal amount of €700,000, *i.e.* a maximum of 350,000 shares, *via* the issuance of shares and/or securities governed by Articles L. 228-92 paragraph 1, L. 228-93 paragraphs 1 and 3 or L. 228-94 paragraph 2 of the French Commercial Code, giving access by any means, immediately and/or in the future, at any time or on a determined date, by way of subscription, conversion, exchange, reimbursement, presentation of a warrant or in any other manner, to the Company's share capital (including equity securities giving the right to the allocation of debt securities), reserved for members of one or several company savings plans (or any other plan for the members of which a share capital increase may be reserved under equivalent conditions pursuant to L. 3332-18 *et seq.* of the French Employment Code) potentially put in place within the Group comprised of the Company and the French or foreign companies within the scope of consolidation of the Company's financial statements in application of Article L. 3344-1 of the French Employment Code; it being stipulated that (i) the maximum nominal amount of capital increases that may be carried out immediately or in the future based on this delegation shall be deducted from the overall ceiling of €32.5 million in nominal referred to in "3. a. (i)" of the twelfth resolution of this Shareholders' General Meeting or, where appropriate, from the amount of the ceiling provided by a resolution of the same nature succeeding this resolution during the term of this delegation (to which will be added the nominal amount of capital increases related to ordinary shares which may be issued to preserve, in accordance with the law, and, where appropriate, contractual provisions providing for other adjustments, the rights of holders of securities and other rights giving access to the Company's capital) and (ii) the maximum nominal amount of debt securities or similar securities giving access, immediately or in the future, to the Company's capital, likely to be issued under this delegation, shall be increased, if applicable, by any redemption premium above par and shall be deducted from the overall ceiling of €325 million defined in "3. b." of the twelfth resolution of this Shareholders' General Meeting or, where appropriate, from the amount of any ceiling provided by a resolution of the same nature succeeding this resolution during the term of this delegation;
2. **sets** at twenty-six (26) months from the day of this Meeting the term of validity of this delegation, on the understanding that it has the effect of voiding all other delegations granted previously by a resolution of the same nature;

3. **decides** that the issue price of the new shares or securities giving access to the share capital shall be determined under the conditions stipulated in Articles L. 3332-18 *et seq*. of the French Labor Code and shall be equal to at least 70% (or, when the lock-up period provided by the plan pursuant to Articles L. 3332-25 and L. 3332-26 of the French Labor Code) is greater than or equal to ten years, to 60%, in accordance with Article L. 3332-21 of the French Labor Code of the average of the listed prices of the share on Euronext Paris during the 20 trading sessions prior to the decision setting the opening date for the subscription period to the capital increase reserved for members of a company savings plan (the "Reference Price"); however, the Shareholders' General Meeting expressly authorizes the Board of Directors, if it sees fit, to reduce or eliminate the aforementioned discount, under the legal and regulatory limits, to take into account, notably, locally applicable legal, accounting, tax and social regimes;
4. **authorizes** the Board of Directors to allocate, free of charge, to the beneficiaries listed above, in addition to the cash subscription for shares or securities giving access to share capital, shares or securities giving access to capital to be issued or already issued, as full or partial substitution for the discount as compared to the Reference Price and/or employer's contribution, it being acknowledged that the advantages arising out of this allocation may not exceed the legal or regulatory limits in application of Articles L. 3332-18 *et seq*. and L. 3332-11 *et seq*. of the French Labor Code;
5. **decides** to eliminate, for the benefit of the aforementioned beneficiaries, the preferential subscription rights of shareholders to shares and securities giving access to share capital, the issue of which is the subject of this delegation of powers, said shareholders waiving, in case of a free allocation to the aforementioned beneficiaries of shares and securities giving access to share capital, all rights to said shares and securities giving access to share capital, including that part of the reserves, profits or share premiums incorporated into the share capital, due to the free allocation of said shares made on the basis of the present resolution;
6. **authorizes** the Board of Directors, under the conditions of this delegation, to carry out sales of shares to members of a company savings plan as provided by Article L. 3332-24 of the French Labor Code, on the understanding that the nominal amount of the shares sold at a discount for the benefit of members of one or more company savings plans indicated in this resolution shall be deducted from the amount of the ceilings indicated in paragraph 1 above;
7. **grants** to the Board of Directors, with the right to sub-delegate, all powers necessary to carry out the aforementioned issuance in accordance with the terms it will determine in compliance with the law, and notably:
   - to establish in accordance with the law, the list of companies for which the members of one or more company savings plans may subscribe to the shares or securities giving access to the share capital that are thereby issued and benefit, where appropriate, from the shares and securities giving access to share capital allotted free of charge,
   - to decide that the subscriptions may be made directly by the beneficiaries, members of a company savings plan, or through a company mutual fund or other structures or entities permitted under applicable legal or regulatory provisions,
   - to determine the conditions, in particular seniority, that the beneficiaries of capital increases provided for in the present delegation must meet,
   - to set subscription opening and closing dates,
   - to set the amount of the capital increases that will be completed by virtue of the present delegation of powers and in particular, to set the issue price, dates, periods, procedures and conditions of subscription, payment, delivery and enjoyment of shares (even retroactive), reduction rules to be applied in case of over subscription, and all other terms and conditions for the issue, within the applicable legal and regulatory limits,
   - to determine and carry out all adjustments to take into account the impact of the transactions on the Company's capital or equity, notably in the event of modifications to the share's par value, capital increases by capitalization of reserves, earnings or premiums, the allocation of free shares, stock splits or reverse stock splits, distribution of dividends, reserves or premiums or all other assets, capital amortization, or all other operations on the capital or equity (including in the event of a public offer and/or change of control), and to set all other modalities to ensure, where appropriate, the preservation of the rights of holders of securities giving access to the share capital or other rights giving access to the share capital (including by way of cash adjustments),
   - in case of a free allocation of shares or securities giving access to share capital, to determine the nature, the characteristics and the number of shares or securities giving access to share capital to be issued, the number to be allocated to each beneficiary, and to determine the dates, periods, terms and conditions for the allocation of these shares or securities giving access to share capital, within the applicable legal and regulatory limits and, in particular, to choose either to fully or partially substitute the allocation of these shares or securities giving access to share capital for a discount to the Reference Price provided for herein, or to charge the equivalent value of these shares against the total amount of the employer's contribution, or to combine these two options,
   - in the event of an issue of new shares being allocated free of charge, where appropriate, to charge the sums necessary to pay up said shares against reserves, profits or share premiums,
   - to acknowledge the completion of capital increases with the number of shares subscribed (after reductions in the event of over subscription),
   - where appropriate, to charge the costs of the capital increase against the amount of related premiums, and take from this amount the sums necessary to bring the legal reserves to one-tenth of the new share capital resulting from these share capital increases,
   - to enter into any agreements, to carry out all transactions directly or indirectly through an agent, including completing all necessary formalities further to the capital increases and the corresponding amendments to the bylaws, and, generally, to enter into any agreement, in particular to ensure the successful conclusion of the planned issues, to take all measures and decisions, and to carry out all formalities appropriate for the issue, admission to trading and financial servicing of the shares issued by virtue of the present delegation, as well as the exercise of the rights attaching thereto or resulting from the completed capital increases.

- RESOLUTION NO. 22: DELEGATION OF AUTHORITY GRANTED TO THE BOARD OF DIRECTORS TO ISSUE PS 2, WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS, TO PERSONS MEETING DEFINED REQUIREMENTS -

The purpose of the 22nd **resolution** is to grant a delegation to our Board of Directors to **increase our share capital and to issue PS 2, without preferential subscription rights, up to a maximum ceiling of €204,040 in nominal (*i.e.*, 102,020 PS 2).**

The delegation that would be granted to your Board of Directors pursuant to this resolution would have a term **of 6 months starting** from the date of your Shareholders' General Meeting.

Twenty-second resolution – Delegation of authority granted to the Board of Directors to issue PS 2, without preferential subscription rights, to persons meeting defined requirements

The Shareholders' General Meeting, deliberating pursuant to the *quorum* and majority requirements for Extraordinary General Meetings, having considered the Board of Directors' report and the statutory auditors' special report, and pursuant to Articles L. 228-11, L. 228-12, L. 225-129 *et seq.*, L. 228-91 to L. 228-93 and L. 225-135 to L. 225-138 of the French Commercial Code:

1. **delegates** its authority to the Board of Directors, with the option to sub-delegate, in accordance with applicable law, to issue PS 2, on one or more occasions, in the proportion and at the intervals it deems fit, in euros, foreign currency or any unit of account drawn up against a basket of currencies, against consideration, in and/or outside France, it being specified that these PS 2 may be subscribed for in cash, against payment of liquid payable receivables, or by incorporation of reserves, earnings or premiums or any amount which could be capitalized;
2. **decides** to waive shareholders' preferential subscription rights to PS 2 and under this resolution reserves subscription rights to these PS 2 for beneficiaries meeting the following requirements: corporate officers or employees of the Company or companies directly or indirectly related to it as defined by Article L. 233-4 of the French Commercial Code;
3. **delegates** its authority to the Board of Directors, with the option to sub-delegate, in accordance with applicable law, to establish a precise list of beneficiaries of the waiver of the preferential subscription rights and to set the number of PS 2 each one of them must subscribe for under this delegation of authority;
4. **notes** and decides, as the case may be, that this delegation of authority entails the complete waiver by shareholders, in favor of the beneficiaries appearing on the list established by the Board of Directors, of their preferential subscription rights to new shares resulting from the PS 2 that may be issued under this resolution;
5. **decides** that if the Board of Directors makes use of this delegation of authority, the maximum number of PS 2 that can be issued under this resolution shall be equal to 102,020;
6. **decides** that the Board of Directors shall determine, according to the applicable regulations, the subscription price that shall be set, with opinion of an independent expert, depending on parameters that influence its value;
7. **grants** all powers to the Board of Directors, with the option to sub-delegate, in accordance with applicable law, to carry out the abovementioned issues according to the terms it sets in accordance with the law, and in particular to:
   - set the terms of issue, and notably the subscription price,
   - to determine if the ordinary shares resulting from the conversion of the PS 2 shall be existing shares or shares to be issued and, in case of issue of new ordinary shares, to attribute, as the case may be, the necessary funds to pay up the said ordinary shares on the reserves, earnings or premiums or any amount which could be capitalized,
   - amend the bylaws as necessary with regard to the amount of share capital and the number of shares comprising it,
   - on its sole initiative, deduct the costs of capital increases from the amount of related premiums and deduct from this amount the sums required to constitute the legal reserve, and
   - make whatever changes are needed to take into account transactions in the Company's share capital, conclude any agreement needed to properly carry out the planned issues, note the completion of capital increases, amend the bylaws accordingly, follow all necessary procedures, and in general do whatever is necessary;
8. **sets** at six (6) months from the date of this Shareholder's General Meeting the period of the validity of this delegation.

The Board of Directors may not, except by prior authorization of the Shareholders' General Meeting, make use of this delegation from the time of deposit by a third party of a public offer for the Company's securities, until the end of the offer period.

- RESOLUTION NO. 23: CANCELLATION OF TREASURY SHARES -

By virtue of the **23rd resolution**, to enable all of the objectives set **for our Company's share repurchase program to be continued**, our shareholders are asked to renew the resolution allowing the Company **to cancel its treasury shares up to 10% of the share capital**, and to proceed with the corresponding **reductions in the share capital**.

This authorization would be valid **until the day of the Shareholders' General Meeting called in 2021 to approve the financial statements for the year ending March 31, 2021.**

In addition, it would have the effect **of voiding the authorization granted by the 36th resolution of the same type adopted on July 26, 2019.**

Twenty-third resolution – Authorization to be granted to the Board of Directors to cancel, where applicable, Treasury shares held by the Company, up to a maximum of 10%

The Shareholders' General Meeting, deliberating pursuant to the *quorum* and majority requirements for Extraordinary General Meetings, having considered the Board of Directors' report and the statutory auditors' special report, authorizes the Board of Directors, pursuant to Articles L. 225-209 *et seq.* and L. 225-213 of the French Commercial Code, to reduce the share capital, on one or more occasions, in the proportions and at the intervals it deems fit, by cancelling any number of ordinary shares acquired as treasury shares by virtue of authorizations granted by the Shareholders' General Meeting.

At the date of each cancellation, the total number of ordinary shares cancelled by the Company over the 24-month period prior to the cancellation (including those to be cancelled in the aforementioned cancellation) may not exceed 10% of the share capital on that date; it being specified that this limit applies to the Company's share capital adjusted as necessary to take into account transactions affecting the share capital after this Shareholders' General Meeting.

The Shareholders' General Meeting grants all powers to the Board of Directors, with the option to sub-delegate, to cancel treasury shares and reduce the share capital by virtue of this authorization, deduct from the available reserves and premiums of its choice the difference between the buyback value and par value of cancelled ordinary shares held as treasury shares, allocate the fraction of the statutory reserve newly available as a result of the capital reduction, amend the bylaws accordingly, and follow all necessary procedures.

This authorization becomes effective at the close of this General Meeting and will expire on the day of the Shareholders' General Meeting called in 2021 to approve the financial statements for the fiscal year ending March 31, 2021, it being stipulated that this authorization cancels and supersedes all authorizations previously granted by a resolution of the same nature.

This authorization is granted to the Board of Directors, with the power to sub-delegate, in order to carry out any act, formality, or declaration with a view to cancel the shares acquired and decrease the Company's capital, as well as amend the bylaws as necessary.

- RESOLUTION NO. 24 – AMENDMENT OF ARTICLE 15 OF THE BYLAWS OF THE COMPANY DUE TO LEGISLATIVE AND REGULATORY CHANGES, TO ALLOW THE BOARD OF DIRECTORS TO MAKE DECISIONS BY WAY OF WRITTEN CONSULTATION -

24th Resolution purports to **amending the Company's bylaws to enable the Board of Directors to adopt certain decisions by way of a written consultation.**

In accordance with Article L. 225-37 of the French Commercial Code, as amended by French Act no. 2019-744 of July 19, 2019 relating to the simplification, clarification and modernization of corporate law, these decisions concern, in particular, provisional appointments in the event of a vacancy in the Board of Directors, the authorization to issue security interests, endorsements and guarantees in favor of third parties, the amendment of the bylaws to comply with legislative or regulatory provisions or the transfer of the company's registered office within the same department.

The other provisions of Article 15 remain unchanged.

Twenty-fourth resolution – Amendment of Article 15 of the bylaws of the Company due to legislative and regulatory changes, to allow the Board of Directors to make decisions by way of written consultation

The Shareholders' Meeting, resolving under the *quorum* and majority conditions required for Extraordinary General Meetings, having reviewed the report of the Board of Directors, resolves to use the ability provided for by Article L. 225-37 of the French Commercial Code and to authorize the Board of Directors to make the decisions referred to in paragraph 3 of the said Article *via* a written consultation, by adding a new paragraph 4 at the end of Article 15 (Resolutions of the Board of Directors) of the Company's bylaws:

"Notwithstanding any provision to the contrary, the Board of Directors may make decisions via written consultation of the directors in accordance with the conditions prescribed by relevant regulations."

The other provisions of Article 15 remain unchanged.

- RESOLUTION NO. 25: POWERS -

The 25th resolution aims to grant all powers to bearers of an original, copy or extract of the minutes of the Shareholders' General Meeting so as to comply with all procedures required by law and/or regulations in force.

Twenty-fifth resolution – Powers for formalities

The Shareholders' General Meeting, under the conditions of *quorum* and majority required for Extraordinary General Meetings, grants all powers to the bearer of an original, a copy, or an excerpt of the minutes of this Shareholders' Meeting for the purpose of carrying out all formalities required by law and/or by regulations.

8.2.3 SUMMARY TABLE OF DELEGATIONS AND AUTHORIZATIONS REQUESTED AT THE SHAREHOLDERS' GENERAL MEETING OF SEPTEMBER 23, 2020

Reason for the resolution Resolution number	Ceilings	Percentage of the share capital Indicative stock market price****	Duration of the authorization (expiry date)
1. Resolutions within the competence of the Ordinary Shareholders' General Meeting			
Company's share repurchase program *Resolution 10*	5% of the share capital Maximum €150 per share	5% of the share capital*** 1,663,945 shares*** Global maximum amount allocated to the program: €249,591,750	12 months (Shareholders' General Meeting called to approve the financial statements for the fiscal year ended March 31, 2021)
2. Resolutions within the competence of the Extraordinary Shareholders' General Meeting			
2.1 Resolutions that may be deducted from the overall ceilings of €32.5 million in nominal share capital (1) and €325 million in nominal debt securities (2)			
Capital increase all securities included with PSR *Resolution 12*	In share capital* = €32.5 million In debt securities** = €325 million	~48.83% of the share capital*** 16,250,000 shares*** ~€1,618,500,000 of stock-market value****	26 months (11/23/2022)
Capital increase by incorporating premiums, reserves, profits or other shares allowed to be capitalized *Resolution 19*	Up to the limit (i) of the total reserves, premiums, or profits, and (ii) of €32.5 million (in carrying amount)	~48.83% of the share capital*** 16,250,000 shares (to be issued at par without share issue premium)	26 months (11/23/2022)
Capital increase by issue of shares or securities giving access to the capital reserved for members of company savings plans with elimination of PSR *Resolution 21*	In capital* = €700,000 and within the limit of 350,000 shares	~0.90% of the share capital*** ~€34,860,000 of stock-market value****	26 months (11/23/2022)
2.2 Resolutions that may be simultaneously deducted from the overall sub-ceiling of €6.5 million in nominal share capital (3), and the overall ceilings of €32.5 million in share capital (1) and €325 million in debt securities (2)			
Capital increase, all securities included without PSR – offers to the public *Resolution 13*	In share capital* = €6.5 million In debt securities** = €325 million	~9.77% of the share capital*** 3,250,000 shares*** ~€323,700,000 of stock-market value****	26 months (11/23/2022)
Capital increase, all securities included, without PSR – offerings referred to in Article L. 411-2 1° of the French Monetary and Financial Code *Resolution 14*	In share capital* = €6.5 million In debt securities** = €325 million	~9.77% of the share capital*** 3,250,000 shares*** ~€323,700,000 of stock-market value****	26 months (11/23/2022)
Capital increase, all securities included, without PSR – reserved for categories of persons meeting specific criteria *Resolution 15*	In share capital* = €6.5 million In debt securities** = €325 million	~9.77% of the share capital*** 3,250,000 shares*** ~€323,700,000 of stock-market value****	18 months (03/23/2022)
Capital increase in payment for contributions in kind composed of shares or securities giving access to the capital *Resolution 18*	In share capital* = €6.5 million (and within the limit of 10% of the share capital) In debt securities** = €325 million	~9.77% of the share capital*** 3,250,000 shares*** ~€323,700,000 of stock-market value****	26 months (11/23/2022)
Capital increase in payment for contributions of shares made for a public exchange offer initiated by our Company *Resolution 20*	In share capital* = €6.5 million In debt securities** = €325 million	~9.77% of the share capital*** 3,250,000 shares*** ~€323,700,000 of stock-market value****	26 months (11/23/2022)

Reason for the resolution Resolution number	Ceilings	Percentage of the share capital Indicative stock market price****	Duration of the authorization (expiry date)
2.3 Resolutions covered by the ceilings determined by reference to those set by the resolutions used for the initial issues			
Increase in the number of securities to be issued with or without preferential subscription rights in case of excess demand (Greenshoe) *Resolution 16*	Within the limit: (i) of 15% of the initial issue; and (ii) of the ceiling(s) specified in the resolution used for the initial issue	-	26 months (11/23/2022)
Capital increase, all securities included without PSR - derogation rules for setting the issue price (unrestricted price) *Resolution 17*	Within the limit: (i) of 10% of the share capital per period of 12 months; and (ii) of the ceiling(s) specified in the resolution used for the initial issue	-	26 months (11/23/2022)
2.4 Resolutions subject to independent ceilings			
Authorization to issue of PS 2 without PSR *Resolution 22*	Maximum ceiling of 102,020 PS 2	N/A	6 months (03/23/2021)
Cancellation of shares acquired pursuant to the authorizations to buy back the Company's treasury shares *Resolution 23*	10% of the share capital over a period of 24 months	N/A	12 months (Shareholders' General Meeting called to approve the financial statements for the fiscal year ended March 31, 2021)

(1) Overall ceiling of €32.5 million in nominal value, applicable to all capital increase transactions that may result from the implementation of resolutions 12 to 21 of the OEGM of September 23, 2020. This ceiling of €32.5 million is in addition to the total nominal value of the capital increases related to the ordinary shares that may be issued in addition in order to preserve the rights of securities of rights giving access to our Company's share capital.

(2) Overall ceiling of €325 million in nominal value, applicable to all issues of shares described in note (**) below that may result from the implementation of resolutions 12 to 21 of the OEGM of September 23, 2020 (with the exception of resolution 19). This limit shall be increased, if applicable, by any redemption premium in excess of the par value.

(3) Global sub-ceiling of €6.5 million in nominal value, applicable to all capital increase transactions leading to the cancellation of preferential subscription rights, that may result from the implementation of resolutions 13 to 20 of the OEGM of September 23, 2020 (with the exception of resolution 19). This sub-ceiling of €6.5 million is in addition to the total nominal value of the capital increases related to the ordinary shares that may be issued in addition in order to preserve the rights of securities of rights giving access to our Company's share capital. This overall sub-ceiling of €6.5 million is charged against the overall ceiling of €32.5 million described in note (1) above.

* *Shares.*

** *Debt securities or similar securities giving access, immediately or in the future, to the Company's capital.*

*** *Based on our share capital on June 10, 2020, amounting to €66,557,802.00.*

**** *Indicative stock market price excluding any discount applied to the share price, and based on the stock market closing price of our ordinary shares amounting to €99.600 at market close on July 31, 2020.*

8.3 REPORT FROM OUR BOARD OF DIRECTORS ON THE RESOLUTIONS SUBMITTED TO OUR ORDINARY AND EXTRAORDINARY SHAREHOLDERS' GENERAL MEETING OF SEPTEMBER 23, 2020

The following report was approved by our Board of Directors at its meeting held on August 4, 2020.

It presents the draft resolutions on which our shareholders are asked to vote.

It is intended to present the important points of the draft resolutions, in accordance with applicable laws and regulations and with best practice in corporate governance as recommended for companies listed in Paris.

However, this report is not exhaustive. Furthermore, our shareholders should read all of the draft resolutions closely prior to exercising their voting right.

Our shareholders are also encouraged to read the statutory auditors' comments and observations, as presented in their reports.

The Board of Directors unanimously recommends that the shareholders adopt all of the draft resolutions presented to them.

We hope that the various proposals outlined in this report will be approved by our shareholders, and that the corresponding resolutions will be adopted.

I. PROGRESS OF THE COMPANY'S AFFAIRS SINCE THE BEGINNING OF THE CURRENT FISCAL YEAR

In accordance with applicable regulations, the description of the Company's progress since the beginning of the year is presented in this Universal Registration Document, particularly within Chapter 5.

II. ORDINARY PART OF OUR SHAREHOLDERS' GENERAL MEETING

- RESOLUTIONS (NO. 1 TO 10) -

The resolutions submitted for your approval this year at the Ordinary Shareholders' General Meeting concern:

- the approval of the statutory and consolidated financial statements for the fiscal year ended March 31, 2020 (1st and 2nd resolutions);
- the appropriation of earnings (3rd resolution);
- the approval of regulated agreements and commitments (4th resolution);
- the approval of the information regarding to the compensation of each of the Company's corporate officers required by Article L. 225-37-3, I of the French Commercial Code (5th resolution);
- the approval of the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or granted to Mr Paul Boudre, Chief Executive Officer, for the fiscal year ended March 31, 2020 (6th resolution);
- the approval of the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or granted to Mr Éric Meurice, Chairman of the Board of Directors, for the fiscal year ended March 31, 2020 (7th resolution);
- the *ex-ante* Say-on-pay in respect of the current fiscal year ending on March 31, 2021, relating to the approval of the compensation policy of executive corporate officers (8th resolution);
- the setting of the amount of the overall annual compensation of directors (9th resolution); and
- the renewal of our share buy-back program (10th resolution).

First resolution – Approval of the statutory financial statements for the fiscal year ended March 31, 2020

We propose that you approve the annual financial statements of our Company for the fiscal year ended March 31, 2020, which show revenue of €577,355 thousand and a profit of €99,727,192.64, and approve the overall amount of expenses and non-deductible charges subject to corporation tax standing at €124,507 for the fiscal year in question and having generated a tax charge estimated at €41,502.

Second resolution – Approval of the consolidated financial statements for the fiscal year ended March 31, 2020

We propose that you approve our consolidated annual financial statements for the fiscal year ended March 31, 2020, which show revenue of €597,549 thousand and a net profit (Group share) of €109,681 thousand.

Third resolution – Appropriation of earnings for the fiscal year ended March 31, 2020

We propose to you to appropriate the profit for the fiscal year ended on March 31, 2020, amounting to €99,727,192.64, as follows:

- €379,513.15, to the "Statutory Reserve", taking it from €6,276,207.05 to €6,655,720.20 and consequently reaching an amount at least equal to 10% of our share capital, and
- the balance, representing €99,347,679.49, to "Retained Earnings", taking it from €153,124,369.71 to €252,472,049.20.

You are also invited to note that no dividends were paid out in respect of the last three fiscal years.

Fourth resolution – Approval of regulated agreements and commitments

The agreements referred to in Article L. 225-38 of the French Commercial Code are the subject of a special report on regulated agreements and commitments prepared by our statutory auditors. This report can be found in section 8.4 (Statutory auditors' report on related party agreements) of this Universal Registration Document.

It contains information on the regulated agreements and commitments previously entered into and approved that continued during fiscal year 2019-2020 and states that no new regulated agreement was entered into during the same fiscal year.

Pursuant to the law, we ask that you acknowledge the information contained in this report, which does not mention any new regulated agreements in respect of the fiscal year ended March 31, 2020.

Regulated agreements and commitments entered into during the fiscal year ended March 31, 2020

No regulated agreement was entered into during fiscal year 2019-2020.

Regulated agreements and commitments previously entered that continued during the fiscal year ended March 31, 2020

1. With the French Alternative Energies and Atomic Energy Commission (*Commissariat à l'énergie atomique et aux énergies alternatives* – CEA)

On July 27, 2018, with the authorization of our Board of Directors on December 14, 2017, our Company signed a new multi-year framework R&D partnership agreement with CEA.

Its purpose is to set the modalities of execution of R&D work in collaboration between the CEA and our Company.

It has been entered into retroactively from January 1, 2018 and for five-year term, *i.e.* until December 31, 2022.

Pursuant to the agreement, the CEA invoiced our Company €7,344,000 during the fiscal year ended March 31, 2020.

The persons concerned by this agreement include:

Identity	Reason	Applicable article of the French Commercial Code
CEA	• Company controlling one of the shareholders of our Company, holding more than 10% of the voting rights (in this case, CEA Investissement)	L. 225-38 paragraph 1
CEA Investissement	• Director of our Company, appointed on the proposal of the CEA • Shareholder of our Company holding more than 10% of the voting rights, controlled by the CEA	L. 225-38 paragraph 2
Christophe Gegout	• Director of our Company, appointed on the proposal of the CEA • Deputy Managing Director of CEA (until October 2018)	L. 225-38 subparagraphs 2 and 3

2. With the French Alternative Energies and Atomic Energy Commission (*Commissariat à l'énergie atomique et aux énergies alternatives* – CEA)

On July 27, 2018, with the authorization of our Board of Directors on December 14, 2017, our Company signed a patent and know-how communication licensing agreement with the CEA for the production and sale of substrates.

Its purpose is to set the terms for use of the patents and know-how.

It was signed with a retroactive effect on January 1, 2017 and will expire at the latest on December 31, 2027 or the date of expiry of the last patent or the last know-how under this agreement.

Pursuant to the agreement, the CEA invoiced our Company €4,959,572.75 during the fiscal year ended March 31, 2020.

The persons concerned by this agreement include:

Identity	Reason	Applicable article of the French Commercial Code
CEA	• Company controlling one of the shareholders of our Company, holding more than 10% of the voting rights (in this case, CEA Investissement)	L. 225-38 paragraph 1
CEA Investissement	• Director of our Company, appointed on the proposal of the CEA • Shareholder of our Company holding more than 10% of the voting rights, controlled by the CEA	L. 225-38 paragraph 2
Christophe Gegout	• Director of our Company, appointed on the proposal of the CEA • Deputy Managing Director of CEA (until October 2018)	L. 225-38 subparagraphs 2 and 3

3. With Shanghai Simgui Technology Co. Ltd. (Simgui)

On January 17, 2019, with the authorization of our Board of Directors on November 28, 2018, our Company signed an "Amended and restated *license and technology transfer agreement*" with Simgui.

Its purpose is to allow Simgui, as part of an increase in production capacity for 200-mm SOI wafers to produce in China and sell these products exclusively to our Company for the global market using our Smart Cut™ technology.

It has been entered into retroactively from December 27, 2018, and for a six-year term, *i.e.* until December 26, 2024.

Pursuant to the agreement, our Company did not invoice Simgui during the fiscal year ended March 31, 2020.

The persons concerned by this agreement include:

Identity	Reason	Applicable article of the French Commercial Code
National Silicon Industry Group (NSIG)	• Group controlling one of the shareholders of our Company, holding more than 10% of the voting rights (in this case, NSIG Sunrise S.à.r.l.) and Simgui	L. 225-38 paragraph 2
Qingyu (Jeffrey) Wang	• Director of our Company, appointed on the proposal of the NSIG • Chief Executive Officer and Director of Simgui • Executive Vice-President of NSIG controlling NSIG Sunrise S.à.r.l. and Simgui	L. 225-38 paragraph 2
Kai Seikku	• Director of our Company, appointed on the proposal of NSIG • Executive Vice-President at NSIG controlling NSIG Sunrise S.à.r.l. and Simgui	L. 225-38 paragraph 2
Weidong (Leo) Ren	• Director of our Company, appointed on the proposal of NSIG (until May 7, 2019) • Executive at NSIG (until March 2019) controlling NSIG Sunrise S.à.r.l. and Simgui	L. 225-38 paragraph 2

4. With Shanghai Simgui Technology Co. Ltd. (Simgui)

On January 17, 2019, with the authorization of our Board of Directors on November 28, 2018, our Company signed an "Amended and restated SOI supply agreement" with Simgui for *the supply of SOI wafers.*

Its purpose is the supply of SOI wafers manufactured by Simgui to our Company in accordance with the terms of the licensing and technology transfer agreement indicated in paragraph 3 above.

It has been entered into retroactively from December 27, 2018, and for six-year term, *i.e.* until December 26, 2024.

Pursuant to the agreement, Simgui invoiced our Company $45,505,546.80 during the fiscal year ended March 31, 2020.

The persons concerned by this agreement include:

Identity	Reason	Applicable article of the French Commercial Code
National Silicon Industry Group (NSIG)	• Group controlling one of the shareholders of our Company, holding more than 10% of the voting rights (in this case, NSIG Sunrise S.à.r.l.) and Simgui	L. 225-38 paragraph 2
Qingyu (Jeffrey) Wang	• Director of our Company, appointed on the proposal of the NSIG • Chief Executive Officer and Director of Simgui • Executive Vice-President of NSIG controlling NSIG Sunrise S.à.r.l. and Simgui	L. 225-38 paragraph 2
Kai Seikku	• Director of our Company, appointed on the proposal of NSIG • Executive Vice-President at NSIG controlling NSIG Sunrise S.à.r.l. and Simgui	L. 225-38 paragraph 2
Weidong (Leo) Ren	• Director of our Company, appointed on the proposal of NSIG (until May 7, 2019) • Executive at NSIG (until March 2019) controlling NSIG Sunrise S.à.r.l. and Simgui	L. 225-38 paragraph 2

5. With Shanghai Simgui Technology Co. Ltd. (Simgui)

On January 17, 2019, with the authorization of our Board of Directors on November 28, 2018, our Company signed an "Amended and restated bulk supply agreement" with Simgui for *the supply of raw materials.*

Its purpose is the supply of raw materials for the production of SOI wafers by our Company to Simgui in accordance with the terms of the licensing and technology transfer agreement indicated in paragraph 3 above.

It has been entered into retroactively from December 27, 2018, and for a six-year term, *i.e.* until December 26, 2024.

Pursuant to the agreement, our Company invoiced Simgui $19,060,494.90 during the fiscal year ended March 31, 2020.

The persons concerned by this agreement include:

Identity	Reason	Applicable article of the French Commercial Code
National Silicon Industry Group (NSIG)	• Group controlling one of the shareholders of our Company, holding more than 10% of the voting rights (in this case, NSIG Sunrise S.à.r.l.) and Simgui	L. 225-38 paragraph 2
Qingyu (Jeffrey) Wang	• Director of our Company, appointed on the proposal of the NSIG • Chief Executive Officer and Director of Simgui • Executive Vice-President of NSIG controlling NSIG Sunrise S.à.r.l. and Simgui	L. 225-38 paragraph 2
Kai Seikku	• Director of our Company, appointed on the proposal of NSIG • Executive Vice-President at NSIG controlling NSIG Sunrise S.à.r.l. and Simgui	L. 225-38 paragraph 2
Weidong (Leo) Ren	• Director of our Company, appointed on the proposal of NSIG (until May 7, 2019) • Executive at NSIG (until March 2019) controlling NSIG Sunrise S.à.r.l. and Simgui	L. 225-38 paragraph 2

6. With the companies Bpifrance Participations, CEA Investissement and NSIG Sunrise S.à.r.l.

The execution of the Shareholders' Agreement dated March 7, 2016 as amended by the amendment dated April 29, 2016, signed between our Company and its three strategic investors, Bpifrance Participations, CEA Investissement and National Silicon Industry Group/NSIG Sunrise S.à.r.l., previously authorized by the Board of Directors on March 3, 2016, continued throughout the fiscal year ended March 31, 2020.

Our three major shareholders effectively retained their respective equity interests in our Company throughout the fiscal year.

This shareholders agreement primarily relates to the organization of our Company's corporate governance.

Those impacted by the shareholder agreement are:

Identity	Reason	Applicable article of the French Commercial Code
Bpifrance Participations	• Shareholder of our Company holding more than 10% of the voting rights • Director of our Company	L. 225-38 paragraph 1
Thierry Sommelet	• Director of our Company, appointed on the proposal of Bpifrance	L. 225-38 paragraph 2
CEA Investissement	• Shareholder of our Company holding more than 10% of the voting rights • Director of our Company	L. 225-38 paragraph 1
Christophe Gegout	• Director of our Company, appointed on the proposal of the CEA • Deputy Managing Director of CEA (until October 2018) • Chairman of the Board of Directors of CEA Investissement (until October 2018)	L. 225-38 paragraph 2
NSIG Sunrise S.à.r.l.	• Shareholder of our Company holding more than 10% of the voting rights	L. 225-38 paragraph 1
Qingyu (Jeffrey) Wang	• Director of our Company, appointed on the proposal of NSIG • Executive Vice-President at NSIG controlling NSIG Sunrise S.à.r.l.	L. 225-38 paragraph 2
Kai Seikku	• Director of our Company, appointed on the proposal of NSIG • Executive Vice-President at NSIG controlling NSIG Sunrise S.à.r.l.	L. 225-38 paragraph 2
Weidong (Leo) Ren	• Director of our Company, appointed on the proposal of NSIG (until May 7, 2019) • Manager within NSIG controlling NSIG Sunrise S.à.r.l. (until March 2019)	L. 225-38 paragraph 2

Fifth resolution – Approval of the information regarding to the compensation of each of the Company's corporate officers required by Article L. 225-37-3, I of the French Commercial Code

Rules applicable to *ex-post* Say-on-pay

In accordance with the provisions of Article L. 225-100, II of the French Commercial Code arising from ordinance n°2019-1234 dated November 27, 2019 made in application of the law n°2019-486 of May 22, 2019 relative to growth and the transformation of companies (PACTE law), in companies whose securities are admitted for trading on a regulated market, the Shareholders' General Meeting is now required to vote on the total compensation and benefits of any kind paid during the past fiscal year or granted with respect to their offices in the same fiscal year to all corporate officers, executive and non-executive.

The information to which the vote of all shareholders relates is set forth in section 4.2.1 (Compensation paid to our executive corporate officers for the past fiscal year 2019-2020) and 4.2.3 (Compensation policy for corporate officers for the current fiscal year 2020-2021) of this Universal Registration Document.

This information includes, other than the information on the compensation and benefits of the Chief Executive Officer and Chairman of the Board of Directors, which are voted upon by shareholders according to the terms of the 6th and 7th resolutions, that relative to the compensation granted to directors (section 4.2.3 (Compensation policy for corporate officers for the current fiscal year 2020-2021) of this Universal Registration Document), to equality ratios between the level of compensation of executive corporate officers and the average and median compensation of employees (See section 4.2.2.4 (Ratios) of this Universal Registration Document), and on various other information specified by the regulations in force (in section I of Article L. 225-37-3 of the French Commercial Code).

The summary of the components of compensation for Mr Paul Boudre and Mr Éric Meurice for the fiscal year ended March 31, 2020, is presented below in the 6th and 7th resolutions. In addition, the summary of the compensation received by our non-executive corporate officers is presented in the summary (Compensation paid to members of the Board of Directors) table 3 appearing in section 4.2.4.1.

Please note that pursuant to the provisions of part II of paragraph 2 of Article L. 225-37-3 of the French Commercial Code, if the Shareholders' General Meeting does not approve this resolution, the Board of Directors must submit a revised compensation policy, taking into consideration the shareholders' vote, for approval by the next Shareholders' General Meeting. The payment of the sum allocated for the current fiscal year to the members of the Board of Directors will be suspended until the revised compensation policy is approved. In addition, when the Shareholders' General Meeting does not approve the draft resolution presenting the revised compensation policy, the suspended sum may not be paid.

We ask that you review this information on the compensation of each of the Company's corporate officers presented in sections 4.2.1 (Compensation paid to our corporate officers for the past fiscal year 2019-2020) and 4.2.3 (Compensation policy for corporate officers for the current fiscal year 2020-2021) of this Universal Registration Document and approve it under this general resolution.

Sixth resolution – Approval of the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or granted to Mr Paul Boudre, Chief Executive Officer, for the fiscal year ended on March 31, 2020

Rules applicable to *ex-post* Say-on-pay

In accordance with the provisions of Article L. 225-100, III of the French Commercial Code arising from ordinance n°2019-1234 dated November 27, 2019 made in application of law n°2019-486 dated May 22, 2019 relative to growth and the transformation of companies (PACTE law), the Shareholders' General Meeting is called to approve the components of compensation and benefits paid during the fiscal year 2019-2020 or granted in fiscal year 2019-2020 for their appointments as Chairman of the Board and Chief Executive Officer, which may include:

- compensation due as member of the Board of Directors;
- annual fixed compensation;
- annual variable compensation;
- multi-annual variable compensation;
- stock options;
- stock options, free allocations of shares or any long-term benefits;
- exceptional compensations;
- compensation, allowances or benefits due or likely to be due on taking up the office;
- supplementary pension schemes;
- severance payments;
- any other compensation item due by virtue of the office;
- benefits of any kind.

In the 6th resolution, we ask you to approve the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or granted to Paul Boudre, Chief Executive Officer, for the fiscal year ended March 31, 2020.

According to the terms of its 20th resolution, the Shareholders' General Meeting of July 26, 2019 approved the compensation policy for executive corporate officers for the fiscal year ended March 31, 2020, applicable to the Chairman of the Board of Directors and the Chief Executive Officer (*ex-ante* Say-on-pay).

This was previously adopted by our Board of Directors during its meeting of March 27, 2019, upon recommendation from the Compensation Committee.

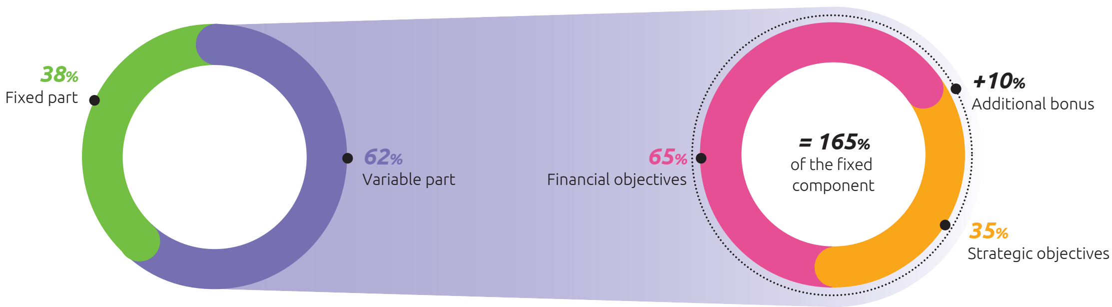
This 20th resolution was adopted at 99.03%, thus validating the compensation policy of Paul Boudre, Chief Executive Officer, for the fiscal year 2019-2020.

Summary of the components of compensation of Mr Paul Boudre for the fiscal year ended March 31, 2020

Described within section 4.2.1.1 (Compensation of Paul Boudre, our Chief Executive Officer, the only executive corporate officer for the fiscal year 2019-2020) of this Universal Registration Document, his compensation for 2019-2020 is made up of the following components:

- an annual fixed compensation of €550,000 gross, payable in 12 equal monthly installments during the fiscal year;
- a variable annual compensation according to the different targets:
  - to be allocated after the end of the fiscal year 2019-2020 end and to be paid only after approval by the Shareholders' General Meeting to be held on September 23, 2020,
  - representing 100% of the fixed part at target and up to 165% of the fixed part if the completion of the objectives is beyond targets and if the trigger for a 10% add-on factor is met, *i.e.* a total maximum of €825,000 gross.

We invite you to consult section 4.2.1.1 (Compensation of Paul Boudre, our Chief Executive Officer, the only executive corporate officer for the fiscal year 2019-2020) of this Universal Registration Document, which sets out the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or granted to Mr Paul Boudre, Chief Executive Officer, for the fiscal year ended March 31, 2020, and approve them.



Proportion of fixed and variable parts of the compensation in cash if the objectives are met at stretched level.

Remarks on the annual fixed compensation of Mr Paul Boudre for the fiscal year ended March 31, 2020

The fixed compensation of Paul Boudre, as Chief Executive Officer, is awarded as payment for the duties and responsibilities inherent to such a position.

The amount of Paul Boudre's fixed compensation is not systematically revised each year. It had not been reviewed since January 1, 2019, date from which our Board of Directors had unanimously decided to increase the fixed part of the annual compensation of Paul Boudre from €450,000 to €550,000 gross.

Paul Boudre's annual fixed compensation is €550,000 for the fiscal year ended March 31, 2020.

Remarks on the annual variable compensation of Mr Paul Boudre for the fiscal year ended March 31, 2020

During its meeting of March 27, 2019, at the recommendation of the Compensation Committee meeting the previous day, our Board of Directors decided that the variable part of Paul Boudre's compensation for the 2019-2020 fiscal year could range from 0% to 165% of the fixed part.

Achievement of the target values of the objectives set by our Board of Directors should entitle him to a variable part amounting to 100% of the fixed part. As in the previous two fiscal years 2017-2018 and 2018-2019, the achievement of budgetary commitments should account for 90% of the target financial criteria.

Exceeding target values of the objectives could be taken into account for up to 150% of the fixed part.

Finally, Paul Boudre's variable compensation could be increased by 10% if an additional strategic objective was reached, which could bring the variable part of his compensation to 165% of the fixed part. This objective is determined based on confidential criteria.

Type of objective and description	Weight
I. FINANCIAL OBJECTIVES	**65%**
1. **Level of revenue** *(in € million)*	20%
2. **Level of consolidated EBITDA** *(absolute value in € million)*	20%
3. **Level of consolidated cash** *(in € million)*	25%
II. STRATEGIC OBJECTIVES	**35%**
5 contributions identified as our Group's main growth drivers including: • **3 strategic and commercial contributions:** 1. *Executing the FY20 financing plan to support the business plan* 2. *Adoption of FD-SOI: determining a roadmap and deploying it on targets* 3. *Achieving key milestones to confirm the long-term strategy including new products* • **2 CSR focused contributions:** 1. *Continue our Group's progress on gender equality* 2. *Improve the quality of life at workplace of our employees*	*1 out of 5 = 0% achievement* *2 out of 5 = 50% achievement* *3 out of 5 = 90% achievement* *4 out of 5 = 100% achievement* *5 out of 5 = 150% achievement*
III. ADDITIONAL STRATEGIC OBJECTIVE	**INCREASE BY 10% OF THE TOTAL VARIABLE COMPENSATION**

At its meeting of June 10, 2020, in accordance with the recommendation of the Compensation Committee meeting the previous day, our Board of Directors set the variable part of Paul Boudre's compensation for the 2019-2020 fiscal year at 132.4% of the fixed part and amounts to €728,200 gross.

Our Board of Directors, on the recommendation of the Compensation Committee, noted the achievement of the financial criteria (representing 65% of the variable compensation) as follows:

- 89.5% for sales;
- 150% for EBITDA in euros;
- 150% for cash.

It is noted that the achievement of the values of the budget approved by the Board of Directors for the financial year 2019-2020 for these three criteria corresponded to 90% of the target.

With respect to the achievement of the strategic criteria, our Board of Directors noted, on the recommendation of its Compensation Committee, the achievement of the criteria relating to the implementation of the business plan financing plan, the determination and deployment of an action plan relating to the adoption of FD-SOI technology in China and the achievement of key milestones in support of the long-term strategy relating to emerging technologies.

With regard to CSR criteria, it also noted the achievement of the criteria relating to gender equality, which was based on an improvement compared to the calendar year 2018 either in the official equality index of the Ministry of Labour or in the ranking of companies in the SBF 120 index relating to the place of women in the management and the governance of the group published by the State Secretariat for Equality between Women and Men and the Fight against Discrimination. This ranking was exceptionally not carried out in 2019. On the other hand, the index rises to 89 out of a maximum of 100 points, an improvement over 2018 (84).

The criteria relating to the improvement of the quality of life at work was based on a score of at least 70/100 in the QWL survey conducted on all staff in our Group. As the survey planned for March 2020 to measure the perception of the progress achieved by the various measures implemented during the year could not be carried out due to the exceptional conditions in connection with the Covid-19, our Board of Directors considered that this criterion had not been met, so that with four out of five cirteria confirmed, the measurement of the strategic indicators was considered to have met the target, *i.e.* 100%, in proportion to 35% of the total represented by this component.

Finally, the 10% increase factor for the variable compensation, which was based on the execution of commercial contracts with some of our customers for major applications using FD-SOI technology, may apply given that several contracts have been signed in this respect.

Remarks on the other compensation items of Mr Paul Boudre for the fiscal year ended on March 31, 2020

Benefits in kind

Our Chief Executive Officer had benefits in kind consisting of a company car and a voluntary insurance policy against employment loss and a key-person insurance in the event of death and disability, for a total amount of €36,300 during the 2019-2020 fiscal year.

The public was also informed of the fact that our Board of Directors had decided to set up a death-disability insurance policy on Paul Boudre, covering his beneficiaries in the event of death or invalidity, through the payment of a capital amount of €1.5 million. It was stipulated that this key-person insurance would be backed by the one benefiting our Company under the same conditions. Lastly, it was indicated that the death-disability insurance premium corresponding to the coverage of Paul Boudre's beneficiaries would be treated as a benefit in kind granted to him as part of his compensation policy for the 2019-2020 fiscal year.

Free preference shares "PS 2" allocation on the basis of the co-investment plan

As part of the co-investment plan put in place by our Board of Directors on December 18, 2019, making use of the delegation of authority granted by the Shareholders' General Meeting of July 26, 2019, under the 33rd and 34th resolutions, Paul Boudre was allocated 31,982 free PS 2 granting access to the share capital of our Company.

This free allocation was included in Paul Boudre's compensation policy for the current 2019-2020 fiscal year.

On December 18, 2020 and each August 1, from 2021 until 2022, a portion of these PS 2 would be definitively vested for Paul Boudre, subject to him complying with the condition of presence and tenure of his duties as Chief Executive Officer, as specifically determined by the Board of Directors in the decisions dated December 18, 2019. According to such decision, in the event of termination of his duties as Chief Executive Officer, Paul Boudre shall lose his right to acquire the PS 2 whose vesting date is later than twelve months following the termination of duties, unless the termination of the duties is due to (a) a resignation for personal reasons or (b) a revocation for gross misconduct, in which cases he shall lose his right to acquire all the PS 2 which are not definitively acquired on the date of the termination of duties.

These PS 2 would be convertible into ordinary shares in our Company, subject to the fulfillment of performance conditions based on the achievement of targets relating to EBITDA, revenue and the total shareholder return (or TSR) of our Company's ordinary shares compared to the Euro Stoxx 600 Technology index.

These stringent performance conditions, to be assessed over a period of three years, were set by our Board of Directors at its meeting held on June 12, 2019. These conditions were approved under the 33rd resolution of the Shareholders' General Meeting held on July 26, 2019, the content of which is reproduced in section 7.2.3.1 F (Co-investment program with free allocation of PS 2 ("Topaz Plans no. 1 and no. 2") and reserved issue of PS 2) of this Universal Registration Document.

Supplementary pension plans

Our Chief Executive Officer is eligible for a so-called Article 83 defined contribution pension plan, which also applies to all employees of the Social & Economic Unit comprising Soitec S.A. and Soitec Lab . This plan is described in section 4.2.7 (Amounts provisioned by our Group for the payment of pension, retirement or similar benefits) of this Universal Registration Document.

Our Chief Executive Officer was also eligible for the so-called Article 39 defined benefits pension plan, which is also applicable to some executive managers and is described in section 4.2.7 (Amounts provisioned by our Group for the payment of pension, retirement or similar benefits) of this Universal Registration Document.

This second plan was closed since July 4, 2019 and the beneficiaries' rights on that date were frozen as of December 31, 2019. Since then, there are neither new rights nor new assignees under this plan.

Please note that, as of the end date of the 2019-2020 fiscal year, the estimated value of the annuity settlement that could be paid to Paul Boudre on the basis of the regime governed by Article 39 totals €104 thousand, compared with €98 thousand at the end of the previous fiscal year.

No other compensation item

We specify that Paul Boudre did not receive compensation for his term of office as a director (including former directors' fees) in addition to that received for his position as Chief Executive Officer.

Lastly, Mr Paul Boudre received no additional compensation or director's fee from the companies controlled by our Company.

Seventh resolution – Approval of the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or granted to Mr Éric Meurice, Chairman of the Board of Directors, for the fiscal year ended March 31, 2020

Rules applicable to *ex-post* Say-on-pay

In accordance with the provisions of Article L. 225-100, III of the French Commercial Code arising from ordinance n°2019-1234 dated November 27, 2019 made in application of law n°2019-486 dated May 22, 2019 relative to growth and the transformation of companies (PACTE law), the Shareholders' General Meeting is called to approve the components of compensation and benefits paid during the fiscal year 2019-2020 or granted for fiscal year 2019-2020 for their offices of Chairman of the Board and Chief Executive Officer.

In 7th resolution, we propose that you approve the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or granted to Éric Meurice, Chairman of the Board of Directors, for the fiscal year ended March 31, 2020.

According to the terms of its 20th resolution, the Shareholders' General Meeting of July 26, 2019 approved the compensation policy of executive corporate officers for the fiscal year ended March 31, 2020, applicable to the Chairman of the Board of Directors and the Chief Executive Officer (*ex-ante* Say-on-pay).

This was previously adopted by our Board of Directors during its meeting of March 27, 2019, upon recommendation from the Compensation Committee.

This 20th resolution was adopted at 99.03% and thus validated the compensation policy of Éric Meurice, Chairman of the Board of Directors, for the fiscal year 2019-2020.

Summary of the components of compensation of Mr Éric Meurice for the fiscal year ended March 31, 2020

Described within section 4.2.1.2 *(*Compensation paid to Éric Meurice, Chairman of our Board of Directors for the fiscal year 2019-2020) of this Universal Registration Document, the compensation policy of Éric Meurice for fiscal year 2019-2020 is composed of the following components:

- annual fixed compensation standing at €50,000 gross, payable in one or more installments during the fiscal year; and
- compensation allocated for his participation in meetings of the Board of Directors and the Committees of which he is a member and/or is the Chairman, *i.e.* the Strategy Committee, of which he is Chairman, the Nomination and Governance Committee, the Audit and Risks Committee and the Compensation Committee of which he is Chairman, and this under the same conditions as our directors other than Paul Boudre (who is not eligible for the payment of compensation for his office as director due to his duties as Chief Executive Officer), all on a prorata temporis basis according to the duration of his positions within the Board of Directors for the fiscal year concerned.

Pursuant to this compensation policy and in consideration of the duration of his term of office over the 2019-2020 fiscal year, our Company paid Éric Meuricse a total amount of €155,547 gross in compensation.

We invite you to consult section 4.2.1.2 (Compensation paid to Éric Meurice, Chairman of our Board of Directors for the fiscal year 2019-2020) of this Universal Registration Document, which sets out the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or granted to Éric Meurice, Chairman of the Board of Directors for the fiscal year ended March 31, 2020, and approve them.

Eighth resolution – Approval of the compensation policy on executive corporate officers for the fiscal year ended March 31, 2021

Rules applicable to *ex-ante* Say-on-pay

In accordance with Article L. 225-37-2 of the French Commercial Code, our Board of Directors establishes and submits for your approval a compensation policy for corporate officers, describing the principles and criteria for determination, distribution and allocation of the fixed, variable and exceptional components of the total compensation and benefits of any kind attributable, where applicable, to the various corporate officers for the performance of their duties for the fiscal year ended March 31, 2020, which may include:

- principles and rules for determining the compensation and benefits, where applicable, that are common to the corporate officers;
- notable changes made to the compensation policies compared to those approved by the Shareholders' General Meeting of July 26, 2019;
- the specific compensation policy applicable to the Chairman of the Board of Directors;
- the specific compensation policy applicable to the Chief Executive Officer;
- the specific compensation policy applicable to the directors.

This compensation policy was approved by our Board of Directors at its meeting of August 4, 2020, according to the recommendation of the Compensation Committee meeting the day before and taking into account the regulatory developments occurring in 2019 regarding the compensation of corporate officers of listed companies (ordinance n° 2019-1234 dated November 27, 2019 and decree n° 2019-1235 dated November 27, 2019).

We propose that you approve it as presented in section 4.2.3 (Compensation policy for corporate officers for the current fiscal year 2020-2021) of this Universal Registration Document and reiterated below.

Compensation policy of our Chief Executive Officer, Mr Paul Boudre for the 2020-2021 fiscal year

Annual fixed and variable compensation

Pursuant to his appointment as Chief Executive Officer, Paul Boudre's compensation policy for the current 2020-2021 fiscal year would be comprised of the following:

(i) an annual fixed part of €550,000 gross, payable in 12 equal monthly payments during the fiscal year, it being recalled that this amount was set by our Board of Directors on July 26, 2018 and entered into force on January 1, 2019; and

(ii) a variable annual part according to the different targets to be allocated after the fiscal year end and to be paid only after approval by the Shareholders' General Meeting, which may range between 0% and 165% of the fixed part, as for the previous fiscal year ended March 31, 2020.

As was the case for the four previous fiscal years:

- achievement of the target values for the objectives approved by our Board of Directors should give the right to a variable part corresponding to 100% of the fixed part;
- achievement of the budget objectives would correspond to 90% of the target for the financial criteria; and
- exceeding target values of the financial objectives may be taken into account for up to 150%.

As for the 2019-2020 fiscal year, an increase of 10% of the result obtained by the measurement of both the financial and strategic objectives would be provided in the event of achievement of an additional objective which is for the 2020-2021 fiscal year relating to the increase in market shares of the main Soitec SOI products which could bring the variable part of Paul Boudre's compensation to 165% of the fixed part.

The amount of compensation paid would be calculated on a gross basis.

Our Board of Directors will propose our shareholders to modify the weights of the objectives categories to be achieved as follows:

- the financial objectives would represent a weight of 60% of the total objectives used to assess the variable part, compared to 65% previously; and
- the strategic objectives would represent a weight of 40%, compared to 35% previously, and would in particular include various criteria notably linked to corporate social responsibility, in accordance with the recommendations of the AFEP-MEDEF Code.

The Board of Directors will also propose to introduce a minimum EBITDA target in order to allow for a variable part greater than 100% of the fixed part of Paul Boudre's compensation. In the event that this threshold is not reached, the variable part would be capped at 100% of such fixed part even if the level of achievement of the other objectives would have allowed for a variable part greater than 100% of such fixed part.

In summary, the variable part of Paul Boudre's compensation would be calculated according to achievement of the following objectives at the end of the 2020-2021 fiscal year:

Type of objective and description	Weight
I. FINANCIAL OBJECTIVES	**60%**
1. **Level of revenue** *(in USD million)*	20%
2. **Level of consolidated EBITDA** *(in % of revenue in euro at constant exchange rate)*	20%
3. **Level of operating cash** *(in € million)*	20%
II. STRATEGIC OBJECTIVES	**40%**
5 contributions identified as our Group's main growth drivers *including:*	
1. Innovation (3 objectives)	*15%*
2. Partnerships (2 objectives)	*6.7%*
3. Customer/design wins	*5%*
4. Leadership & governance (3 objectives)	*8.3%*
5. ESG (2 objectives: quality of life at the workplace and climate change)	*5%*
III. ADDITIONAL STRATEGIC OBJECTIVE **Increase in market share of certain Soitec products**	**INCREASE BY 10% OF THE TOTAL VARIABLE COMPENSATION**

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Long term incentive – Free performance ordinary shares allocation

After having implemented in 2016 and 2019 long term incentives based on preferred shares to attract talent and sustain the growth of the Company, the Board of Directors considers that a long-term incentive is particularly suited to the position of Chief Executive Officer in view of the direct contribution that he is expected to make to Soitec's long-term performance.

In this context Paul Boudre will be allocated with free performance ordinary shares. Except under specific circumstances, these allocations are granted on an annual basis and are limited on initial allocation to an allocated amount that corresponds to the book value calculated at fair value and which may not exceed 300% of the annual fixed remuneration.

The vesting will be subject to the fulfillment of performance conditions measures over a several-year period and based on the achievement of targets relating to EBITDA, revenue and the total shareholder return (or TSR) of our Company's ordinary shares compared to the Euro Stoxx 600 Technology index. Other criteria may be taken into account, based in particular on the Company's corporate social responsibility.

The vesting will also be subject to a *prorata temporis* presence condition (pursuant to certain terms and conditions to be decided by the Board of Directors).

The vesting period (*la période d'acquisition*) and, where applicable, the retention period (*la période de conservation*) applicable after vesting are defined by the Board of Directors at the time of allocation and comply with the authorisation of the General Meeting dated July 27, 2019 (thirty-second resolution).

In accordance with Article L. 225-197-1 of the French Commercial Code, the Chief Executive Officer is required to hold in registered form, for the duration of his term of office, a number of vested shares whose value has been set by the Board of Directors as equivalent to 10% of his annual fixed compensation at the date the shares are delivered.

These free performance ordinary shares allocation criteria contribute to the objectives of the remuneration policy since they are in line with the Company's corporate interest, they contribute to its sustainability and they are aligned with its business strategy.

Additional compensation items

Paul Boudre would receive benefits in kind including in particular a company car, a voluntary insurance policy against employment loss and a key-person insurance in the event of death and disability.

As a director, he would not be the subject of any compensation in addition to that received for his duties as Chief Executive Officer.

Similarly, Paul Boudre would receive no additional compensation or directors' fees from the companies controlled by our Company.

Supplementary pension plans

Paul Boudre would be eligible for a so-called Article 83 defined contribution pension plan, which also applies to all employees of the Soitec's Economic and Social Unit of the plan is described in Section 4.2.7 of this Universal Registration Document.

Paul Boudre would remain a potential beneficiary of the benefit supplementary retirement plan defined "Article 39" presented in 4.2.7 (Amounts provisioned by our Group for the payment of pension, retirement or similar benefits) of this Universal Registration Document, without any additional right being attributed to him in respect of periods of employment after January 1, 2020.

Commitments of all kinds undertaken by our Company for Mr Paul Boudre in respect of commencement, termination or change in his executive corporate officer functions

On January 15, 2007, Paul Boudre entered into an employment contract with Soitec that has been suspended since June 1, 2008, the date on which he was appointed deputy general manager (*Directeur général délégué*) of the Company.

The termination of this employment contract gives the right, in particular in the event of *rupture conventionnelle* or dismissal, to a notice period and/or payment of compensation, in application of the provisions of the French Labour Code and the Collective Agreement for Engineers and Managers in the Metallurgy Industry.

Under this employment contract, Paul Boudre is bound by non-compete obligations for one year as of the termination of his employment contract, and this period may be renewed once. In the event that this non-compete clause is applied, Paul Boudre shall be paid financial compensation corresponding to 60% of his gross compensation during the non-compete period. Our Company has the option to release Paul Boudre from this non-compete provision, subject to the agreement of the latter.

To comply with the provisions of the AFEP-MEDEF Code, which recommends that when an employee becomes Chief Executive Officer of the company, the employment contract binding this individual to the Company or a company of the Group should be terminated (paragraph 22.1 of the AFEP-MEDEF Code), Paul Boudre stated that he will resign from his employment contract entered into on January 15, 2007 (and suspended since June 1, 2008) during fiscal year 2020-2021 subject to the following specific adjustments of his Chief Executive Officer's term of office.

At its meeting of August, 4, 2020, our Board of Directors decided, on the recommendation of the Compensation Committee, to set, as part of the 2020-2021 compensation policy, the additional components from which Paul Boudre would benefit as Chief Executive Officer if he ceases his functions in respect of his employment contract:

i. the implementation of severance payment corresponding to one-year of his gross annual compensation (including the fixed and variable compensation paid to the Chief Executive Officer) paid on the basis of the previous fiscal year:
   - payment of this compensation would be subject to the achievement of a performance condition of at least 75% of the cumulative EBITDA budget values over the two fiscal years preceding Paul Boudre's departure,
   - payment of this compensation would be due and payable under any circumstances of forced departure (*départ contraint*) regardless the form of such departure,
   - as an exception, this severance payment would not be payable in the event of a willful misconduct;

ii. the implementation of a non-compete clause for a one-year period compensated in an amount of 50% of his gross annual compensation (including the fixed and variable compensation paid to the Chief Executive Officer) paid on the basis of the previous fiscal year, the Board of Directors being entitled to waive such non-compete obligation on a discretionary basis and without any financial compensation.

In addition, as CEO, Paul Boudre has undertaken to resign from his functions in respect of his employment contract and thus to terminate such employment contract subject to the above compensation clause being approved by the shareholders and implemented by the Board of Directors.

Compensation policy of Éric Meurice, Chairman of our Board of Directors

Annual fixed remuneration and director's fee

In his capacity as Chairman of the Board of Directors, Éric Meurice would receive, subject to the increase decided retroactively as described below, an annual fixed compensation amounting to €50,000 gross, payable in one or more installments during the fiscal year.

Furthermore, he would be eligible for the payment of directors' fees for attending meetings of the Board of Directors and the Committees of which he is a member/the Chairman, under the same conditions as the directors of the Company other than Paul Boudre (who is not eligible for directors fees due to his duties as Chief Executive Officer).

Given the current positions of Éric Meurice and given an attendance rate of 100% for the 2020-2021 fiscal year, his total compensation would comprise the following components:

Type of compensation and related duties	Amount (gross)
Chair of the Board of Directors Annual fixed compensation	€50,000
Member of the Board of Directors Compensation paid to a member of the Board of Directors	€26,000
Chair of the Strategic Committee Compensation paid to the Chairman of the Strategic Committee	€17,000
Member of the Strategic Committee Compensation paid to a member of the Strategic Committee	€13,000
Chair of the **Compensation Committee** Compensation paid to the Chairman of the Compensation Committee	€17,000
Member of the **Compensation Committee** Compensation paid to a member of the Compensation Committee	€13,000
Member of the **Nomination & Governance Committee** Compensation paid to a member of the Nomination and Governance Committee	€13,000
Member of the **Audit and Risks Committee** Compensation paid to a member of the Audit and Risks Committee	€13,000
Member of the Restricted Strategic Matters Committee Compensation paid to a member of the Restricted Strategic Matters Committee	N/A
TOTAL	**€162,000**

For the sake of clarity, please note that should Éric Meurice take other positions within the Committees of our Board of Directors during the current 2020-2021 fiscal year, his compensation would be adjusted as a result, in accordance with the currently applicable allocation rules for directors' fees.

Proposed change effective April 1, 2021 with possible retroactive application – annual fixed compensation and compensation allocated as a director

The members of the Compensation Committee unanimously decided (except for Éric Meurice who left the meeting) to recommend to the Board of Directors to approve and submit to the Shareholders' General Meeting the increase of the compensation of the Chairman which is currently composed of a fixed and a variable part for his participation in Board meetings, and committees.

At its meeting on August 4, 2020, our Board of Directors decided, as a consequence, to redefine the compensation of its Chairman.

The compensation of Éric Meurice would be composed only of an annual fixed compensation of €230,000 gross as Chairman of the Board of Directors, prorated to the length of tenure of this Corporate office on a daily basis, and would not be any more eligible to any variable compensation related to his participation to Board or committee meetings. This compensation will not be part anymore of the budget set for directors' compensation by the Shareholders' General Meeting of July 2018 but submitted separately to the *ex-ante* and *ex-post* Say-on-pay votes of the shareholders of the Company.

This compensation of the Chairman of the Board of Directors would therefore correspond to a median reference level against a list of 28 comparable companies from the CAC Mid 60 Index.

However, in view of the current economic uncertainties due to the Covid-19 crisis, our Board of Directors will propose our shareholders to postpone the increase to be effective for the year April 1, 2021 - March 31, 2022. It will also be proposed to authorize the effective implementation of the aforementioned increase retroactively from April 1, 2020 in the event of an increase in the Company's turnover for the year April 1, 2020 - March 31, 2021.

For the financial year 2019-2020, his compensation was €155,547 gross, it being specified that it does not reflect the shareholding in year full membership of certain Committees that the Chairman joined during the year (member and Chairman of the Compensation Committee, and member of the Audit and Risks Committee) and was also based on a smaller number of meetings of the Board of Directors and of the Board of Directors' Committees than the current number. In particular, during the last financial year, the Board of Directors met nine times versus seven times during the 2018-2019 fiscal year and an additional meeting of the Board of Directors is now institutionalized for the month of September. The change in his compensation is therefore justified by the increase in the number of Board and committee meetings in which he participates, as well as with regard to the compensation allocated to non-executive Chairmen in comparable companies.

Compensation policy for all other executive corporate officers potentially appointed during the 2020-2021 fiscal year

If our Company were to appoint another executive corporate officer during the current 2020-2021 fiscal year, such as a deputy general manager (*Directeur général délégué*), for example, his/her compensation policy could be set based on the principles and criteria for determining, allocating and distributing the fixed, variable and exceptional components similar to those comprising the total compensation and benefits of any kind attributable to Paul Boudre for the exercise of his duties as Chief Executive Officer for the fiscal year ending March 31, 2021 as presented above.

Compensation policy of directors

Principles

The level of compensation paid to the directors is outlined in the Company's bylaws (Article 18).

In accordance with the law, the Shareholders' General Meeting sets the total annual amount that can be allocated to the directors as compensation for their activities (the "Budget"). This Budget is set by the Shareholders' General Meeting *via* a resolution submitted for approval.

The Budget thus approved by the Shareholders' General Meeting remains applicable and unchanged for each successive fiscal year until modified by the shareholders *via* a new resolution submitted for their approval.

The rules governing the distribution of this Budget are set by the Board of Directors and are also submitted to the Shareholders' General Meeting for the approval of this policy. The Rules of distribution take into account the effective participation by the directors in the work of the Board and the Committees, and therefore are mainly variable. The total compensation must be adapted in response to the degree of responsibility held by the directors and to the time which they must devote to their duties.

Rules governing distribution

According to the rules governing distribution approved by our Board of Directors, the Budget is distributed in whole or in part as follows:

- the Budget shall be allocated exclusively to directors who have no operational and/or executive duties within our Group;
- the compensation allocated to each director will be pro-rated to the actual length of that director's term of office, with regard to the compensation period under consideration;
- each year, the Board of Directors acknowledges the overall and individual distribution of the compensation resulting from the application of the distribution rules;
- regular attendance at the meetings of the Board of Directors and the Committees is rewarded (100% of the compensation is based on the attendance ratio);
- participation in meetings *via* conference call or video conferencing is considered equivalent to physical attendance.

Our Shareholders' also agreed that those amounts owed by our Company in respect of (i) the share of any potential social security payments and contributions and (ii) any company contributions for which our Company is responsible on the basis of the payment of directors' fees to its directors, shall not be included in this Budget. These shall therefore be paid in addition by our Company.

Reimbursement of expenses

Each member of the Board of Directors is entitled to have any travel costs incurred in the context of the performance of his or her duties reimbursed upon presentation of receipts.

QUORUMS ASSOCIATED WITH THE BUDGET APPROVED AT THE SHAREHOLDERS' GENERAL MEETING OF JULY 26, 2018

As a reminder, on March 27, 2019, further to a recommendation made by the Compensation Committee, our Board of Directors decided to set the rules governing the distribution of directors' compensation as follows, with retroactive effect to April 1, 2018:

Functions	Compensation relating to an attendance rate of 100%
Seat on the Board of Directors	€26,000 (gross)
Seat on a Committee (other than the Restricted Strategic Matters Committee)	€13,000 (gross)
Chairing a Committee	€17,000 (gross)

It being stipulated that the distribution shown above is based on an attendance rate of 100% for our directors over the whole of the fiscal year in question.

These distribution rules shall remain unchanged and continue to apply for the compensation allocated to our directors for the fiscal year 2020-2021 (except, as the case may be, in the event of an increase in the Company's turnover for the year April 1, 2020 - March 31, 2021 in which case the Board could decide to retroactively implement the new Budget describe below as from April 1, 2020).

QUORUMS ASSOCIATED WITH THE BUDGET THAT WILL BE PROPOSED TO THE SHAREHOLDERS' GENERAL MEETING OF SEPTEMBER 2020

Our shareholders will be requested, on the basis of a resolution proposed to the Shareholders' General Meeting to be held on September 23, 2020, to vote on a new Budget to be awarded to the members of our Board of Directors totaling €780,000 gross, compared with €720,000 gross for the previous fiscal year ended March 31, 2020 (being specified that the compensation of the Chairman would not be part anymore of this Budget).

In view of the current economic uncertainties due to the Covid-19 crisis, our Board of Directors will propose our shareholders to postpone the increase to be effective for the year April 1, 2021 – March 31, 2022. It will also be proposed to authorize the effective implementation of the aforementioned increase retroactively from April 1, 2020 in the event of an increase in the Company's turnover for the year April 1, 2020 - March 31, 2021.

This new Budget would take into account an increase in the remuneration allocated to the Board members, from €26,000 to €46,000. Indeed, after analysis of the market practices both in France and in Europe, it appeared that the amount corresponding to attendance at Board meetings of €26,000 per year was well below practices. The €46,000 proposal would place Soitec at the average of comparable French companies (survey of 14 CAC Mid 60 companies) and 80% of the median of a panel of 20 European companies, mostly from the semiconductor sector.

Moreover, this proposed increase in the compensation includes in particular the increase in the number of meetings of the Board of Directors (nine meetings held during fiscal 2019-2020 compared with 7 in fiscal 2018-2019) and of certain Committees.

Should this modification to the compensation paid to directors be approved by our shareholders at the Shareholders' General Meeting to be held on September 23, 2020, our Board of Directors has decided, at a meeting held on August 4, 2020, to set the rules governing the distribution of directors' fees as follows, with deferred effect as from April 1, 2021 (except, as the case may be, in the event of an increase in the Company's turnover for the year April 1, 2020 - March 31, 2021 in which case the Board could decide to retroactively implement this Budget as from April 1, 2020):

Functions	Compensation relating to an attendance rate of 100%
Seat on the Board of Directors	€46,000 (gross)
Seat on a Committee (other than the Restricted Strategic Matters Committee)	€13,000 (gross)
Chair of a Committee	€17,000 (gross)

The distribution above is based on an attendance rate of 100% for our directors over the whole of the fiscal year in question.

If this Budget of €780,000 (gross) is approved by our shareholders at the Shareholders' General Meeting of September 2020, this shall apply as from to April 1, 2021 (except, as the case may be, in the event of an increase in the Company's turnover for the year April 1, 2020 - March 31, 2021 in which case the Board could decide to retroactively implement this Budget as from April 1, 2020). If not, the Budget of €720,000 shall continue to apply.

Ex-post Say-on-pay on the compensation of our executive corporate officers for the 2020-2021 fiscal year

Pursuant to Article L. 225-100 II. of the French Commercial Code, the amounts which will result from the implementation of the principles and criteria indicated below, composing the compensation policy for our executive corporate officers for the current fiscal year ending on March 31, 2021, will be submitted to our shareholders for approval at their General Meeting to be held in 2021 to cast a vote on the financial statements for said fiscal year.

In addition, we remind you that, in accordance with Article L. 225-100, III paragraph 2 of the French Commercial Code, the payment of the variable and exceptional components of compensation of each executive corporate officer will be subject to the approval by our shareholders of individual resolutions relating to the fixed, variable and exceptional components comprising the total compensation and benefits of any kind paid or granted during the fiscal year 2020-2021, under the conditions provided for in Article L. 225-100, III paragraph 1 of the said Code.

The compensation policy is established with reference to the AFEP-MEDEF Code, which recommends, under the terms of its Article 25, compliance with the principles of comprehensiveness, balance, comparability, consistency, understandability and proportionality.

This compensation policy set by our Board of Directors is subject to an annual review on the recommendation of our Compensation Committee. The latter ensures the proper application of the above principles in the context of its work and its recommendations to the Board of Directors, both in the development of policies and in their implementation for the determination of the amounts or valuations of compensation or benefits.

The Chairman of the Board of Directors and the Chief Executive Officer abstain from participating in the deliberations and votes on the compensation policy that concern them, thereby helping to avoid a possible conflict of interest.

Ninth resolution – Setting the amount of the total annual compensation paid to the directors

Under the 9th resolution, you are being asked to set a new amount of total annual compensation allocated to the directors beginning in fiscal year 2020-2021.

We remind you that the current compensation budget stipulated in Article L. 225-45 of the French Commercial Code, which is required to be allocated to our directors, is €720,000.

On August 4, 2020, our Compensation Committee recommended to our Board of Directors that this total annual budget for the compensation of our directors be increased to €780,000, as from April 1, 2021, it being specified that, in the event of an increase in the Company's turnover for the year April 1, 2020 - March 31, 2021, such increase will be effective retroactively as from April 1, 2020.

The reason for this change is the increase in the number of meetings of the Board of Directors and some Committees.

Under these circumstances, all powers would be given to the Board of Directors for the purposes of distributing this compensation among its members, according to the terms it would set.

As such, we are asking you to review the compensation policy for our directors set forth in section 4.2.3.6 (Compensation policy for our directors) of this Universal Registration Document under the terms of which the criteria and rules for distributing the total annual compensation paid to the directors are described.

Tenth resolution – Authorization to be given to the Board of Directors to carry out transactions on the Company's shares

During the Shareholders' General Meeting of July 26, 2019, according to the terms of its 21st resolution, our shareholders authorized our Board of Directors to acquire shares in our Company, in one or more occasions, at the times that it shall determine, within the limit of 5% of the share capital at any time whatsoever.

You may refer to section 7.2.2.3 (Share buyback program in force, adopted by the Combined Ordinary and Extraordinary General Shareholders' Meeting of July 26, 2019) of this Universal Registration Document, which describes the main procedures for the share buyback program approved by the Shareholders' General Meeting of July 26, 2019.

Between April 1, 2019, and July 6, 2020 (the date on which the Annual Financial Report was approved), the Company twice allocated treasury shares to employees as part of the liquidation of the PAT no. 1, PAT no. 2 and PAT no. 3 allocation plans:

- one allocation on March 17, 2020, of 635 ordinary shares; and
- one allocation on March 30, 2020, of 91 ordinary shares.

These transactions reduced the number of the Company's treasury shares to 4,351, from 5,077 shares held at March 31, 2019.

Within the framework of this Shareholders' General Meeting, you are asked to grant a new authorization to the Board of Directors, in accordance with Article L. 225-209 of the French Commercial Code, Articles 241-1 to 241-5 of the General Regulations of the French Financial Markets Authority (AMF), the European legislation on market abuse and on market practices accepted by the AMF, for a period expiring on the date of the Shareholders' General Meeting that will be convened to approve the financial statements for the fiscal year ended March 31, 2021, which would cancel and supersede the same type of authorization granted in 2019.

This new share repurchase program could be used with the following objectives:

- ensuring liquidity and making a market on the secondary share market of our Company through an investment service provider acting independently within the framework of a liquidity agreement which complies with the market practice accepted by the AMF (as amended where appropriate); or
- the allocation or sale of shares to employees to allow them to participate in the benefits of Company's expansion or for the implementation of company or group savings plans (or similar plans) under the conditions provided for by law, and notably Articles L. 3332-1 *et seq.* of the French Labor Code; or
- the free allocation of shares under the provisions of Articles L. 225-197-1 and following of the French Commercial Code; or
- in general, meeting obligations related to share option programs or other share allocations to employees or corporate officers of the issuer or of a related company; or
- the retention and deferred award of shares (in exchange, as payment or other) for external growth operations, on the understanding that the maximum amount of shares acquired with a view to their retention and subsequent award as payment or in exchange for merger, demerger or capital contribution transactions may not exceed 5% of the capital; or
- hedging securities giving rights to the allocation of shares of our Company upon exercise of rights attached to securities giving the right through redemption, conversion, exchange, presentation of warrants, or any other means to the allocation of shares of our Company; or
- subject to the adoption of 22th resolution, to subsequently cancel, in whole or in part, the shares thus repurchased under the conditions pursuant to Article L. 225-209 of the French Commercial Code.

This program would also be designed to allow the implementation of all market practices accepted or that may be accepted by the market authorities, and more generally, the completion of transactions for any other purpose permitted or subsequently to be permitted by applicable laws and regulations, subject to notification of the Company’s shareholders.

The number of shares that may be acquired during the share buyback program may not exceed 5% of our share capital at each buyback date. This ceiling would apply to the adjusted share capital based on transactions having an impact thereupon following your Shareholders’ General Meeting.

This maximum number of shares would thus stand at 1,663,945 calculated based on the share capital on June 10, 2020 standing at €66,557,802.00.

Regarding the particular case of shares repurchased under a liquidity contract, the number of shares taken into account for the calculation of the 5% limit corresponds to the number of shares purchased, less the shares resold during the period of the authorization.

The number of shares which would be acquired to be retained and subsequently delivered as part of a merger, demerger or contribution transaction may not exceed 5% of its share capital.

The number of shares held by our Company at any time should not exceed 10% of our share capital. This percentage would apply to capital adjusted for transactions that may occur after the Shareholders’ General Meeting convened on September 23, 2020.

The maximum purchase price per share would be set at €150 (excluding acquisition costs). In the event of a capital transaction, this amount would be adjusted in the same proportions.

Consequently, we propose to set the overall maximum amount that would be allocated to the said program at €249,591,750.

The purchase of shares may be made on one or more occasions, by any means, on a regulated market, a multilateral trading facility, from a systematic internalizer or by mutual agreement, including by public offer or transactions for blocks of shares (which may represent the entire program).

Our Company does not intend to use derivatives.

These transactions may be performed at any time, pursuant to the statutory provisions in force, excluding during public offerings of our Company securities.

Lastly, you are asked to grant all powers to our Board of Directors, with ability to sub-delegate, to implement this authorization, enter into any agreement, carry out any formality, and file any declaration with any agency, and more generally, do all that is necessary.

III. EXTRAORDINARY PART OF OUR SHAREHOLDERS’ GENERAL MEETING

Eleventh resolution – Modification of the Company’s bylaws to enable the appointment of directors representing employees within the Board of Directors of the Company

In accordance with the provisions of Article L. 225-27-1 of the French Commercial Code, when a company, as of the end of two consecutive fiscal years, has at least 1,000 permanent employees within the company and at its direct or indirect subsidiaries whose registered office is in France, or at least 5,000 permanent employees within the company and at its direct or indirect subsidiaries whose registered office is within French territory or abroad, the bylaws state that the Board of Directors shall include, in addition to those directors whose number and method of appointment are set out in Article L. 225-17 and L. 225-18 of this Code, directors who represent the employees.

Please note that at the end of the 2019-2020 fiscal years, the number of full-time employees holding a permanent employment contract with one of the French companies of our Group exceeded, over the course of two consecutive fiscal years, the threshold of 1,000 permanent employees within the Company and at any direct or indirect subsidiaries whose registered office is in France.

Consequently, the Company must comply with the provisions of Article L. 225-27-1 of the French Commercial Code and to appoint directors representing the employees to join its Board of Directors.

Please note that the number of members of our Board of Directors exceeds the threshold of eight directors set by law no. 2019-486 of May 22, 2019, on business growth and transformation, known as the PACTE law, and our Company must therefore appoint two directors representing employees to the Board.

In accordance with the provisions of Article L. 225-27-1 of the French Commercial Code, our Company’s bylaws must be modified by September 30, 2020, in order to determine the conditions under which these two directors representing employees must be appointed within six months following the date on which the bylaws are modified to allow their appointment.

Article L. 225-27-1 I (4) of the French Commercial Code states that when two or more directors representing employees are to be appointed, the detailed methods used for such appointment are as follows:

(i) one of these directors is appointed by:

- an election held amongst the employees of the company and those of its direct or indirect subsidiaries whose registered office is in France, or
- the Group Works Council pursuant to Article L. 2331-1 of the French Labor Code, the Central Works Council, or the Works Council of the Company, as applicable, or
- the trade union organization having obtained the most votes in the first round of the elections referred to in Articles L. 2122-1 and L. 2122-4 of the French Labor Code held within the Company and those of its direct or indirect subsidiaries whose registered office is in France; and

(ii) the other director is appointed by the Group’s European Works Council, if there is one. Please note that our Group does not have a European Works Council.

In this 11th resolution, we suggest stipulating that when one single director is to be appointed, such appointment should be made by the Group Committee (or, if none exists, by the Company’s Social and Economic Committee) and that when two directors are to be appointed, each one should be appointed by the two labor unions having received the greatest number of votes in the first round of the elections referred to in articles L. 2122-1 and L. 2122-4 of the French Labor Code within the company and those of its direct or indirect subsidiaries whose registered office is within French National territory.

Our Company's bylaws would therefore be amended to include in their Article 12 (Board of Directors), paragraph 5 as drafted below:

"5 - Directors representing employees

In accordance with the provisions of Articles L. 225-27-1 to L. 225-34 of the French Commercial Code, the Board of Directors includes two (2) directors representing the employees in addition to those directors whose number and method of appointment are determined in paragraph 1 of this article.

The number of such directors representing the employees may be reduced to one (1) if the number of directors elected by the Shareholders' General Meeting (excluding directors representing the employees) is equal to or fewer than eight (8).

The directors representing the employee are not taken into consideration when determining the minimum and maximum number of directors pursuant to paragraph 1 of this article.

The directors representing the employees have voting rights. Subject to the legal provisions specifically applicable thereto, they have the same rights, are bound by the same obligations (in particular with regard to confidentiality) and have the same responsibilities as the other members of the Board of Directors. However, having operational duties within our Group, they are not eligible for a specific remuneration as directors of the Board.

When a single director is to be appointed, the appointment is made by the Group's Economic and Social Committee or, failing that, the Company's Economic and Social Committee.

The Chairman of the relevant Economic and Social Committee shall agree with its Secretary to put on the agenda of a meeting occurring no later than six (6) months following the modification of the bylaws, or when the terms of office of the director representing the employees come to an end the appointment of the director representing the employees, fulfilling the conditions required by law and in particular those defined in the first paragraph of Article L. 225-28 and by Article L. 225-30 of the French Commercial Code

When two directors are to be appointed, the appointments are made by each of the two trade union organizations having obtained the most votes in the first round of the elections referred to in Articles L. 2122-1 and L. 2122-4 of the French Labor Code held within the Company and those of its direct or indirect subsidiaries whose registered office is in France.

Within six (6) months following the modification of the bylaws, or when the terms of office of the director(s) representing the employees come to an end, the relevant labor union organization(s) shall be invited by hand-delivered letter for which a receipt is given or via registered letter with acknowledgement of receipt to appoint a director representing the employees, fulfilling the conditions required by law and in particular those defined in the first paragraph of Article L. 225-28 and by Article L. 225-30 of the French Commercial Code.

Within a maximum of fifteen (15) days, the trade union organization must send the Chairman of the Board of Directors the name and job title of the director representing the employees thereby appointed, via registered letter with acknowledgment of receipt.

The term of their office is three (3) years. On the expiry of said office, the renewal of the term of office of the director(s) representing the employees shall be subject to the continued fulfillment of the conditions of application set out in Article L. 225-27-1 of the French Commercial Code.

The duties of the director appointed in application of Article L. 225-27-1 of the French Commercial Code are terminated at the end of the Shareholders' Ordinary General Meeting having approved the financial statements for the past fiscal year, and held during the year in which the term of office expires.

The termination of an employment contract terminates the term of office of the director appointed in application of Article L. 225-27-1 of the French Commercial Code.

The directors appointed in application of Article L. 225-27-1 of the French Commercial Code may be dismissed for breach in the performance of their duties, under the conditions described in Article L. 225-32 of the French Commercial Code.

If the position of director representing the employees filled in accordance with this article becomes vacant as a result of death, resignation, dismissal, termination of employment contract, or for any other reason whatsoever, an appointment is made under the same conditions. The term of office of the director thus appointed comes to an end on the expiry of the normal term of office of all other directors appointed in accordance with Article L. 225-27-1 of the French Commercial Code.

The potential annulment of the appointment of a director representing the employees does not nullify any deliberations in which the director whose appointment was unlawful may have taken part."

We are thus recommending that you approve this amendment to the bylaws presented above so the Company may comply with the provisions of Article L. 225-27-1 of the French Commercial Code, and to consequently approve the procedure for appointing directors representing the employees by the two trade union organizations receiving the most votes in the first round of the elections referred to in Articles L. 2122-1 and L. 2122-4 of the French Labor Code in the Company and its direct or indirect subsidiaries whose registered office is in France. If a single director is to be appointed, the appointment will be made by the Group's Economic and Social Committee or the Company's Economic and Social Committee.

- FINANCIAL RESOLUTIONS (NO. 12 TO 21): RENEWAL OF EXISTING AUTHORIZATIONS -

Please note that a table summarizing the financial delegations and authorizations which your Shareholders' General Meeting is being asked to grant is set out in section 8.2.3 (Summary table of delegations and authorizations requested at the Shareholders' General Meeting of September 23, 2020) above.

In order to have available the appropriate resources for our Group's development, we are asking you to approve resolutions whose purpose is to **grant our Board of Directors authorizations or delegations of authority or powers which would give it the means to implement various types of share or securities** issue (12th to 21st resolutions).

These resolutions aim **to provide our Board of Directors with the most extensive flexibility to be able to take advantage of any potential financing opportunities.**

According to market conditions, the type of investors concerned by the issue and the type of shares issued, it may be preferable, or even necessary, to cancel shareholders' preferential subscription rights. This would provide our Board of Directors with the option of carrying our placements of (equity) shares under optimal conditions, and of thereby **obtaining a higher level of equity.** Furthermore, the cancellation of the preferential subscription rights would increase the speed of the transactions, which is sometimes an **essential condition for their success.**

We will also submit for your **approval a resolution enabling our Company to allow its employees and officers to benefit from its success** by allowing it to carry out an **increase of the share capital reserved for employees who are members of a company savings plan (21st resolution).**

These 12th to 21st resolutions aim to renew almost all of the delegations of authority and powers granted by you in 2019 in order to carry out share capital increases by issuing ordinary shares and/or any securities of any kind giving access by whatever means, immediately and/or in the future, at any time or on a fixed date, *via* subscription, conversion, exchange, redemption, presentation of a warrant, or in any other manner, to the share **capital of our Company.**

The limits of the authorizations and delegations of authority you granted us in 2019 would be amended to take into consideration the increase in our Company's share capital over the last 12 months.

Therefore, under the **12th resolution, the maximum nominal value of those share capital increases that may be completed on the basis of the 12th to 21st resolutions may not exceed an overall ceiling of €32.5 million in nominal value,** compared with €30 million last year.

As of June 10, 2020, this overall ceiling represents approximately 48.83% of our share capital.

Within this overall ceiling of €32.5 million, you are requested to establish **a sub-ceiling set at €6.5 million in nominal value** (compared to €6 million last year) for transactions involving a cancellation of shareholders' preferential subscription rights (13th resolution).

As of June 10, 2020, this sub-ceiling represents approximately 9.77% of our share capital.

This sub-ceiling would be common to the 13th to 20th resolutions, with the exception of the 19th resolution which would not be affected by this.

This would be deducted from the overall ceiling of €32.5 million.

To these ceilings of €32.5 million and €6.5 million would be added the nominal value of any share capital increases on the basis of the ordinary shares that may be issued in addition, on the basis of adjustments intended to take into account the impact of transactions on our Company's share capital and completed to protect the rights of holders of securities and other rights giving access to the share capital of our Company.

Moreover, **the maximum nominal amount of the debt securities or related securities, giving access to our Company's capital, that may be issued pursuant to the 12th to 21st resolutions** (with the exception of the19th resolution which would not be affected) **may also not exceed this ceiling of €325 million** (compared with €300 million last year).

This limit would be increased, where appropriate, by any redemption premium in excess of the par value.

In addition, **this €325 million ceiling would be independent from the value of any debt securities that may be issued or authorized by our Board of Directors** in accordance with Articles L. 228-36-A, L. 228-40, L. 228-92 paragraph 3, L. 228-93 paragraph 6, and L. 228-94 paragraph 3 of the French Commercial Code.

Our Board of Directors would not, except by prior authorization from shareholders, **be able to make use of these delegations with effect from the time of filing by a third party of a public offer for our Company's (equity) shares, until the end of the offer period** (except for 21st resolution).

These authorizations and delegations would be granted with the right to sub-delegate.

They would each be valid for a period of 26 months as from the date of your Shareholders' General Meeting, with the exception of the 15th resolution for which the period would be 18 months. They would cancel and **supersede any authorization or delegation granted by the resolutions of the same nature adopted on July 26, 2019.**

Should our Board of Directors use the authorizations and/or delegations granted thereto pursuant to the terms of the 12th to 21st resolutions, it must establish the additional report or reports required by law and give an account thereof to the shareholders at the next Shareholders' General Meeting, in accordance with the applicable laws and regulations in force.

Twelfth resolution – Delegation of authority to be granted to the Board of Directors for the purpose of carrying out a capital increase by issuing shares and/or securities giving access to the Company's share capital, with preferential subscription rights, immediately or in the future

Grounds for the possible use of the resolution

In the context of 12th resolution, you are requested to grant our Board of Directors a **new delegation of authority to increase our share capital with shareholders' preferential subscription rights retained**, to be exercised in direct proportion to their rights and within the limit of the applications made.

Term

Granted for a period of **26 months** with effect as from the date of your Shareholders' General Meeting, this delegation would have **the effect of voiding the delegation granted by 22nd resolution adopted on July 26, 2019**.

Detailed implementation conditions

Under this mechanism, our Board of Directors would have authority to issue, on one or more occasions, in the proportion and at the times determined thereby, in euros, foreign currencies, or in any unit established based on a basket of currencies, in France and/or abroad, against payment or free of charge, **ordinary (equity) shares and/or securities giving immediate or future access** at any time or on a fixed date *via* subscription, conversion, exchange, redemption, presentation of a warrant, or in any other manner, **to the share capital of our Company** (including shares giving the right to the allocation of debt securities).

Payment for these shares and/or other securities may be made either in cash or by off-setting against liquid and payable receivables, or by incorporation of reserves, profits, or issue premiums.

The issue(s) would be reserved by preference for Company shareholders who would have a subscription in direct proportion to the number of shares held thereby.

Nevertheless, you would grant our Board of Directors the power to grant shareholders the right to subscribe to shares or securities in excess of the number of shares to which they are entitled as of right, proportionally to their subscription rights, and in any event, within the limit of their request.

In this context, if the subscriptions as of right and, where appropriate, excess subscriptions, do not cover the entire amount of the shares or securities issued as defined above, our Board of Directors may exercise, as provided by law, and in the order of its choosing, one and/or any of the following options:

- to freely distribute all or part of the non-subscribed securities between the individuals of its choice;
- to offer to the public all or part of the non-subscribed securities, on the French market and/or internationally; and/or
- to limit the capital increase to the amount of subscriptions, subject to the condition, in the event of the issue of shares or securities whose main security is a share, of this reaching at least three-quarters of the agreed issue after use of the two rights indicated above, where appropriate.

We also propose that you decide that **issues of share purchase warrants by our Company may be completed *via* subscription offer and also *via* the allocation of free shares to shareholders**. In this context, our Board of Directors would have the option to decide that rights forming fractional shares would not be negotiable and that the corresponding (equity) shares would be sold in accordance with the applicable laws and regulations.

Our Board of Directors would have all powers, with the right to sub-delegate in accordance with the law, in order to decide on the aforementioned issues and to proceed there with in accordance with the detailed methods determined thereby in accordance with the law.

The final terms of the transaction(s) carried out under this delegation will be subject to an additional report compliant with the provisions of Article L. 225-129-5 of the French Commercial Code, and drawn up by our Board of Directors when it decides to use the present delegation.

Should our Board of Directors decide to exercise its right to sub-delegate in accordance with the provisions of Article L. 225-129-4 of the French Commercial Code, our Chief Executive Officer would report thereto on the use made of the power to decide the capital increase(s) and draw up, upon using this sub-delegation, the additional report required by Article L. 225-129-5 of the French Commercial Code.

Our Board of Directors would not, except by obtaining prior authorization from shareholders, **be able to make use of this delegation with effect from the time of filing by a third party of a public offer** for our Company's equity shares, until the end of the offer period.

Ceiling

The maximum nominal value of the share capital increases that may be completed pursuant to this 12th resolution may not **exceed the nominal ceiling of €32.5 million**.

This ceiling would be in addition to the nominal value of any capital increases that may be completed *via* the issue of ordinary shares in order to preserve the rights of holders of securities and of holders of other rights giving access to our Company's share capital.

This ceiling of €32.5 million would be jointly applicable to all share capital increases that may be completed on the basis of this 12th resolution and of the 13th to 21st resolutions.

The maximum nominal amount of the debt securities or related securities giving access to our Company's capital that may be issued pursuant to this 12th resolution could not exceed the ceiling of €325 million or the equivalent of this figure.

This ceiling would, where appropriate, **be increased by any redemption premium in excess of the par value**.

Please note that this ceiling of €325 million would be jointly applicable to any debt securities or related securities giving access to our Company's capital that may be issued on the basis of this 12th resolution and of the 13th to 21st resolutions (other than 19th resolution which would not be affected by this).

It would, in addition, be independent from the value of any debt securities issued as decided or authorized by our Board of Directors in accordance with Articles L. 228-36-A, L. 228-40, L. 228-92 paragraph 3, L. 228-93 paragraph 6, and L. 228-94 paragraph 3 of the French Commercial Code.

Thirteenth resolution – Delegation of authority to be granted to the Board of Directors for the purpose of carrying out a capital increase by issuing shares and/or securities giving access, immediately or in the future, to the Company's share capital, without preferential subscription rights, through a public offer with the exception of the offers referred to in part 1° of Article L. 411-2 of the French Monetary and Financial Code

Grounds for the possible use of the resolution

In the context of the 13th resolution, you are requested to grant our Board of Directors **a new delegation of authority to increase our share capital with shareholders' preferential subscription rights canceled**.

Term

Granted for a **period of 26 months** with effect as from the date of your Shareholders' General Meeting, this delegation would have the **effect of voiding the delegation granted by the 23rd resolution adopted on July 26, 2019**.

Detailed implementation conditions

Under this mechanism, our Board of Directors would have authority to issue, on one or more occasions, in the proportion and at the times determined thereby, in euros, foreign currencies, or in any unit established based on a basket of currencies, **in France and/or abroad, against payment or free of charge, ordinary shares and/or securities giving immediate or future access** at any time or on a fixed date, *via* subscription, conversion, exchange, redemption, presentation of a warrant, or in any other manner, to the share capital of our Company (including (equity) shares giving the right to the allocation of debt securities).

Payment for these shares and/or other securities may be made either in cash or by off-setting against liquid and payable receivables, or by incorporation of reserves, profits, or issue premiums.

Issues would be completed via offering for sale to the public.

Furthermore, they **could be carried out together with an offer or offers as per in part 1° of Article L. 411-2 of the French Monetary and Financial Code** completed on the basis of the 14th resolution.

Shareholders' preferential subscription rights to those shares and/or securities that may be issued based on the basis of this delegation would be canceled.

In this context, **our Board of Directors could establish in favor of shareholders a priority time frame for subscription**, not leading to the creation of negotiable rights, for all or part of the issue completed in the context of this resolution, and for a term to be set thereby in accordance with the law and with regulations.

This subscription right would be exercised in direct proportion to the number of shares held by each shareholder and could potentially be completed by an excess subscription right.

If the subscriptions do not absorb the total issuance of shares or securities, our Board of Directors may exercise one and/or other of the following options:

- limiting the capital increase to the subscriptions' amount upon the condition that this amount reaches at least three-quarters of the decided issuance;
- to freely distribute all or part of the non-subscribed securities between the individuals of its choice;
- offer to the public all or part of the non-subscribed securities, on the French market and/or internationally.

In addition, this delegation would, **to the benefit of holders of any securities giving access** to shares that may be issued pursuant to this resolution, automatically result in **the waiver by shareholders of their preferential right to subscribe** to the new shares thereby created by these securities.

Our Board of Directors would have all powers, with the right to sub-delegate in accordance with the law, in order to decide on the aforementioned issues and to proceed there with in accordance with the detailed methods determined thereby in accordance with the law.

Should this delegation be used, the **supplementary reports required by law would be drawn up by our Board of Directors and our statutory auditors respectively and presented to the next Shareholders' General Meeting**.

Our Board of Directors would not, except by obtaining prior authorization from **shareholders, be able to make use of this delegation with effect from the time of filing by a third party of a public offer** for our Company's equity shares, until the end of the offer period.

Price

The issue price of the ordinary shares to be issued pursuant to this resolution or to which securities to be issued pursuant to this resolution may grant entitlement would be **at least equal to the minimum price authorized by law and by regulations that apply on the date of the issue**.

Please note that, as of the date hereof, the minimum authorized price is **the weighted average of the price of the last 3 stock market trading sessions preceding the beginning of the public offering minus a discount of 10%.**

Moreover, the **issue price of the securities giving access to the capital and the number of shares to which each security may potentially grant entitlement would be such that the amount immediately received by our Company** (increased, where appropriate, by any amount received subsequently) is, **for each share issued as a result of the issue** of these securities, **at least equal to the minimum price defined above**.

Ceilings

The maximum nominal amount of capital increases that may be carried out immediately or in the future based on this 13th resolution may not exceed the ceiling of **€6.5 million in nominal value**, or the equivalent of this amount in another currency.

Please note that this ceiling of **€6.5 million would be jointly applicable to all share capital increases** that may be completed, immediately or in the future, on the basis of those shares potentially issued pursuant to this 13th resolution and to 14th to 20th resolutions (other than resolution 19 which would not be affected by this).

This nominal amount of €6.5 million would be deducted from the amount of overall nominal ceiling of €32.5 million referred to in part "3.a. (i)" of the 12th resolution.

These ceilings would be in addition to the nominal value of any capital increases that may be completed *via* the issue of ordinary shares in order to preserve the rights of holders of securities and of holders of other rights giving access to our Company's share capital.

The maximum nominal amount of the debt securities or related securities giving access either immediately or in the future to our Company's capital that may be issued pursuant to this 23rd resolution may not exceed the ceiling of €300 million or the equivalent of this figure.

This ceiling would, where appropriate, be increased by any redemption premium in excess of the par value.

Please note that this amount of €325 million would be deducted from the overall ceiling of €325 million described in part 3. b. of the 12th resolution.

It would, in addition, be independent from the value of any debt securities issued as decided or authorized by our Board of Directors in accordance with Articles L. 228-36-A, L. 228-40, L. 228-92 paragraph 3, L. 228-93 paragraph 6, and L. 228-94 paragraph 3 of the French Commercial Code.

Fourteenth resolution – Delegation of authority to be granted to the Board of Directors in order to issue, by a public offer set out in part 1° of Article L. 411-2 of the French Monetary and Financial Code, shares and/or securities giving access, immediately or in the future, to the Company's share capital, without shareholders' preferential subscription rights

Grounds for the possible use of the resolution

In the context of the 14th resolution, we are asking you to grant our Board of Directors a new delegation **of authority in order to increase our share capital, with the cancellation of shareholders' preferential subscription rights, in the context of the offers described in part 1° of Article L. 411-2 of the French Monetary and Financial Code, also formerly known as "private placements"**.

Term

Granted for a **period of 26 months** with effect as from the date of your Shareholders' General Meeting, this delegation would have the **effect of voiding the delegation granted by the 24th resolution adopted on July 26, 2019**.

Detailed implementation conditions

Under this mechanism, our Board of Directors would have authority to issue, on one or more occasions, in the proportion and at the times determined thereby, in France and/or abroad, in the context of the **offers described in part 1° of Article L. 411-2 of the French Monetary and Financial Code, in euros**, foreign currencies, or in any unit established based on a basket of currencies, against payment or free of charge, ordinary shares and/or securities giving immediate or future access at any time or on a fixed date, *via* subscription, conversion, exchange, redemption, presentation of a warrant, or in any other manner, **to the share capital of our Company** (including (equity) shares giving the right to the allocation of debt securities).

Payment for these shares and/or other securities may be made either in cash or by off-setting against liquid and payable receivables, or by incorporation of reserves, profits, or issue premiums.

If the subscriptions do not absorb the total issuance, our Board of Directors may limit the transaction's amount to the amount of subscriptions received, provided (for issues of shares or securities having shares as their underlying) that they reach at least three-quarters of the issued agreed.

Our Board of Directors would have all powers, with the right to sub-delegate in accordance with the law, in order to decide on the aforementioned issues and to proceed there with in accordance with the detailed methods determined thereby in accordance with the law.

Should this delegation be used, **the supplementary reports required by law would be drawn up by our Board of Directors and our statutory auditors respectively and presented to the next Shareholders' General Meeting**.

Our Board of Directors would not, except by obtaining prior authorization from shareholders, be **able to make use of this delegation with effect from the time of filing by a third party of a public offer** for our Company's equity shares, until the end of the offer period.

Price

The issue price of the ordinary shares to be issued pursuant to this resolution or to which securities to be issued pursuant to this resolution may grant entitlement would be **equal to or greater than the minimum price authorized by the legal and regulatory provisions that apply on the date of the issue**.

Please note that, as of the date hereof, the minimum authorized price is **the weighted average of the price of the last 3 stock market trading sessions preceding the beginning of the public offering minus a discount of 10%**.

Moreover, the **issue price of the securities giving access to the capital and the number of shares to which each security may potentially grant entitlement would be such that the amount immediately received by our Company** (increased, where appropriate, by any amount received subsequently) is, for each share issued as a result of the issue of these securities, **equal to or greater than the minimum price defined above**.

Ceilings

The maximum nominal amount of capital increases that may be carried out immediately or in the future based on this 14th resolution may not, within those limits imposed by the regulations applicable on the date of the issue, exceed **the nominal ceiling of €6.5 million**, or the equivalent of this amount in another currency.

As an illustration, as of the **date hereof, the issue of equity capital securities completed *via* an offer covered in part 1° of Article L. 411-2 of the French Monetary and Financial Code is capped at 20% of the share capital per year and as determined at the date of the implementation of the delegation by the Board of Directors.**

Please note that this ceiling of **€6.5 million would be deducted**:

- **from the shared ceiling of €6.5 million in nominal value referred** to in part "3. a. (i)" of the 13th resolution; and
- **from the overall ceiling of €32.5 million in nominal value referred** to in "3. a. (i)" of the 12th resolution.

These ceilings would be in addition to the nominal value of any capital increases that may be completed *via* the issue of ordinary shares in order to preserve the rights of holders of securities and of holders of other rights giving access to our Company's share capital.

The maximum nominal amount of the debt securities or related securities giving access either immediately or in the future to our Company's capital that may be issued pursuant to this 14th resolution may not exceed the ceiling of €325 million or the equivalent of this figure.

This **ceiling would**, where appropriate, be increased by **any redemption premium in excess of the par value.**

Please note that this amount of €325 million would be deducted from the overall ceiling of €325 million referred to in part "3. b." of 12th resolution.

It would, in addition, be independent from the value of any debt securities issued as decided or authorized by our Board of Directors in accordance with Articles L. 228-36-A, L. 228-40, L. 228-92 paragraph 3, L. 228-93 paragraph 6, and L. 228-94 paragraph 3 of the French Commercial Code.

Fifteenth resolution – Delegation of authority to be granted to the Board of Directors for the purpose of issuing shares and/or securities giving access, immediately or in the future, to the Company's share capital, reserved to persons meeting defined requirements, without shareholders' preferential subscription rights

In the context of this resolution 15, you are being asked to grant our Board of Directors **a new delegation of authority to increase our share capital with the cancellation of shareholders' preferential subscription rights**, for the benefit of those meeting the following criteria: i) financial institutions or French or foreign investment funds or any placement vehicles focused on providing support in the medium term to growth companies in the technology sector or investing on a regular basis or exercising a significant part of their activity in the technology sector or (ii) French or foreign investment service providers, or any foreign institution with equivalent status, that can guarantee the completion of an issue intended to be placed with the persons referred to in the (i) above and, in this context, to subscribe to the securities issued.

Term

Unlike the others, this delegation of authority would be granted for a period of 18 months with effect from the date of your Shareholders' General Meeting. Like the others, **it would cancel and supersede the delegation of authority granted by the 25th resolution adopted on July 26, 2019**.

Detailed implementation conditions

Under this mechanism, our Board of Directors would have authority to issue, on one or more occasions, in the proportion and at the times determined thereby, in euros, foreign currencies, or in any unit established based on a basket of currencies, against payment or free of charge, in France and/or abroad, **ordinary shares and/or securities giving** immediate or future access at any time or on a fixed date, *via* subscription, conversion, exchange, redemption, presentation of a warrant, or in any other manner, to **the share capital of our Company** (including shares giving the right to the allocation of debt securities), reserved for (i) financial institutions or French or foreign investment funds or any placement vehicles focused on providing support in the medium term to growth companies in the technology sector or investing on a regular basis or exercising a significant part of their activity in the technology sector or (ii) French or foreign investment service providers, or any foreign institution with equivalent status, that can guarantee the completion of an issue intended to be placed with the persons referred to in the (i) above and, in this context, to subscribe to the securities issued.

Payment for these shares and/or other securities may be made either in cash or by off-setting against liquid and payable receivables, or by incorporation of reserves, profits, or issue premiums.

Our Board of Directors would have authority to define the precise list of beneficiaries of the cancellation of preferential subscription rights and the number of shares and/or securities to be allocated to each such one.

This delegation would automatically lead to the waiver by shareholders, in favor of said beneficiaries, of their preferential subscription right relating to the new shares to which entitlement would be granted by the securities that may be issued by virtue of this resolution.

Our Board of Directors would have all powers, with the right to sub-delegate in accordance with the law, in order to decide on the aforementioned issues and to proceed there with in accordance with the detailed methods determined thereby in accordance with the law.

Should this delegation be used, the **supplementary reports required by law would be drawn up by our Board of Directors and our statutory auditors respectively and presented to the next Shareholders' General Meeting**.

Our Board of Directors would not, except by obtaining prior authorization from shareholders, **be able to make use of this delegation with effect from the time of filing by a third party of a public offer** for our Company's equity shares, until the end of the offer period.

Price

The issue price of the ordinary shares to be issued or to which the securities to be issued in application of this resolution would grant entitlement would be **equal to**:

- **the last closing price preceding the setting of the price with a maximum discount of 10%; or**
- the volume-weighted average share price on the market, on the trading day on which the issue price is set, with a maximum discount of 10%.

Moreover, **the issue price of the securities giving access to the capital and the number of shares to which each security may potentially grant entitlement would be such that the amount immediately received by our Company** (increased, where appropriate, by any amount received subsequently) is, for each share issued as a result of the issue of these securities, at least equal to the price determined by our Board of Directors from those defined above.

Ceilings

The maximum nominal amount of capital increases that may be carried out immediately or in the future based on this 15th resolution may not, within those limits imposed by the regulations applicable on the date of the issue, exceed the nominal ceiling of €6.5 million, or the equivalent of this amount in another currency.

Please note that this ceiling of €6.5 million would be deducted:

- **from the shared ceiling of €6.5 million in nominal** value referred to in part "3. a. (i)" of the 13th resolution; and
- **from the overall ceiling of €32.5 million in nominal** value referred to in part "3. a. (i)" of the 12th resolution.

These ceilings would be in addition to the nominal value of any capital increases that may be completed *via* the issue of ordinary shares in order to preserve the rights of holders of securities and of holders of other rights giving access to our Company's share capital.

Moreover, **the maximum nominal amount of the debt securities or related securities giving access either immediately or in the future to our Company's capital that may be issued pursuant to this 15th resolution may not exceed the ceiling of €325 million** or the equivalent of this figure.

This **ceiling would**, where appropriate, **be increased by any redemption premium in excess of the par value**.

Please note that this amount of €325 million would be deducted from the overall ceiling of €325 million referred to in part "3. b." of the 12th resolution.

It would, in addition, be independent from the value of any debt securities issued as decided or authorized by our Board of Directors in accordance with Articles L. 228-36-A, L. 228-40, L. 228-92 paragraph 3, L. 228-93 paragraph 6, and L. 228-94 paragraph 3 of the French Commercial Code.

Sixteenth resolution – Delegation of authority to be granted to the Board of Directors for the purpose of increasing the issuance amount with or without preferential subscription rights, within the limit of 15% of the initial issuance

If an issue decided on the basis of the 12th to 15th resolutions were to be the subject of applications in excess of the amount offered, we suggest that you authorize our Board of Directors to **increase the number of (equity) shares to be issued**, in accordance with the provisions of Article L. 225-135-1 of the French Commercial Code.

Also known as a Greenshoe, this over-allocation option would state that the additional issue would have to be completed within 30 days following the close of the subscription period.

Term

Granted for a **period of 26 months** with effect as from the date of your Shareholders' General Meeting, this delegation would have the **effect of voiding the delegation granted by the 26th resolution adopted on July 26, 2019**.

Detailed implementation conditions

Furthermore, it **would be completed within the limit:**

(i) **of the ceiling or ceilings defined by the applicable resolutions**; and

(ii) **of a maximum of 15% of the initial issue, and at the same price as that applied to the initial issue**.

Our Board of Directors would have all powers, with the right to sub-delegate, to implement this delegation of authority.

Should this delegation be used, the supplementary **reports required by law would be drawn up by our Board of Directors and our statutory auditors respectively and presented to the next Shareholders' General Meeting**.

Seventeenth resolution – Authorization to be granted to the Board of Directors in the event of issuance, without preferential subscription rights, by way of public offerings, of shares and/or securities giving access, immediately or in the future, to the Company's share capital, for the purpose of setting the issuance price within the limit of 10% of the Company's share capital under the terms and conditions adopted by the Shareholders' General Meeting

Grounds for the possible use of the resolution

Also known as "free price resolution" the 17th resolution, asks you to grant a new authorization in favor of **our Board of Directors, which would enable it approve the methods to be used on an exceptional basis for the setting of the issue price**.

Term

Granted for a **period of 26 months** with effect as from the date of your Shareholders' General Meeting, this authorization would **have the effect of voiding that granted by the 27th resolution adopted on July 26, 2019**.

Detailed implementation conditions

Our Board of Directors would have all powers, with the right to sub-delegate, to implement this authorization.

In accordance with Article L. 225-126 (1) of the French Commercial Code, in the event of the use of this authorization, **our Board of Directors would have to produce an additional report**, certified by our statutory auditors, **describing the final conditions applicable to the transaction and providing elements for the assessment of the actual impact on the situation of our shareholders**.

All other **supplementary reports required by law would be produced by our Board of Directors and our statutory auditors respectively, and presented at your next Shareholders' General Meeting**.

Price

In application of this measure, **our Board of Directors would be authorized, in the event of an issue without preferential subscription rights**, of ordinary shares and/or securities, **by virtue of the 13th resolution** (share capital increases, *via* any securities, without preferential subscription rights, *via* offering to the public) **and the 14th resolution** (private placements), **to agree an exception to the price conditions stipulated by these resolutions and to set the issue price in such a way as to correspond either**:

- **the last closing price preceding the setting of the price with a maximum discount of 10%**; or
- the average volume-weighted share price on the market, on the trading day on which the issue price is set, with a maximum discount of 10%.

Moreover, **the issue price of the securities giving access to the capital and the number of shares to which each security may potentially grant entitlement would be such that the amount immediately received by our Company** (increased, where appropriate, by any amount received subsequently) is, for each share issued as a result of the issue of these securities, **equal to or greater than the price determined by our Board of Directors from those defined above**.

Ceilings

This authorization would be **valid up to the limit of 10% of our share capital per period of 12 months**.

This 10% limit would **apply to the adjusted share capital** based on transactions having an impact thereupon following your Shareholders' General Meeting and would be determined at the date of the implementation of the delegation by the Board of Directors.

On the date of each share capital increase, the total number of shares issued in application of this resolution over the 12-month period preceding said share capital increase, including any shares issued by virtue of said share capital increase, shall not exceed 10% of the shares comprising our share capital as of such date.

Eighteenth resolution – Delegation of powers to be granted to the Board of Directors for the issuance of shares and/or securities giving access, immediately or in the future, to the Company's share capital in consideration for capital contributions in kind consisting of shares or securities giving access to the Company's share capital

Grounds for the possible use of the resolution

In the context of the 18th resolution, we are asking you to grant our Board of Directors **a new delegation of powers in view of the issue of shares or securities giving access to our share capital, up to a limit of 10% of the total, in view of providing compensation for contributions in kind consisting of capital securities or marketable securities granted to our Company**.

Term

Granted for a **period of 26 months** with effect as from the date of your Shareholders' General Meeting, this delegation would have the **effect of voiding the delegation granted by the 28th resolution adopted on July 26, 2019**.

Detailed implementation conditions

Under this mechanism, our Board of Directors would have authority to issue, on one or more occasions, in the proportion and at the times that it decides, in euros, foreign currencies or in any other account unit established based on a basket of currencies, against payment or free of charge, in France and/or abroad **ordinary shares and/or securities giving** immediate or future access at any time or on a fixed date, *via* subscription, conversion, exchange, redemption, presentation of a warrant or in any other manner, to the share capital of our Company (including (equity) shares giving the right to the allocation of debt securities), **as compensation for any contributions in kind consisting of capital securities or securities granted to our Company**, where the conditions of Article L. 225-148 of the French Commercial Code are not applicable.

Our Board of Directors would have all powers, with the right to sub-delegate in accordance with the law, in order to decide on the aforementioned issues and to proceed there with in accordance with the detailed methods determined thereby in accordance with the law.

In accordance with the provisions of Article L. 225-147 of the same Code, **the Board would vote on the report by the statutory auditor(s)**.

Should this delegation be used, the **supplementary reports required by law would be drawn up by our Board of Directors and our statutory auditors respectively and presented to the next Shareholders' General Meeting**.

Our Board of Directors would not, except by obtaining prior authorization from shareholders, be **able to make use of this delegation with effect from the time of filing by a third party of a public offer** for our Company's equity shares, until the end of the offer period.

Ceilings

The **maximum nominal amount of capital increases that** may be carried out immediately or in the future based on this 18th resolution may not, within those limits imposed by the regulations applicable on the date of the issue, exceed the nominal ceiling **of €6.5 million**, or the equivalent of this amount in another currency.

Please note that **this ceiling of €6.5 million** would be deducted:

- **from the shared ceiling of €6.5 million** in nominal value referred to in part "3. a. (i)" of the 13th resolution; and
- **from the overall ceiling of €32.5 million** in nominal value referred to in part "3. a. (i)" of the 12th resolution.

These ceilings would be in addition to the nominal value of any capital increases that may be completed *via* the issue of ordinary shares in order to preserve the rights of holders of securities and of holders of other rights giving access to our Company's share capital.

In any event, the **issues completed pursuant to this delegation of authority could not exceed 10% of the share capital, as it exists on the date of our Board of Directors' implementation decision**.

Moreover, **the maximum nominal amount of the debt securities or related securities giving access either immediately or in the future to our Company's capital that may be issued pursuant to this 18th resolution may not exceed the ceiling of €325 million or the equivalent of this figure**.

This ceiling would, where appropriate, **be increased by any redemption premium in excess of the par value.**

Please note that this amount of €325 million would be deducted from the overall ceiling of €300 million described in part 3. b. of the 22nd resolution.

It would, in addition, be independent from the value of any debt securities issued as decided or authorized by our Board of Directors in accordance with Articles L. 228-36-A, L. 228-40, L. 228-92 paragraph 3, L. 228-93 paragraph 6, and L. 228-94 paragraph 3 of the French Commercial Code.

Nineteenth resolution – Delegation of authority to be granted to the Board of Directors for the purpose of increasing the share capital by capitalizing premiums, reserves, profits, or any other funds that may be capitalized

Grounds for the possible use of the resolution

In the context of the 19th resolution, we are asking you to grant a new delegation of authority to **our Board of Directors for the purpose of increasing our share capital by the successive or simultaneous incorporation of all premiums, reserves, profits, or any other funds that may be capitalized**.

Term

Granted for a **period of 26 months** with effect as from the date of your Shareholders' General Meeting, this delegation would have the **effect of voiding the delegation granted by the 29th resolution adopted on July 26, 2019**.

Detailed implementation conditions

In application of this measure, our Board of Directors would have authority in order to proceed with an **increase of our share capital**, on one or more occasions, in the proportion and at the times of its choice, ***via* the successive or simultaneous incorporation of all premiums, reserves, profits, or any other funds that may be capitalized**.

Such capital increases would be in the form of the issue of free shares or *via* an increase in the par value of existing shares, or a combination of these two methods.

In the event of a capital increase *via* the allocation of free shares, any rights leading to the creation of fractional share would not be admissible. The corresponding securities would be sold, it being stipulated that all amounts generated by the sale would be allocated to holders of rights under the conditions defined by law.

Our Board of Directors would have all powers, with the right to sub-delegate in accordance with the law, in order to decide on the aforementioned issues and to proceed there with in accordance with the detailed methods determined thereby in accordance with the law.

Should this delegation be used, the **supplementary reports required by law would be drawn up by our Board of Directors and our statutory auditors respectively and presented to the next Shareholders' General Meeting**.

Our Board of Directors would not, except by obtaining prior authorization from shareholders, **be able to make use of this delegation with effect from the time of filing by a third party of a public offer for our Company's equity shares, until the end of the offer period**.

Ceilings

The maximum amount of capital increases that may be carried out immediately or in the future by virtue of this 19th resolution may not exceed the total amount of funds that may be incorporated or a nominal €32.5 million ceiling, or the equivalent of this amount in another currency.

This nominal amount of €32.5 million would be deducted from the amount of overall nominal ceiling of €32.5 million referred to in part "3.a. (i)" of the 12th resolution.

These ceilings would be in addition to the nominal value of any capital increases that may be completed *via* the issue of ordinary shares in order to preserve the rights of holders of securities and of holders of other rights giving access to our Company's share capital.

In the event of a capital increase *via* the allocation of free shares, any rights leading to the creation of fractional share would not be admissible. The corresponding securities would be sold, it being stipulated that all amounts generated by the sale would be allocated to holders of rights under the conditions defined by law.

Twentieth resolution – Delegation of authority to be granted to the Board of Directors for the purpose of carrying out a capital increase through the issue of shares or securities giving access, immediately or in the future, to the Company's share capital in consideration for securities contributed as part of a public exchange offer initiated by the Company

Grounds for the possible use of the resolution

In the context of the 20th resolution, we are asking you to grant your Board of Directors a new **delegation of authority for the purpose of an increase of our share capital in compensation for any (equity) shares contributed as part of a public exchange offer (PEO) initiated by our Company**.

Term

Granted for a period of 26 months with effect as from the date of your Shareholders' General Meeting, this delegation would have the effect of voiding the delegation granted by the 30th resolution adopted on July 26, 2019.

Detailed implementation conditions

Under this mechanism, our Board of Directors would have the authority to **decide** on the issue, on one or more occasions, in the proportion and at the times that it decides, in euros, foreign currencies or in any other account unit established based on a basket of currencies, of **ordinary shares and/or securities giving** immediate or future access at any time or on a fixed date, *via* subscription, conversion, exchange, redemption, presentation of a warrant or in any other manner, **to the share capital of our Company**, against payment **or free of charge, as compensation for any shares that could be contributed in the context of a PEO launched in France or abroad, in accordance with the local rules, by our Company for its shares or the shares of any other company admitted to trading on one of the regulated markets described in Article L. 225-148 of the French Commercial Code**.

This delegation would be valid for any other transaction having the same effect as a public exchange offer initiated by the Company for its own (equity) shares or the (equity) shares of another company whose shares are admitted for trading on a regulated market governed by foreign law, or which may be assimilated therewith.

Our shareholders would not have a preferential subscription right to any shares and/or securities that may be issued pursuant to this delegation. **These would** in fact **be intended solely to provide compensation for any (equity) shares contributed to a PEO initiated by our Company**.

Our Board of Directors would have all powers, with the right to sub-delegate in accordance with the law, in order to decide on the aforementioned issues and to proceed there with in accordance with the detailed methods determined thereby in accordance with the law.

Should this delegation be used, the **supplementary reports required by law would be drawn up by our Board of Directors and our statutory auditors respectively and presented to the next Shareholders' General Meeting**.

Our Board of Directors would not, except by obtaining prior authorization from shareholders, **be able to make use of this delegation with effect from the time of filing by a third party of a public offer** for our Company's equity shares, until the end of the offer period.

Price

The price of the shares and/or securities potentially issued under this delegation would **be set in accordance with the laws governing PEOs.**

Ceilings

The maximum nominal amount of capital increases that may be carried out immediately or in the future based on this 20th resolution may not, within those limits imposed by the regulations applicable on the date of the issue, exceed the nominal **ceiling of €6.5 million**, or the equivalent of this amount in another currency.

Please note that this **ceiling of €6.5 million would be deducted**:

- **from the shared ceiling of €6.5 million** in nominal value referred to in part "3. a. (i)" of the 13th resolution; and
- **from the overall ceiling of €32.5 million** in nominal value referred to in part "3. a. (i)" of the 12th resolution.

These ceilings would be in addition to the nominal value of any capital increases that may be completed *via* the issue of ordinary shares in order to preserve the rights of holders of securities and of holders of other rights giving access to our Company's share capital.

Moreover, **the maximum nominal amount of the debt securities or related securities giving access either immediately or in the future to our Company's capital that may be issued pursuant to this 20th resolution may not exceed the ceiling of €300 million** or **the equivalent of this figure**.

This ceiling would, where appropriate, **be increased by any redemption premium in excess of the par value.**

Please note that this amount of €325 million would be deducted from the overall ceiling of €325 million referred to in part "3. b." of the 12th resolution.

It would, in addition, be independent from the value of any debt securities issued as decided or authorized by our Board of Directors in accordance with Articles L. 228-36-A, L. 228-40, L. 228-92 paragraph 3, L. 228-93 paragraph 6, and L. 228-94 paragraph 3 of the French Commercial Code.

Twenty-first resolution – Delegation of authority to be granted to the Board of Directors for the purpose of carrying out a capital increase through the issue of shares or securities giving access to the share capital reserved for members of savings plans with elimination of preferential subscription rights in their favor

Grounds for the possible use of the resolution

In the context of the 21st resolution, you are requested to grant our Board of Directors **a new delegation of authority to increase our share capital in favor of members of employee savings plans (ESPP)**.

Term

Granted for **a period of 26 months** with effect as from the date of your Shareholders' General Meeting, this delegation would have **the effect of voiding the delegation granted by the 31st resolution adopted on July 26, 2019**.

Detailed implementation conditions

Under this mechanism, our Board of Directors would have authority to **decide on an increase in our share capital**, on one or more occasions, in the proportion and at the times that it decides, in euros, foreign currencies or in any other account unit established based on a basket of currencies, *via* the issue, against payment or free of charge, in France and/or abroad, **of shares and/or securities giving** immediate or future access at any time or on a fixed date, *via* subscription, conversion, exchange, redemption, presentation of a warrant or in any other manner, **to the share capital of our Company** (including shares giving the right to the allocation of debt securities), **reserved for members of any ESPP that may be put in place within our Group**.

Our shareholders' preferential subscription rights would therefore be canceled.

In the event of the allocation free of charge to members of the ESPP of shares or securities giving access to our share capital, our shareholders would moreover waive all rights to said shares or securities, including to that share of any reserves, profits or share premiums incorporated in the share capital, in proportion to the number of free shares granted on the basis of this delegation.

Our Board of Directors may transfer shares to ESPP members. These share transfers completed with a discount for members of ESPP will be deducted, in direct proportion to the par value of the shares thereby assigned, from the ceiling set out below.

Our Board of Directors would have all powers, with the right to sub-delegate, in accordance with applicable law, to proceed with the aforementioned issues in accordance with the detailed methods determined thereby in accordance with the law.

Should this delegation be used, **the supplementary reports required by law would be drawn up by our Board of Directors and our statutory auditors respectively and presented to the next Shareholders' General Meeting**.

Price

The issue price of these new shares or securities giving access to the capital issued under this delegation (the "Reference Price") would **be set with reference to the average share price on Euronext Paris during the last 20 trading days preceding the date that the Board of Directors decides to set the opening date of the subscription period** for the capital increase reserved to ESP members.

A discount of 30% to 40% may be applied to the Reference Price in accordance with legal requirements.

The Board of Directors may, if it determines that it is appropriate**, reduce or waive the authorization to reduce or remove the aforementioned discount**, in particular to comply with the applicable local regulations in the countries in which the issue would be implemented.

Our Board of Directors may proceed, by substitution of all or a part of the discount with respect to the Reference Price and/or contribution, with the free allocation of shares or securities giving access to capital, either new or existing, in favor of ESP members. These allocations free of charge would be made in addition to any shares or securities giving access to the capital to be subscribed for in cash.

Ceilings

The maximum nominal amount of capital increases that may be carried out immediately or in the future based on this 21st resolution may not exceed the nominal maximum amount of €700,000 in nominal, *i.e.* a maximum of 350,000 shares.

Please note that **this ceiling of €700,000 would be deducted from the amount of overall nominal ceiling of €32.5 million** referred to in part "3. a. (i)" of the 12th resolution.

These ceilings would be in addition to the nominal value of any capital increases that may be completed *via* the issue of ordinary shares in order to preserve the rights of holders of securities and of holders of other rights giving access to our Company's share capital.

Moreover, **the maximum nominal amount of the debt securities or related securities giving access either immediately or in the future to our Company's capital that may be issued pursuant to this 21st resolution may not exceed the ceiling of €325 million or the equivalent of this figure.**

This ceiling would, where appropriate, **be increased by any redemption premium in excess of the par value.**

Please note that this amount of €325 million would be deducted from the overall ceiling of €325 million described in part 3. b. of the 12th resolution.

- RESOLUTION (NO. 22): DELEGATION OF AUTHORITY GRANTED TO THE BOARD OF DIRECTORS TO ISSUE PS 2, WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS, TO PERSONS MEETING DEFINED REQUIREMENTS -

The purpose of the 22nd **resolution** is to grant a delegation to our Board of Directors to **increase our share capital and to issue PS 2, without preferential subscription rights, up to a maximum ceiling of €204,040 in nominal (*i.e.*, 102,020 PS 2).**

The delegation that would be granted to your Board of Directors pursuant to this resolution would have a term **of 6 months starting** from the date of your Shareholders' General Meeting.

Twenty-second resolution – Delegation of authority granted to the Board of Directors to issue PS 2, without preferential subscription rights, to persons meeting defined requirements

Grounds for the possible use of the resolution

In the context of this resolution 22, you are being asked to grant our Board of Directors a delegation of authority to increase our share capital with the cancellation of shareholders' preferential subscription rights, for the benefit of beneficiaries meeting the following criteria: corporate officers and employees of our Company of any companies or groups connected directly or indirectly thereto in the meaning of Article L. 233-4 of the French Commercial Code.

Term

This delegation of authority would be granted for a period of 6 months with effect from the date of your Shareholders' General Meeting.

Detailed implementation conditions

Under this mechanism, our Board of Directors would have authority to issue, on one or more occasions, in the proportion and at the times determined thereby, in euros, foreign currencies, or in any unit established based on a basket of currencies, in France and/or abroad, against payment or free of charge, PS 2 reserved for corporate officers or employees of our Company and/or companies or groups directly or indirectly related to it.

The terms and conditions of the ADP 2 are detailed in Article 10.3 of the Company's bylaws as reproduced below:

"10.3 – Rights attached to PS 2

10.3.1 – General provisions applicable to PS 2

The PS 2 and the rights of their holders are governed by the applicable provisions of the French Commercial Code, in particular, Articles L. 228- 11 et seq.

The PS 2 grant the holder a voting right identical to that of an ordinary share at General Meetings.

PS 2 bear dividends and the same right to the liquidation payout as ordinary shares, and carry preferential subscription rights in the event of a capital increase or any transaction with preferential subscription rights to new ordinary shares in the Company.

Dividend and liquidation bonus rights attached to the PS 2 and identical to that of ordinary shares shall be extended to the earlier of the following two dates: (i) the Conversion Date or (ii) the Repurchase Date.

10.3.2 – Conversion of PS 2

*All PS 2 issued or to be issued at the Conversion Date (as defined below) may be converted into a variable number of ordinary shares in the Company, depending on the achievement of targets based on the EBITDA, Revenue and Total Shareholder Return (TSR) criteria as detailed below; the total number of ordinary shares resulting from the PS 2 conversion, provided that the performance targets have been achieved, cannot under any circumstances be higher than a number of ordinary shares calculated as follows (the "**Max OS**"):*

Max OS = 3.75% x OS Capital

where:

*"**OS Capital**" means all of the ordinary shares that make up the share capital of the Company as of the date of the Shareholders' General Meeting of July 26, 2019, plus the ordinary shares created as a result of (i) free share allocation plans applicable as of the date of the Shareholders' General Meeting of July 26, 2019, (ii) the conversion of the PS 1, and (iii) the conversion of the PS 2, with it being stipulated that this ceiling has been set without taking into account any legal, regulatory, or contractual adjustments necessary for the protection of the rights of beneficiaries of PS 2.*

*The maximum number of PS 2 that can be issued shall be calculated by the Board of Directors and be equal to the total value of the PS 2 as calculated by an independent appraiser, divided by the unit price per PS 2 (the "**Max PS 2**") and cannot in any case be greater than 600,000, it being stipulated that this cap has been set without taking into account any legal, regulatory, or contractual adjustments necessary for the protection of the rights of beneficiaries of PS 2.*

*Subject to the early conversions provided for in this article, the date of the PS 2 conversion into new or existing ordinary shares in the Company (the "**Conversion Date**") shall be set by the Board of Directors; the Conversion Date must be no later than the one hundred and eightieth (180th) calendar day following the Shareholders' General Meeting's approval of the Group consolidated financial statements for the fiscal year ending on March 31, 2022.*

The Board of Directors is authorized to temporarily suspend conversion rights.

The conversion ratio used to calculate the number of ordinary shares resulting from the conversion of existing PS 2 at the Conversion Date will be determined by the Board of Directors and based on three targets as follows:

i. *Rate of achievement of the EBITDA target*

   The rate of achievement of the EBITDA target is determined based on the Group's consolidated EBITDA presented in the consolidated financial statements for the financial year ending March 31, 2022 ("2022 EBITDA") as follows:

   a. *the rate of achievement of the EBITDA target will be zero percent (0%) if 2022 EBITDA is strictly less than two hundred and five million euros (€205,000,000);*
   b. *the rate of achievement of the EBITDA target will be fifty percent (50%) if 2022 EBITDA is strictly equal to two hundred and five million euros (€205,000,000);*
   c. *the rate of achievement of the EBITDA target will be one hundred percent (100%) if 2022 EBITDA is strictly equal to or greater than three hundred and ten million euros (€310,000,000);*

   it being specified that (a) the rate of achievement of the EBITDA target shall be determined by linear interpolation if 2022 EBITDA falls between the levels indicated above, that (b) the achievement of the targets *described in this section (i) shall be determined on the basis of a constant exchange rate set at one euro (€1.00) for one U.S. dollar and thirteen cents (USD 1.13), and (c) that in the event of any change in IFRS having an impact (negative or positive) on the achievement of the targets set out in this section (i), the Board of Directors shall take all measures necessary in order to neutralize this impact.*

ii. *Rate of achievement of the revenue target*

*The rate of achievement of the revenue target is determined based on the Group's consolidated revenues presented in the consolidated financial statements for the year ending March 31, 2022 ("**2022 Revenue**"), it being specified that:*

a. *the rate of achievement of the revenue target will be zero percent (0%) if 2022 Revenue is strictly less than seven hundred and seventy-one million U.S. dollars ($771,000,000);*

b. *the rate of achievement of the revenue target will be fifty percent (50%) if 2022 Revenue is strictly equal to seven hundred and seventy-one million U.S. dollars ($771,000,000);*

c. *the rate of achievement of the revenue target will be one hundred percent (100%) if 2022 Revenue is strictly equal to or greater than one billion, one hundred and twenty-nine million U.S. dollars ($1,129,000,000);*

it being specified that (a) the rate of achievement of the revenue target shall be determined by linear interpolation if 2022 Revenue falls between the levels indicated above, that (b) the achievement of the targets described in this section (ii) shall be determined on the basis of a constant exchange rate set at one euro (€1.00) for one U.S. dollar and thirteen cents (USD 1.13), and (c) that in the event of any change in IFRS having an impact (negative or positive) on the achievement of the targets set out in this section (ii), the Board of Directors shall take all measures necessary in order to neutralize this impact.

iii. *Rate of achievement of the Company's total shareholder return ("TSR") target*

The rate of achievement of the TSR target shall be determined based on the respective performance of the TSR of the Company's ordinary share and the Euro Stoxx 600 Technology index between July 26, 2019 and the publication date of the Group consolidated financial statements for the year ending on March 31, 2022 as follows:

a. *the rate of achievement of the TSR target will be zero percent (0%) if the TSR of the Company's share is strictly less than eighty percent (80.00%) of the Euro Stoxx 600 Technology index performance;*

b. *the rate of achievement of the TSR target will be one hundred percent (100%) if the TSR of the Company's share is strictly greater than or equal to one hundred and twenty percent (120.00%) of the Euro Stoxx 600 Technology index performance;*

it being specified that the rate of achievement of the TSR target will be determined via linear interpolation if the TSR of the Company share falls between the levels indicated above.

The TSR of the Company's shares will be determined as follows:

$$\frac{\textit{Final Reference Price + Dividends - Initial Reference Price}}{\textit{Initial Reference Price}}$$

where:

- *the Initial Reference Price is the average of the last twenty (20) closing prices of the Company's ordinary share before the General Meeting of July 26, 2019;*
- *dividends are equal to the dividends paid during the period in question;*
- *the Final Reference Price is the average of the last twenty (20) closing prices of the Company's ordinary share following the publication date of the Group's consolidated financial statements for the year ending March 31, 2022.*

If the Euro Stoxx 600 Technology index no longer exists, the Board of Directors may decide or delegate the decision to replace it with any substitute index that, in the Board's opinion, would be suitable for assessing TSR performance;

The conversion ratio, stated as the total number of ordinary shares in the Company resulting from the conversion of all PS 2 issued or to be issued (the "Conversion Ratio") shall be calculated using the following formula:

Conversion Ratio = Max OS x Actual PS 2/Max PS 2 x Achievement Rate

where:

- *"**Max OS**" is as defined above;*
- *"**Max PS 2**" is as defined above;*
- *"**Actual PS 2**" means the maximum number of PS 2 issued and to be issued as of the Conversion Date;*
- *"**Rate of Achievement**" means the global rate of achievement of those targets described in (i), (ii) and (iii) above and calculated using the following formula:*

Rate of Achievement = 1/3 x (EBITDA Rate + Revenue Rate + TSR Rate)

- *"**EBITDA Rate**" is the rate of achievement of the EBITDA calculated in accordance with the detailed methods set out in (i) above, it being stipulated that (x) in the event of the achievement of a theoretical Revenue Rate of between 100% and 110% (calculated on a linear basis), and (y) in the event of the achievement of an EBITDA Rate of between 80% and 100%, the EBITDA Rate shall then be increased by that fraction of the theoretical Revenue Rate percentage falling between 100% and 110% without this resulting in an EBITDA Rate in excess of 100%;*
- *"**Revenue Rate**" us the rate of achievement of revenues calculated in accordance with the detailed methods set out in (ii) above, it being stipulated that (x) in the event of the achievement of a theoretical EBITDA Rate of between 100% and 110% (calculated on a linear basis), and (y) in the event of the achievement of a Revenue Rate of between 80% and 100%, the Revenue Rate shall then be increased by the fraction of the theoretical EBITDA Rate percentage falling between 100% and 110% without this resulting in a Revenue Rate in excess of 100%;*
- *"**TSR Rate**" is the rate of achievement of the TSR target, according to the terms set out in (iii) above.*

The number of ordinary shares resulting from the conversion must be determined for each PS 2 holder by applying the Conversion Ratio to the number of PS 2 held by each holder on the Conversion Date over the number of Actual PS 2 on this date.

If the total number of ordinary shares to be received by a PS 2 holder by applying the Conversion Ratio to the number of PS 2 they hold is not a whole number, the holder will receive the immediately lower number of ordinary shares.

All ordinary shares resulting from the conversion of PS 2 will be the same as outstanding ordinary shares at the Conversion Date and will bear dividends with immediate effect.

*As an exception in the event of the death of a holder of PS 2 prior to the Date of Conversion, the PS 2 held by the deceased may, at the request of the heir(s) or other beneficiaries of the deceased, and within a maximum of six (6) months following the death, be converted in advance (the "**Date of Early Conversion**") into a number of ordinary shares in the Company calculated by applying the Conversion Ratio set out above to the number of PS 2 held by the deceased on the Date of Early Conversion over the number of Actual PS 2 on the Date of Early Conversion, considering however that:*

- *the Rate of Achievement is equal to 1; and that*
- *the number of Actual PS 2 means the maximum number of PS 2 issued or to be issued on the Date of Early Conversion (considering in particular any potential condition regarding continued employment stipulated in the context of any free allocation of PS 2 as being met).*

The Company's Board of Directors may, in the event of a Simple External Growth Transaction, a divestment or exceptional capital expenditure (CAPEX) lower or higher than that set out in the business plan, make adjustments to performance objectives as follows:

i. *the revenue and EBITDA levels presented in the Group's consolidated financial statements for the fiscal year ending on March 31, 2022 will be restated to neutralize the impact of these operations; and*

ii. *TSR targets will remain unchanged;*

*with "**Simple External Growth Transaction**", which shall mean any acquisition transaction not classified as a Complex Major External Growth Transaction.*

In the event of a Complex Major External Growth Transaction or Substantial Equity Investment:

a. *the Conversion Ratio will be determined on the date of the Complex Major Acquisition or Substantial Investment, mutatis mutandis, it being specified that the Rate of Achievement shall have the meaning set out above, except that:*
   - *the Revenue Rate and the EBITDA Rate (i) shall be determined based on the last consolidated financial statements available at the date of the Complex Major External Growth Transaction or of the Substantial Equity Investment and (ii) shall be assessed based on the EBITDA and Revenue targets calculated on the date of such financial statements, prorata temporis and by linear interpolation between (i) the Group consolidated EBITDA or Revenue level (as the case may be) as presented in the Group's consolidated financial statements for the fiscal year ending on March 31, 2019 and (ii) firstly (x) the 2022 EBITDA and 2022 Revenue targets enabling an EBITDA Rate and Revenue Rate, as applicable, of 50% to be achieved, and secondly (y) the 2022 EBITDA and 2022 Revenue targets enabling an EBITDA Rate and Revenue Rate of 100%, as applicable, to be achieved,*
   - *the TSR Rate (i) will be assessed on the date of the Complex Major External Growth Transaction or of the Substantial Equity Investment, as the case may be, and (ii) by taking as the Final Reference Price, as applicable, either the exchange ratio approved for a Complex Major External Growth Transaction, or the price offered by the third party as part of a Substantial Equity Investment,*
   - *the number of Actual PS 2 means the maximum number of PS 2 issued or to be issued on the Conversion Date defined in paragraph b) below (considering any potential condition regarding continued employment stipulated in the context of any free allocation of PS 2 to be fulfilled).*

     with:
     - *"**Complex Major External Growth Transaction**" which means any acquisition completed via merger by absorption,*
     - *"**Substantial Equity Investments**" means any public takeover or exchange bid launched with regard to the Company's shares, further (i) to the transfer by one or several Strategic Investor(s) of their ordinary shares in the Company to the initiator of the bid or to whom this Strategic Investor(s) may have contributed their ordinary shares in the Company or (ii) to the acquisition of an equity interest resulting in the initiator of the bid crossing the threshold of 30% of the share capital or voting rights of the Company,*
     - *"**Strategic Investor**" refers to Bpifrance Participations, CEA Investissement and NSIG Sunrise S.à.r.l taken individually.*

b. *as an exception, the PS 2 may be converted as follows:*
   - *if the date of the Complex Major External Growth Transaction or of the Substantial Equity Investment falls prior to the date of the Shareholders' General Meeting called to approve the Group's consolidated financial statements for the fiscal year ending on March 31, 2021, then (i) seventy-five percent (75%) of the PS 2 issued or to be issued shall be converted into ordinary shares within six (6) months following the date of the Shareholders' General Meeting approving the Group's consolidated financial statements for the fiscal year ending on March 31, 2021, and (ii) the remaining twenty-five percent (25%) shall be converted on the Conversion Date,*
   - *if the date of the Complex Major External Growth Transaction or of the Substantial Equity Investment falls between the date of the Shareholders' General Meeting called to approve the Group's consolidated financial statements for the fiscal year ending on March 31, 2021 and the date of the Shareholders' General Meeting approving the Group's consolidated financial statements for the fiscal year ending March 31, 2022, then (i) seventy-five percent (75%) of the PS 2 issued or to be issued shall be converted into ordinary shares within two (2) months following the date of completion of the Complex Major External Growth Transaction or of the Substantial Equity Investment, as applicable, and (ii) the remaining twenty-five percent (25%) shall be converted on the Conversion Date.*

Where applicable, the Board of Directors may make adjustments to the ratio for converting the PS 2 into ordinary shares in order to protect the rights of beneficiaries, depending on potential transactions on the Company's share capital, specifically in the case of a change of the par value of ordinary shares, a capital increase by capitalization of reserves through an increase in the number of ordinary shares, the capitalization of reserves, earnings, premiums or other amounts allowed to be capitalized by increasing the par value of the ordinary shares, the granting of bonus (free) shares to all shareholders, the issuance of new shares or securities giving access to the Company's share capital with preferential subscription rights reserved for shareholders, a stock split or reverse stock split, the distribution of reserves, issue premiums or any other assets, share capital redemption, changes to the appropriation of earnings, share capital reduction due to losses via a reduction in the number of ordinary shares, or any other operation impacting shareholders' equity (including by way of a takeover bid and/or in the event of a change of control).

The PS 2 outstanding at the Conversion Date may be converted to new or existing ordinary shares held under the share repurchase program, and notes that the conversion of PS 2 to new ordinary shares entails the waiver by shareholders of their preferential subscription rights to new ordinary shares resulting from the conversion. In any event, the conversion of PS 2 into ordinary shares cannot take place between the mandatory publication in the so-called Bulletin Officiel des Annonces Légales Obligatoires (French official legal gazette) of prior notice of any general meeting, and the holding of this meeting. If this is the case, the Conversion Date would be postponed until after the Shareholders' General Meeting.

10.3.3 – PS 2 repurchase

*In the event that the performance targets are not achieved and the number of ordinary shares to which the conversion of the PS 2 would give right, by applying the Conversion Ratio, equals zero, the PS 2 may be purchased by the Company at its initiative no later than the one hundred and eightieth (180th) calendar day following the publication date of the Group's consolidated financial statements for the fiscal year ending on March 31, 2022 (the "**Repurchase Date**"), at their par value, in accordance with the provisions of Article L. 228-12 III of the French Commercial Code.*

The PS 2 thus repurchased would be canceled and the share capital would be proportionally reduced, pursuant to Articles L. 225-205 and 228-12-1 of the French Commercial Code, within sixty (60) calendar days as from the Repurchase Date.The Board of Directors must take note, where applicable, of the number of PS 2 repurchased and canceled by the Company, and shall make the necessary changes to the bylaws relating to the share capital amount and the number of shares comprising the share capital."

Payment for these PS 2 could be made either in cash or by off-setting against liquid and payable receivables, or by incorporation of reserves, profits, or issue premiums.

Our Board of Directors would benefit from the authority, with the right to sub-delegate, to establish the precise list of beneficiaries from the waiver of preferential subscription rights and to set the number of PS 2 to be subscribed by each one of them.

This delegation would automatically lead to the waiver by our shareholders, in favor of said beneficiaries, of their preferential subscription right relating to the new shares to which entitlement would be granted by the PS 2 that may be issued by virtue of this resolution 22.

Our Board of Directors would have all powers, with the right to sub-delegate in accordance with the law, in order to decide on the aforementioned issues and to proceed therewith in accordance with the detailed methods determined thereby in accordance with the law, and notably to set the subscription price, on the basis of the opinion of an independent advisor.

Should this delegation be used, the supplementary reports required by law would be drawn up by our Board of Directors and our statutory auditors respectively and presented to the next Shareholders' General Meeting. Our Board of Directors would not, except by obtaining prior authorization from shareholders, be able to make use of this delegation with effect from the time of filing by a third party of a public offer for our Company's equity shares, until the end of the offer period.

Price

Our Board of Directors would be granted with a delegation to determine, according to the applicable regulations, the subscription price that shall be set, with opinion of an independent expert, depending on parameters that influence its value.

Ceilings

The maximum number of PS 2 that may be issued under this delegation would be 102,020. The maximum number of ordinary shares resulting from the conversion of the PS 2 that would be issued in the frame of this resolution 22 could not exceed 0.64% of our Company's share capital at the date of your Shareholders' General Meeting of July 26, 2019, increased by the number of ordinary shares resulting from: (i) the free shares allocation plans on-going as of this date; (ii) the conversion of the PS 1 (if any); and (iii) the conversion of the PS 2.

We specify that these ceilings do not take the necessary legal, regulatory or contractual adjustments to maintain the rights of holders of PS 2 into account.

- RESOLUTION (NO. 23): CANCELLATION OF TREASURY SHARES, RENEWAL OF THE EXISTING AUTHORIZATION -

By virtue of **23rd resolution, to enable the pursuit of all of the objectives set our Company's share repurchase program**, our shareholders are asked to **renew the resolution allowing the Company to cancel its treasury shares up to 10% of the share capital over a period of 24 months and to proceed with the corresponding reductions in the share capital.**

This authorization would be valid **until the day of the Shareholders' General Meeting called in 2021 to approve the financial statements for the year ending March 31, 2021.**

In addition, it would have the effect **of voiding the authorization granted by the 36th resolution of the same type adopted on July 26, 2019.**

Twenty-third resolution – Authorization to be granted to the Board of Directors to cancel, where appropriate, treasury shares held by the Company, up to a maximum of 10%

Grounds for the possible use of the resolution

In the context of the 23rd resolution, we propose that you grant to our Board of Directors a new authorization to cancel treasury shares up to a maximum of 10% of our capital.

Term

The authorization granted to our Board of Directors pursuant to the 36th resolution adopted on July 26, 2019 will expire on the date of your Shareholders' General Meeting.

This new authorization would be valid until the date of the Shareholders' General Meeting called in 2021 to approve the financial statements for the fiscal year ending March 31, 2021.

Detailed implementation conditions

In order to allow our Company to reach the objectives of the share repurchase program, you are requested to authorize our Board of Directors to reduce our share capital, on one or more occasions, in the proportions and on the dates determined thereby, *via* the cancellation of any number of treasury shares acquired by virtue of the authorizations granted by your Shareholders' General Meeting.

Our Board of Directors would have all powers, with the right to sub-delegate, to undertake any act, formality or declaration with a view to canceling the shares acquired and completing the share capital reductions, and to amend the bylaws as a result.

Should this authorization be used, the supplementary reports required by law would be drawn up by our Board of Directors and our statutory auditors respectively and presented to the next Shareholders' General Meeting.

Ceilings

On the date of each cancellation, the total number of shares canceled by our Company over the 24-month period prior to said cancellation (including those to be canceled in the aforementioned cancellation) may not exceed 10% of our share capital on that date.

This percentage would apply to the adjusted share capital based on transactions having an impact thereupon following your Shareholders' General Meeting.

- RESOLUTION (NO. 24): AMENDMENT OF ARTICLE 15 OF THE BYLAWS OF THE COMPANY DUE TO LEGISLATIVE AND REGULATORY CHANGES, TO ALLOW THE BOARD OF DIRECTORS TO MAKE DECISIONS BY WAY OF WRITTEN CONSULTATION -

Resolution no. 24 purports to **amending the Company's bylaws to enable the Board of Directors to adopt certain decisions by way of a written consultation.**

In accordance with Article L. 225-37 of the French Commercial Code, as amended by French Act no. 2019-744 of July 19, 2019 relating to the simplification, clarification and modernization of corporate law, these decisions concern, in particular, provisional appointments in the event of a vacancy in the Board of Directors, the authorization to issue security interests, endorsements and guarantees in favor of third parties, the amendment of the bylaws to comply with legislative or regulatory provisions or the transfer of the company's registered office within the same department.

The other provisions of Article 15 remain unchanged.

Twenty-fourth resolution – Amendment of Article 15 of the bylaws of the Company due to legislative and regulatory changes, to allow the Board of Directors to make decisions by way of written consultation

The Shareholders' Meeting, resolving under the *quorum* and majority conditions required for Extraordinary General Meetings, having reviewed the report of the Board of Directors, resolves to use the ability provided for by Article L. 225-37 of the French Commercial Code and to authorize the Board of Directors to make the decisions referred to in paragraph 3 of the said Article *via* a written consultation, by adding a new paragraph 4 at the end of Article 15 (Resolutions of the Board of Directors) of the Company's bylaws:

"Notwithstanding any provision to the contrary, the Board of Directors may make decisions via written consultation of the directors in accordance with the conditions prescribed by relevant regulations."

The other provisions of Article 15 remain unchanged.

- RESOLUTION (NO. 25): POWERS FOR FORMALITIES -

Finally, **25th resolution is intended to grant all powers to bearers of an original or copy of, or extract from, the minutes of our Shareholders' General Meeting.**

Twenty-fifth resolution – Powers for formalities

In the context of the final resolution (no. 25), we ask you to grant all powers to bearers of an original or copy of, or extract from, the minutes of your Shareholders' General Meeting so as to complete all procedures required by the law and/or the regulations in force.

8.4 STATUTORY AUDITORS' REPORT ON RELATED-PARTY AGREEMENTS

To the Annual General Meeting of Soitec,

In our capacity as statutory auditors for your Company, we hereby present to you our report on the related-party agreements.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements indicated to us, or that we may have identified in the performance of our engagement, as well as the reasons justifying why they benefit the Company. We are not required to give our opinion as to whether they are beneficial or appropriate or to ascertain the existence of other agreements. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code (*Code de commerce*), to assess the relevance of these agreements prior to their approval.

We are also required, where applicable, to inform you in accordance with Article R. 225-31 of the French Commercial Code (*Code de commerce*) of the continuation of the implementation, during the year ended 31 March 2020, of the agreements previously approved by the Annual General Meeting.

We performed those procedures which we deemed necessary in compliance with professional guidance issued by the French Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes) relating to this type of engagement. These procedures consisted in verifying the consistency of the information provided to us with the relevant source documents.

8.4.1 AGREEMENTS SUBMITTED FOR APPROVAL TO THE ANNUAL GENERAL MEETING

We hereby inform you that we have not been notified of any agreements authorized and concluded during the year ended March 31, 2020 to be submitted to the Annual General Meeting for approval in accordance with Article L. 225-38 of the French Commercial Code (*Code de commerce*).

8.4.2 AGREEMENTS PREVIOUSLY APPROVED BY THE ANNUAL GENERAL MEETING

In accordance with Article R. 225-30 of the French Commercial Code (*Code de commerce*), we have been notified that the implementation of the following agreements, which were approved by the Annual General Meeting in prior years, continued during the year ended March 31, 2020.

1. With the *Commissariat à l'énergie atomique et aux énergies alternatives* (CEA – French Alernative Energies and Atomic Energy Commission), which controls one of your Company's shareholders possessing more than 10% of the voting rights (CEA Investissement)

a) Nature and purpose

On July 27, 2018, upon authorization by the Board of Directors dated December 14, 2017, your Company signed a new multi-year framework agreement on research and development collaboration with the CEA.

Its purpose is to set the conditions for the performance of research and development work in collaboration between the CEA and Soitec.

It was entered into with retroactively as of January 1, 2018 and for a duration of five years, *i.e.* until December 31, 2022.

Conditions

Under the agreement, the CEA invoiced your Company €7,344,000 during the fiscal year ended March 31, 2020.

b) Nature and purpose

On July 27, 2018, upon authorization by the Board of Directors dated December 14, 2017, your Company signed an agreement with the CEA on patent licensing and the provision of know-how for the manufacture and sale of substrates.

Its purpose is to set the conditions for the utilisation of patents and knowledge.

It was entered into with a retroactive effect as of January 1, 2017 and will expire no later than on December 31, 2027 or on the date of expiry of the last patent or the last element of knowledge that is the subject of this agreement.

Conditions

Pursuant to the agreement, the CEA invoiced your Company €4,959,572.75 during the fiscal year 2019-2020 ended March 31, 2020.

2. With Shanghai Simgui Technology Co. Ltd. (Simgui)

People concerned: Nabeel Gareeb and Weidong (Leo) Ren, directors

a) Nature and purpose

On January 17, 2019, upon authorization by the Board of Directors dated November 28, 2018, your Company signed an amended and restated license and technology transfer agreement with Simgui.

Its purpose is to allow Simgui, in connection with an increase in production capacity for 200-mm SOI panels, to manufacture in China and sell them exclusively to your Company for the global market using Soitec's Smart Cut™ technology.

It was entered into with retroactive effect as of December 27, 2018 for a duration of six years, *i.e.* until December 26, 2024.

Conditions

Your Company did not invoice Simgui during fiscal year 2019-2020 ended March 31, 2020.

b) Nature and purpose

On January 17, 2019, upon authorization by the Board of Directors dated November 28, 2018, your Company signed an amended and restated SOI supply agreement with Simgui.

Its purpose is the supply of SOI panels manufactured by Simgui to our Company in accordance with the terms and condition of the license and technology transfer agreement indicated above.

It was concluded with retroactive effect as of December 27, 2018 for a duration of six years, *i.e* until December 26, 2024.

Conditions

In respect of the agreement, Simgui invoiced your Company for the amount of $45,505,546.80 during 2019-2020 financial year.

c) Nature and purpose

On January 17, 2019, upon authorization by the Board of Directors dated November 28, 2018, your Company signed an amended and restated bulk supply agreement with Simgui.

Its purpose is the supply by your Company to Simgui of raw materials for the manufacture of SOI panels under the terms of the license and technology transfer agreement referred to hereabove.

It was entered into with retroactive effect as of December 27, 2018 for a duration of six years, *i.e.* until December 26, 2024.

Conditions

Pursuant to the agreement, your Company invoiced Simgui $19,060,494.90 during fiscal year 2019-2020 ended March 31, 2020.

3. With Bpifrance Participations, CEA Investissement and National Silicon Industry Group/NSIG Sunrise S.A.R.L., shareholders of your Company

The performance of the shareholders' agreement concluded on March 7, 2016 between Soitec and its three reference shareholders, namely Bpifrance Participations, CEA Investissement and National Silicon Industry Group/NSIG Sunrise S.à.r.l., previously authorized by the Board of Directors on March 3, 2016, continued throughout the entire financial year.

It should be noted that the renewal of this shareholders' agreement, which mainly concerns the governance of your Company, is justified insofar as each of the three reference shareholders retained its holding in the the Company's share capital throughout the financial year ended March 31, 2020..

Paris-La Défense, July 6, 2020

The statutory auditors

KPMG S.A.		Ernst & Young Audit
Jacques Pierre	Stéphane Devin	Nicolas Sabran

8.5 CONDITIONS FOR THE MEETING, CONVOCATION AND ADMISSION TO OUR SHAREHOLDERS' GENERAL MEETINGS

8.5.1 PROCEDURES FOR SHAREHOLDER PARTICIPATION IN THE SHAREHOLDERS' GENERAL MEETING OF SEPTEMBER 23, 2020

On July 27, 2020, the Board of Directors decided to convene the shareholders of the Company to a Shareholders' General Meeting to be held on September 23, 2020 at 9:30 am, at the Cloud Business center, 10 bis rue du quatre septembre 75002 Paris, France.

Shareholders are notified of these meeting procedures and the voting procedures through the convening notice that will be published in accordance with the regulatory deadlines.

8.5.2 CONVOCATION AND HOLDING OF OUR SHAREHOLDERS' GENERAL MEETINGS

Articles 21 to 25 govern our Company's bylaws, which govern our Shareholders' General Meetings.

Shareholders' General Meetings are convened by the Board of Directors, in accordance with statutory procedures.

The meetings shall be held either at the registered office or at any other place specified in the notice.

Our Shareholders' General Meetings are presided over by the Chairman of the Board of Directors or, in his absence, by a director specially delegated for this purpose by the Board. Failing this, the Shareholders' General Meeting elects its chairperson.

The role of scrutineers is performed by the two members of the Shareholders' General Meeting who have the highest number of votes and who are present and agree to act in this capacity. The Board designates a secretary who may be chosen from outside the body of shareholders.

An attendance sheet is held under the conditions provided by the law.

Copies or excerpts of the -minutes of the Shareholders' General Meeting are validly certified by the Chairman of the Board, by a director performing the duties of CEO or by the secretary of the Meeting.

Our agent in charge of holding our shares and organizing our Shareholders' General Meetings is: CACEIS CORPORATE TRUST (hereinafter "CACEIS").

8.5.3 DOCUMENTS MADE AVAILABLE TO OUR SHAREHOLDERS

In accordance with statutory and regulatory provisions, all of the documents that must be provided in relation to our Shareholders' General Meetings are made available to our shareholders at the registered office.

Pursuant to Article R. 225-88 of the French Commercial Code, our shareholders may also obtain, on request and no later than five days prior to the date of the Shareholders' General Meeting, the documents referred to in Articles R. 225-81 and R. 225-83 of the French Commercial Code, as well as the postal or proxy voting document.

Requests may be made by mail, sent to our registered office and addressed to the Legal Affairs Department, by email to the address created especially for our Shareholders' General Meetings (shareholders-gm@soitec.com), or by mail sent to CACEIS.

The information and documents referred to in Article R. 225-73-1 of the French Commercial Code are made available to our shareholders on our website (www.soitec.com), under "Company - Investors - Shareholder - Information - Shareholders' General Meetings", within the legal timeframe of at least 21 days prior to the Meeting.

8.5.4 WRITTEN QUESTIONS

In accordance with Article R. 225-84 of the French Commercial Code, each of our shareholders has the right to submit written questions until the fourth business day preceding the date of the Shareholders' General Meeting.

The questions must be sent by registered letter with acknowledgement of receipt, sent to our registered office and addressed to the Legal Affairs Department, or by email to the address created especially for our Shareholders' General Meetings (shareholders-gm@soitec.com).

To be considered, questions must be accompanied by a certificate of account registration.

A general answer may be given to these questions if they cover the same content.

An answer to a written question shall be deemed to have been provided as soon as it is published on our website (www.soitec.com), under Company Investors - Shareholder - Information - Shareholders' General Meetings.

8.5.5 PRIOR FORMALITIES TO BE CARRIED OUT IN ORDER TO PARTICIPATE AND VOTE IN OUR SHAREHOLDERS' GENERAL MEETINGS

Each of our shareholders, regardless of the number of shares held, has the right to participate in our Shareholders' General Meetings under the applicable statutory and regulatory conditions:

- either by attending them personally;
- by appointing someone to represent them;
- by postal vote; or
- by granting proxy to the Chairman of the Shareholders' General Meeting.

In accordance with the provisions of Article R. 225-85 of the French Commercial Code, the automatic right to participate in Shareholders' Meetings is evidenced by the registration of the shares in the name of the shareholder or intermediary registered on their behalf (pursuant to the seventh paragraph of Article L. 228-1 of the French Commercial Code), on the second business day preceding the meeting at midnight, Paris time, (i) either in the registered share accounts maintained by CACEIS, (ii) or in the bearer share accounts held by an intermediary referred to in Article L. 211-3 of the French Monetary and Financial Code.

- for registered shareholders: this record, on the second business day prior to the meeting at midnight, Paris time, in the registered share accounts, suffices to enable them to take part in Shareholders' General Meetings;
- for bearer shareholders: pursuant to Article R. 225-85 of the French Commercial Code, the registration of shares in bearer share accounts held by authorized intermediaries is evidenced by a certificate of participation issued by such intermediaries, which must be attached to: (i) the absentee voting form, or (ii) the voting proxy, or (iii) the admission card application; drawn up in the shareholder's name or on behalf of the shareholder represented by the registered intermediary. A certificate is also issued to bearer shareholders wishing to attend our Shareholders' General Meetings in person, but who have not yet received their admission card two days prior to the Shareholders' General Meeting at midnight, Paris time.

8.5.6 MODES OF PARTICIPATION IN OUR SHAREHOLDERS' GENERAL MEETINGS

Shareholders wishing to attend Shareholders' General Meetings in person may request an admission card as follows:

- for registered shareholders: each of our registered shareholders automatically receives a voting form, attached to the notice of meeting, which he or she must complete by stating whether he or she wishes to attend the Shareholders' General Meeting and obtain an admission card. They must then return it signed, using the prepaid reply envelope provided with the notice of meeting. Each of our registered shareholders may also decide to attend the Shareholders' General Meeting on the day of the meeting by heading directly to the desk specially set up for this purpose, carrying an identity document;
- for bearer shareholders: bearer shareholders must request that an admission card be sent to the authorized intermediary that manages their share account.

Shareholders not attending Shareholders' General Meetings in person may choose between one of the following three attendance methods:

- postal vote;
- grant proxy to the Chairman of the Shareholders' General Meeting;
- grant proxy to one of our other shareholders, to their spouse or civil partner, or any other individual or legal entity of their choosing, pursuant to Article L. 225-106 of the French Commercial Code.

To exercise one of these three methods, shareholders must take the following steps:

- for registered shareholders: registered shareholders must return the postal or proxy voting form, sent to them together with the notice of meeting, using the enclosed prepaid reply envelope;
- for bearer shareholders: bearer shareholders must request the postal or proxy voting form from the authorized intermediary who manages their share account, or from the Company (by mail sent to our registered office and addressed to the Legal Affairs Department, or by email to the address created especially for our Shareholders' General Meetings: shareholders-gm@soitec.com). In accordance with Article R. 225-75 of the French Commercial Code, this request must be received no later than six days prior to the date of the Shareholders' General Meeting. The postal or proxy voting form must be sent with a certificate of participation issued by the financial intermediary. It must be duly completed and signed by the shareholder, then returned to the financial intermediary at CACEIS.

Under no circumstances may the shareholder return both the proxy form and postal voting form. However, if the case arises, the proxy form will be taken into consideration, subject to the votes cast in the postal voting form, in accordance with paragraph 8 of Article R. 225-81 of the French Commercial Code.

To be taken into account, CACEIS must receive the postal voting form no later than four days prior to the date of the Shareholders' General Meeting.

CACEIS must receive the written appointments or revocations of mandates four calendar days prior to the date of the Shareholders' General Meeting.

The mandate granted for a Shareholders' General Meeting shall apply to any subsequent Shareholders' General Meetings convened with the same agenda, and may be revoked in the same manner as that required for the appointment of the proxy.

Pursuant to Article R. 225-79 of the French Commercial Code, the appointment and revocation of a proxy may also be notified by electronic means, in accordance with the following procedures:

- for pure registered shareholders: shareholders must send an email, -including an electronic signature obtained from a third party certifier authorized under applicable statutory and regulatory conditions, to the email address created especially for our Shareholders' General Meeting. This email must contain the following information: Soitec Shareholders' General Meeting, date of the meeting, first and last name, address and CACEIS details, as well as the first and last name and address of the appointed or revoked proxy. The shareholder must confirm their request in writing with CACEIS;
- for administered registered or bearer shareholders: shareholders must send an email, including an electronic signature obtained from a certifier authorized under applicable statutory and regulatory conditions, to the email address created especially for our Shareholders' General Meeting (shareholders-gm@soitec.com). This email must contain the following information: Soitec Shareholders' General Meeting, date of the meeting, first and last name, address and bank details, as well as the first and last name and address of the appointed or revoked proxy. The shareholder must ask their financial intermediary who manages their share account to send a written confirmation to CACEIS.

To ensure that proxy appointments or revocations issued *via* email are validly taken into account, CACEIS must receive confirmations no later than the day before the Shareholders' General Meeting at 3.00 pm, Paris time.

8.5.7 ADDITIONAL INFORMATION

Shareholders may sell some or all of their shares at any time. However, if the sale takes place before the second business day preceding the Shareholders' General Meeting at midnight, Paris time, the Company shall invalidate or amend accordingly, as required, the postal vote, proxy, the admission card or the certificate of participation. To this end, the authorized account holder intermediary notifies us or CACEIS of the sale, and forwards the necessary information.

Pursuant to Article R. 225-85 of the French Commercial Code, no transfer of ownership carried out after the second business day preceding the Shareholders' General Meeting at midnight, Paris time, regardless of the method, will be notified by the authorized intermediary or taken into consideration, notwithstanding any agreement to the contrary.

Please note that for any proxy granted by one of our shareholders without stating the proxy holder, the Chairman of the Shareholders' General Meeting shall vote in favor of adopting the draft resolutions presented or approved by our Board of Directors, and vote against adopting any other draft resolutions. To cast any other vote, the shareholder must select a proxy who agrees to vote in the manner specified by the shareholder.

No electronic vote (by videoconference or any other telecommunication mean) and no remote transmission will be set up for this Shareholders' General Meeting. As a consequence, no website as mentioned in Article R. 225-61 of the French Commercial Code will be set up to this effect.

9. Additional information

9.1 LEGAL INFORMATION

9.1.1 GENERAL INFORMATION

Type of information	Soitec
Company name	Soitec
Trading name	Soitec
Grenoble Trade and Companies Register	SIREN: 384 711 909 SIRET: 384 711 909 00034 APE: 2611Z
Legal entity identifier	LEI: 969500ZR92SQCU9TST26
Date of incorporation - Term	The Company was incorporated on March 11, 1992. The term of the Company has been set at 80 years, *i.e.*, until March 11, 2072.
fiscal year	April 1 through March 31
Registered office	Parc Technologique des Fontaines, Chemin des Franques, 38190 Bernin, France T.: 04 76 92 75 00
Legal form	Joint stock company (*société anonyme*) with a Board of Directors
Governing law	French law – legal provisions applicable to joint stock companies
Website	www.soitec.com NB: The information provided on the website is not part of the Universal Registration Document, except where such information is incorporated by reference.

9.1.2 BYLAWS

Part I – Form - Company name - Purpose- Registered office - Term

Article 1 – Form - Company name - Term - Fiscal year

The Company called Soitec is a French joint stock corporation (*société anonyme*) governed by the current and future legal and regulatory provisions applicable to companies whose shares are admitted to trading on a regulated market, as well as by these bylaws.

The Company has a term of 80 years, unless dissolved earlier or extended. Its trading name is "SOITEC" or "Soitec".

The fiscal year begins on April 1 and ends on March 31.

Article 2 – Purpose

The Company's purpose, in France and in all countries, is:

- to develop, research, manufacture, and market materials for the microelectronics sector and for the industry as a whole;
- to provide diverse technological assistance, to develop specific machines and applications;
- to perform any industrial and commercial transactions relating to:
  - the creation, acquisition, leasing, taking under lease management of all goodwill, the leasing, installation, operation of all establishments, goodwill, factories, workshops, relating to one of these specified activities,
  - the seizing, acquisition, operation or sale of any processes and patents concerning said activities,
  - the direct or indirect participation of the Company in any financial transactions or transactions involving movable property or real estate or commercial or industrial companies related to the corporate purpose or to any similar or related purpose;
- any transactions contributing towards the achievement of said purpose.

Article 3 – Registered office

The Company's registered office is located at Parc Technologique des Fontaines, Chemin des Franques, 38190 Bernin, France.

It may be transferred to any location within the same county (*département*) or in an adjacent county (*département*) through the simple decision by the Board of Directors, subject to ratification of such decision by the shareholders at the next Ordinary Shareholders' General Meeting, or to any other location through a resolution adopted by the shareholders at an Extraordinary Shareholders' General Meeting, subject to the applicable legal provisions.

The Board of Directors may create representative offices, factories, and branches wherever it deems necessary.

Part II – Share capital - Shares

Article 4 – Share capital

The share capital is set at sixty-six million, five hundred and fifty-seven thousand, eight hundred and two euros and zero cents (€66,557,802.00). It is made up of:

(i) thirty-three million, one hundred and eighty thousand, nine hundred and twenty-one (33,180,921) ordinary shares at a par value of two euros (€2.00), fully subscribed and paid up;

(ii) ninety-seven thousand, nine hundred and eighty (97,980) class 2 preferred shares (PS 2) at a par value of two euros (€2.00), fully subscribed and paid up.

Article 5 – Changes in the share capital

1 - Only the Extraordinary Shareholders' General Meeting has the power to decide or authorize a capital increase, as proposed in a report by the Board of Directors.

If the capital increase is to be completed *via* the incorporation of reserves, profits, or issue premiums, the Shareholders' General Meeting shall rule under the *quorum* and majority conditions required for Ordinary Shareholders' General Meetings.

All shares must have been fully paid-up before the issuance of any new shares to be paid for in cash, failing which the transaction will be invalid.

The value of any contributions in kind must be assessed by one or more Contribution Appraisers, appointed upon by the President of the Commercial Court.

The Extraordinary Shareholders' General Meeting may delegate to the Board of Directors, with the power to sub-delegate to the Chairman, all powers necessary for the completion of the capital increase, on one or several occasions, to set its terms, to perform the completion thereof, and to make the corresponding modifications to the bylaws.

2 - The Extraordinary Shareholders' General Meeting may also decide on or authorize a capital decrease for any reason and in any manner whatsoever, in particular, as a result of losses or *via* the redemption or partial buy-back of shares, a decrease in the number of shares or in their par value, all within the limits and subject to the conditions set by law. A share capital decrease may in no event prejudice shareholder equality.

The Extraordinary Shareholders' General Meeting may delegate to the Board of Directors, with the power to sub-delegate to the Chairman, all powers necessary for the completion of the capital decrease and to make the corresponding modifications to the bylaws.

Article 6 – Payment for shares

Shares acquired *via* a cash subscription must be paid up for an amount equal to at least one quarter of their par value upon subscription and, as applicable, for the entire issue premium.

The outstanding amount must be paid on one or more occasions, as decided by the Board of Directors, within five years following the date of completion of the capital increase.

Calls for funds are notified to subscribers *via* recorded delivery letter with confirmation of receipt, sent at least fifteen days prior to the date set for each payment. Payments are made either at the registered office or in any other location indicated for such purpose.

Any delay in the payment of the amounts due for the unpaid amount on the shares shall, automatically and without any requirement whatsoever for formalities, be subject to payment of interest at the statutory rate, as from the due date for payment, without prejudice as to any personal action that could be taken by the Company against the defaulting shareholder, and to the enforcement measures defined by law.

Article 7 – Form of shares

The ordinary shares, fully paid up, are registered or bearer shares, at the discretion of the shareholder, subject to the legal and regulatory provisions in force. They are recorded in an account in accordance with the applicable legal and regulatory conditions. Preferred shares are registered and recorded in an account opened by the Company in the name of the shareholder in accordance with the applicable legal and regulatory conditions.

In accordance with Article L. 228-2 of the French Commercial Code, the Company is, at all times and for the purpose of the identification of the holders of bearer shares, and at its expense, entitled to ask the central custodian responsible for maintaining its securities issue account for the name or, for legal entities, the Company name, nationality, and address of all holders of shares granted the right to vote, either immediately or at a future date, at its own Shareholders' General Meetings, as well as the number of shares held by each one and, as applicable, any restrictions imposed on the shares. The Company may implement the provisions of part II of Article L. 228-2 of the French Commercial Code.

Article 8 – Indivisibility of shares

Shares are indivisible with regard to the Company. Joint owners of indivisible shares are represented at General Meetings by either of the owners or by the joint agent of their choice. If they are unable to agree on an agent, one is appointed *via* a Court Order issued by the President of the Commercial Court ruling in summary proceedings at the request of whichever joint owner acts first.

The voting right attached to the share belongs to the beneficial owner for Ordinary Shareholders' General Meetings and to the bare owner for Extraordinary Shareholders' General Meetings. However, the shareholders may agree on any other split for the exercise of their voting rights at Shareholders' General Meetings. In this case, they must notify the Company of such agreement *via* recorded delivery letter sent to the registered office. The Company shall be obliged to comply with this agreement at subsequent Shareholders' General Meetings to be held more than one month after the date of the sending of the recorded delivery letter, as evidenced by the postmark.

The shareholder's right to be provided with all Company documents or to examine them may also be exercised by each of the joint owners of indivisible shares, by the beneficial owner and by the bare owner of the shares.

Article 9 – Assignment of shares

Ordinary shares are transferred *via* a simple account-to-account wire transfer, in accordance with the conditions and detailed methods set out by the legal and regulatory provisions in force.

The PS 2 cannot be transferred before the earliest of the three following dates: (i) the Conversion Date, (ii) the Repurchase Date and (iii) July 26, 2029, unless converted early in the case of death or a Complex Major External Growth Transaction or a Substantial Equity Investment.

Article 10 – Rights and obligations attached to shares

10.1 – Provisions applicable to both ordinary and preferred shares

All shareholders have the right to be informed of the Company's situation and obtain certain Company documents at times and under the conditions set out in the law and the bylaws.

Shareholders are liable for losses only to the extent of their contributions.

Subject to legal and statutory provisions, no majority may impose an increase of their commitments. The rights and obligations attached to shares shall be transferred to any holder thereof.

The ownership of a share implies full compliance with the decisions of the Shareholders' General Meeting and these bylaws.

The heirs, creditors, assignees, or other representatives of a shareholder may not, on any pretext whatsoever, demand the sealing of Company assets or documents, request the division or the sale by auction of said assets, or interfere with the management of the Company.

They must refer to the Company records and to the decisions of the Shareholders' General Meeting in order to exercise their rights.

Where it is necessary to hold a certain number of shares to exercise a right, in the event of an exchange, grouping or allocation of securities, or in the event of a capital increase or decrease, a merger or any other transaction, the shareholders holding a number of shares that is lower than that required, may not exercise said rights unless they personally ensure that they will obtain the required number of shares.

10.2 – Rights attached to ordinary shares

Each ordinary share confers the right to a portion of the profits and Company assets that is proportional to the amount of the capital which it represents and confers the right to vote in and to be represented at the Shareholders' General Meetings, under the conditions set out in the law and the bylaws.

The sale includes all dividends due and/or paid and/or to become due, as well as the possible share in the reserve funds, unless otherwise notified to the Company.

10.3 – Rights attached to PS 2

10.3.1 – General provisions applicable to PS 2

The PS 2 and the rights of their holders are governed by the applicable provisions of the French Commercial Code, in particular, Articles L. 228-11 *et seq*.

The PS 2 grant the holder a voting right identical to that of an ordinary share at General Meetings.

PS 2 bear dividends and the same right to the liquidation payout as ordinary shares, and carry preferential subscription rights in the event of a capital increase or any transaction with preferential subscription rights to new ordinary shares in the Company;

Dividend and liquidation bonus rights attached to the PS 2 and identical to that of ordinary shares shall be extended to the earlier of the following two dates: (i) the Conversion Date or (ii) the Repurchase Date.

10.3.2 – Conversion of PS 2

All PS 2 issued or to be issued at the Conversion Date (as defined below) may be converted into a variable number of ordinary shares in the Company, depending on the achievement of targets based on the EBITDA, Revenue and Total Shareholder Return ("**TSR**") criteria as detailed below; the total **number** of ordinary shares resulting from the PS 2 conversion, provided that the performance targets have been achieved, cannot under any circumstances be higher than a number of ordinary shares calculated as follows (the "**Max OS**"):

Max OS = 3.75% x OS Capital

with:

"**OS Capital**" means all of the ordinary shares that make up the share capital of the Company as of the date of the Shareholders' General Meeting of July 26, 2019, plus the ordinary shares created as a result of (i) free share allocation plans applicable as of the date of the Shareholders' General Meeting of July 26, 2019, (ii) the conversion of the PS 1, and (iii) the conversion of the PS 2, with it being stipulated that this ceiling has been set without taking into account any legal, regulatory, or contractual adjustments necessary for the protection of the rights of beneficiaries of PS 2.

The maximum number of PS 2 that can be issued shall be calculated by the Board of Directors and be equal to the total value of the PS 2 as calculated by an independent appraiser, divided by the unit price per PS 2 (the "**Max PS 2**") and cannot in any case be greater than 600,000, it being stipulated that this cap has been set without taking into account any legal, regulatory, or contractual adjustments necessary for the protection of the rights of beneficiaries of PS 2.

Subject to the early conversion provided for in this article, the date of the PS 2 conversion into new or existing ordinary shares in the Company (the "**Conversion Date**") shall be set by the Board of Directors; the Conversion Date must be no later than the one hundred and eightieth (180th) calendar day following the Shareholders' General Meeting's approval of the Group consolidated financial statements for the fiscal year ending on March 31, 2022.

The Board of Directors is authorized to temporarily suspend conversion rights.

The conversion ratio used to calculate the number of ordinary shares resulting from the conversion of existing PS 2 at the Conversion Date will be determined by the Board of Directors and based on three targets as follows:

i. *Rate of achievement of the EBITDA target*

The rate of achievement of the EBITDA target is determined based on the Group's consolidated EBITDA presented in the consolidated financial statements for the financial year ending March 31, 2022 ("**2022 EBITDA**") as follows:

a. the rate of achievement of the EBITDA target will be zero percent (0%) if 2022 EBITDA is strictly less than two hundred and five million euros (€205,000,000);
b. the rate of achievement of the EBITDA target will be fifty percent (50%) if 2022 EBITDA is strictly equal to two hundred and five million euros (€205,000,000);
c. the rate of achievement of the EBITDA target will be one hundred percent (100%) if 2022 EBITDA is strictly equal to or greater than three hundred and ten million euros (€310,000,000);

it being specified that (a) the rate of achievement of the EBITDA target shall be determined by linear interpolation if 2022 EBITDA falls between the levels indicated above, that (b) the achievement of the targets described in this section (i) shall be determined on the basis of a constant exchange rate set at one euro (€1.00) for one US dollar and thirteen cents (US$1.13), and (c) that in the event of any change in IFRS having an impact (negative or positive) on the achievement of the targets set out in this section (i), the Board of Directors shall take all measures necessary in order to neutralize this impact.

ii. *Rate of achievement of the revenue target*

The rate of achievement of the revenue target is determined based on the Group's consolidated revenues presented in the consolidated financial statements for the year ending March 31, 2022 ("**2022 Revenue**"), it being specified that:

a. the rate of achievement of the revenue target will be zero percent (0%) if 2022 Revenue is strictly less than seven hundred and seventy-one million U.S. dollars ($771,000,000);
b. the rate of achievement of the revenue target will be fifty percent (50%) if 2022 Revenue is strictly equal to seven hundred and seventy-one million U.S. dollars ($771,000,000);
c. the rate of achievement of the revenue target will be one hundred percent (100%) if 2022 Revenue is strictly equal to or greater than one billion, one hundred and twenty-nine million U.S. dollars ($1,129,000,000);

it being specified that (a) the rate of achievement of the revenue target shall be determined by linear interpolation if 2022 Revenue falls between the levels indicated above, that (b) the achievement of the targets described in this section (ii) shall be determined on the basis of a constant exchange rate set at one euro (€1.00) for one U.S. dollar and thirteen cents ($1.13), and (c) that in the event of any change in IFRS having an impact (negative or positive) on the achievement of the targets set out in this section (ii), the Board of Directors shall take all measures necessary in order to neutralize this impact.

iii. *Rate of achievement of the performance of the Company's ordinary share (Total Shareholder Return or "**TSR**") target*

The rate of achievement of the TSR target shall be determined based on the respective performance of the TSR of the Company's ordinary share and the Euro Stoxx 600 Technology index between July 26, 2019 and the publication date of the Group consolidated financial statements for the year ending on March 31, 2022 as follows:

a. the rate of achievement of the TSR target will be zero percent (0%) if the TSR of the Company's share is strictly less than eighty percent (80.00%) of the Euro Stoxx 600 Technology index performance;

b. the rate of achievement of the TSR target will be one hundred percent (100%) if the TSR of the Company's share is strictly greater than or equal to one hundred and twenty percent (120.00%) of the Euro Stoxx 600 Technology index performance;

it being specified that the rate of achievement of the TSR target will be determined *via* linear interpolation if the TSR of the Company share falls between the levels indicated above.

The TSR of the Company's shares will be determined as follows:

$$\frac{\text{Final Reference Price + Dividends – Initial Reference Price}}{\text{Initial Reference Price}}$$

with:

- the Initial Reference Price is the average of the last twenty (20) closing prices of the Company's ordinary share before the General Meeting of July 26, 2019;
- dividends are equal to the dividends paid during the period in question; and
- the Final Reference Price is the average of the last twenty (20) closing prices of the Company's ordinary share following the publication date of the Group's consolidated financial statements for the year ending March 31, 2022.

If the Euro Stoxx 600 Technology index no longer exists, the Board of Directors may decide or delegate the decision to replace it with any substitute index that, in the Board's opinion, would be suitable for assessing TSR performance.

The conversion ratio, stated as the total number of ordinary shares in the Company resulting from the conversion of all PS 2 issued or to be issued (the "**Conversion Ratio**") shall be calculated using the following formula:

Conversion Ratio = Max OS x Actual PS 2/Max PS 2 x Achievement Rate

with:

- "**Max OS**" is as defined above;
- "**Max PS 2**" is as defined above;
- "**Actual PS 2**" means the maximum number of PS 2 issued and to be issued as of the Conversion Date;
- "**Rate of Achievement**" means the global rate of achievement of those targets described in (i), (ii) and (iii) above and calculated using the following formula:

Rate of Achievement = 1/3 x (EBITDA Rate + Revenue Rate + TSR Rate)

- "**EBITDA Rate**" is the rate of achievement of the EBITDA calculated in accordance with the detailed methods set out in (i) above, it being stipulated that (x) in the event of the achievement of a theoretical Revenue Rate of between 100% and 110% (calculated on a linear basis), and (y) in the event of the achievement of an EBITDA Rate of between 80% and 100%, the EBITDA Rate shall then be increased by that fraction of the theoretical Revenue Rate percentage falling between 100% and 110% without this resulting in an EBITDA Rate in excess of 100%;
- "**Revenue Rate**" is the rate of achievement of the revenue calculated in accordance with the detailed methods set out in (ii) above, it being stipulated that (x) in the event of a rate of achievement of a theoretical EBITDA of between 100% and 110% (calculated on a linear basis), and (y) in the event of the achievement of a Revenue Rate of between 80% and 100%, the Revenue Rate shall then be increased by the fraction of the theoretical percentage of the EBITDA Rate falling between 100% and 110% without this resulting in a Revenue Rate in excess of 100%;
- "**TSR Rate**" is the rate of achievement of the TSR target, according to the terms set out in (iii) above.

The number of ordinary shares resulting from the conversion must be determined for each PS 2 holder by applying the Conversion Ratio to the number of PS 2 held by each holder on the Conversion Date over the number of Actual PS 2 on this date.

If the total number of ordinary shares to be received by a PS 2 holder by applying the Conversion Ratio to the number of PS 2 they hold is not a whole number, the holder will receive the immediately lower number of ordinary shares.

All ordinary shares resulting from the conversion of PS 2 will be the same as outstanding ordinary shares at the Conversion Date and will bear dividends with immediate effect.

As an exception in the event of the death of a holder of PS 2 prior to the Date of Conversion, the PS 2 held by the deceased may, at the request of the heir(s) or other beneficiaries of the deceased, and within a maximum of six (6) months following the death, be converted in advance (the "**Date of Early Conversion**") into a number of ordinary shares in the Company calculated by applying the Conversion Ratio set out above to the number of PS 2 held by the deceased on the Date of Early Conversion over the number of Actual PS 2 on the Date of Early Conversion, considering however that:

- the Rate of Achievement is equal to 1; and that
- the number of Actual PS 2 means the maximum number of PS 2 issued or to be issued on the Date of Early Conversion (considering in particular any potential condition regarding continued employment stipulated in the context of any free allocation of PS 2 as being met).

The Company's Board of Directors may, in the event of a Simple External Growth Transaction, a divestment or exceptional capital expenditure (CAPEX) lower or higher than that set out in the business plan, make adjustments to performance objectives as follows:

i. the revenue and EBITDA levels presented in the Group's consolidated financial statements for the fiscal year ending on March 31, 2022 will be restated to neutralize the impact of these operations; and

ii. TSR targets will remain unchanged;

where "**Simple External Growth Transaction**" means any acquisition transaction not classified as a Complex Major External Growth Transaction.

In the event of a Complex Major External Growth Transaction or Substantial Equity Investment:

a. the Conversion Ratio will be determined on the date of the Complex Major Acquisition or Substantial Investment, mutatis mutandis, it being specified that the Rate of Achievement shall have the meaning set out above, except that:

   - the Revenue Rate and the EBITDA Rate (i) shall be determined based on the last consolidated financial statements available at the date of the Complex Major External Growth Transaction or of the Substantial Equity Investment and (ii) shall be assessed based on the EBITDA and Revenue targets calculated on the date of such financial statements, *prorata temporis* and by linear interpolation between (i) the Group consolidated EBITDA or Revenue level (as the case may be) as presented in the Group's consolidated financial statements for the fiscal year ending on March 31, 2019 and (ii) firstly (x) the 2022 EBITDA and 2022 Revenue targets enabling an EBITDA Rate and Revenue Rate, as applicable, of 50% to be achieved, and secondly (y) the 2022 EBITDA and 2022 Revenue targets enabling an EBITDA Rate and Revenue Rate of 100%, as applicable, to be achieved;
   - the TSR Rate (i) will be assessed on the date of the Complex Major External Growth Transaction or of the Substantial Equity Investment, as the case may be, and (ii) by taking as the Final Reference Price, as applicable, either the exchange ratio approved for a Complex Major External Growth Transaction, or the price offered by the third party as part of a Substantial Equity Investment;
   - the number of Actual PS 2 means the maximum number of PS 2 issued or to be issued on the Conversion Date defined in paragraph b) below (considering any potential condition regarding continued employment stipulated in the context of any free allocation of PS 2 to be fulfilled);

with:

- "**Complex Major External Growth Transaction**" which means any acquisition completed *via* merger by absorption,
- "**Substantial Equity investment**" means any public takeover or exchange bid launched with regard to the Company's shares, further (i) to the transfer by one or several Strategic Investor(s) of their ordinary shares in the Company to the initiator of the bid or to whom this Strategic Investor(s) may have contributed their ordinary shares in the Company or (ii) to the acquisition of an investment resulting in the initiator of the bid crossing the threshold of 30% of the share capital or voting rights of the Company,
- "**Strategic Investor**" refers to Bpifrance Participations, CEA Investissement and NSIG Sunrise S.à.r.l taken individually;

b. as an exception, the PS 2 may be converted as follows:

- if the date of the Complex Major External Growth Transaction or of the Substantial Equity Investment falls prior to the date of the Shareholders' General Meeting called to approve the Group's consolidated financial statements for the fiscal year ending on March 31, 2021, then (i) seventy-five percent (75%) of the PS 2 issued or to be issued shall be converted into ordinary shares within six (6) months following the date of the Shareholders' General Meeting approving the Group's consolidated financial statements for the fiscal year ending on March 31, 2021, and (ii) the remaining twenty-five percent (25%) shall be converted on the Conversion Date;
- if the date of the Complex Major External Growth Transaction or of the Substantial Equity Investment falls between the date of the Shareholders' General Meeting called to approve the Group's consolidated financial statements for the fiscal year ending on March 31, 2021 and the date of the Shareholders' General Meeting approving the Group's consolidated financial statements for the fiscal year ending March 31, 2022, then (i) seventy-five percent (75%) of the PS 2 issued or to be issued shall be converted into ordinary shares within two (2) months following the date of completion of the Complex Major External Growth Transaction or of the Substantial Equity Investment, as applicable, and (ii) the remaining twenty-five percent (25%) shall be converted on the Conversion Date.

Where applicable, the Board of Directors may make adjustments to the ratio for converting the PS 2 into ordinary shares in order to protect the rights of beneficiaries, depending on potential transactions on the Company's share capital, specifically in the case of a change of the par value of ordinary shares, a capital increase by capitalization of reserves through an increase in the number of ordinary shares, the capitalization of reserves, earnings, premiums or other amounts allowed to be capitalized by increasing the par value of the ordinary shares, the granting of bonus (free) shares to all shareholders, the issuance of new shares or securities giving access to the Company's share capital with preferential subscription rights reserved for shareholders, a stock split or reverse stock split, the distribution of reserves, issue premiums or any other assets, share capital redemption, changes to the appropriation of earnings, share capital reduction due to losses *via* a reduction in the number of ordinary shares, or any other operation impacting shareholders' equity (including by way of a takeover bid and/or in the event of a change of control).

The PS 2 outstanding at the Conversion Date may be converted to new or existing ordinary shares held under the share repurchase program, and notes that the conversion of PS 2 to new ordinary shares entails the waiver by shareholders of their preferential subscription rights to new ordinary shares resulting from the conversion. In any event, the conversion of PS 2 into ordinary shares cannot take place between the mandatory publication in the so-called *Bulletin officiel des annonces légales obligatoires* (French official legal gazette) of prior notice of any general meeting, and the holding of this meeting. If this is the case, the Conversion Date would be postponed until after the Shareholders' General Meeting.

10.3.3 - PS 2 repurchase

In the event that the performance targets are not achieved and the number of ordinary shares to which the conversion of the PS 2 would give right, by applying the Conversion Ratio, equals zero, the PS 2 may be purchased by the Company at its initiative no later than the one hundred and eightieth (180th) calendar day following the publication date of the Group's consolidated financial statements for the fiscal year ending on March 31, 2022 (the "**Repurchase Date**"), at their par value, in accordance with the provisions of Article L. 228-12 III of the French Commercial Code.

The PS 2 thus repurchased would be canceled and the share capital would be proportionally reduced, pursuant to Articles L. 225-205 and 228-12-1 of the French Commercial Code, within sixty (60) calendar days as from the Repurchase Date.

The Board of Directors must take note, where applicable, of the number of PS 2 repurchased and canceled by the Company, and shall make the necessary changes to the bylaws relating to the share capital amount and the number of shares comprising the share capital."

Article 11 – Threshold crossing

Any shareholder, acting alone or in concert, without prejudice to the thresholds referred to in Article L. 233-7, paragraph 1 of the French Commercial Code, holding directly or indirectly at least 3% of the capital or voting rights of the Company is required to inform the Company, by registered letter with acknowledgment of receipt sent to the registered office, within a period of fifteen days from the crossing of the ownership threshold.

Said declaration must also be made when the holding in the share capital falls below the abovementioned threshold.

Furthermore, it must also state the number of shares already issued or the voting rights that it may acquire or dispose of by virtue of an agreement or financial instrument as provided at point b) of the third paragraph of Article L. 233-7 of the French Commercial Code.

Non-compliance with the declarations of the crossing of thresholds, both legal and statutory, gives rise to the removal of voting rights under the conditions laid down by Article L. 233-14 of the French Commercial Code at the request of one or several shareholders holding together at least 3% of the capital or voting rights of the Company.

Part III – Administration and control of the Company

Article 12 – Board of Directors

1 - Composition

The Company is administered by a Board of Directors with at least three and at most eighteen members, subject to the legal exemption permitted in the event of mergers.

The directors are appointed or renewed in their functions by the Ordinary Shareholders' General Meeting which may revoke them at any time.

However, further to a merger or demerger, the directors may be appointed by the Extraordinary Shareholders' General Meeting.

The directors may be natural persons or legal entities. Directors who are legal entities are required to designate a permanent representative upon their appointment and such permanent representative shall be subject to the same conditions and obligations and shall incur the same civil and criminal liabilities as if he or she was a director acting on his or her own behalf, without prejudice to the joint and several liability of the legal entity that he or she represents.

When the legal entity terminates the appointment of its representative, it must notify this termination to the Company immediately *via* recorded delivery letter and, in accordance with the same methods, appoint a new permanent representative; this is also the case following the death or resignation of the permanent representative.

A natural person cannot simultaneously hold more than five positions as director or member of the Supervisory Board of joint stock corporations (*sociétés anonymes*) having their registered offices in France, subject to the reserves, limits, and conditions set by law and regulation.

Any director who is a natural person who, when accepting a new position, is in violation of the provisions of the previous paragraph, must, within three months of his or her appointment, resign from one of his or her positions. He or she shall otherwise be automatically deemed as having resigned from his or her new position.

An employee of the Company may be appointed director only if his or her employment contract precedes his or her appointment and corresponds to actual employment. The number of directors bound to the Company by an employment contract may not exceed one-third of the directors in office.

2 - Age limit - Term of office

No person can be appointed as a director if, having reached the age of seventy, his or her appointment would take the number of directors over this age to more than one third. The number of directors having reached the age of seventy cannot be more than one third of the members of the Board of Directors. If this limit is reached, the oldest director is then automatically deemed as having resigned.

The term of office of directors is 3 years. The terms of office of the directors sitting on the Board on the date of the Shareholders' General Meeting of July 25, 2016 are reduced to three years.

The director's duties expire at the end of the Shareholders' General Meeting that is called to vote on the financial statements of the past fiscal year and held in the civil year during which their term of office expires. The directors may always be re-elected.

3 - Vacancies - Co-opting

The Board of Directors may make appointments on a provisional basis, in the circumstances and under the conditions established by law.

4 - Observer

The Shareholders' General Meeting may appoint an observer to the Board of Directors. The term of office of the observer is two (2) years and may be renewed without limitation. If the position of observer falls vacant in the period between two General Meetings, the Board of Directors may appoint a replacement on a provisional basis. This appointment is then subject to ratification at the next Ordinary Shareholders' General Meeting. Any observer appointed as a replacement for an observer whose term of office has not expired then remains in office only for the remainder of his or her predecessor's term of office. The age limit for the observer is seventy years. Any observer who reaches this age is automatically deemed as having resigned at the next Ordinary Shareholders' General Meeting. The observer is convened to attend all meetings of the Board of Directors and takes part in deliberations in an advisory capacity. He or she receives directors' fees under the same terms and conditions as the directors if the Board of Directors so decides.

Article 13 – Directors' shares

Pursuant to Article L. 225-25 of the French Commercial Code, any natural person or legal entity may be appointed as director of the Company without any requirement to hold one or more shares in the Company.

Article 14 – Office of the Board of Directors

The Board of Directors shall elect a Chairman from among its individual members, and shall set the duration of his or her term of office, which may not exceed the duration of his or her term of office as a director.

The Chairman of the Board of Directors must not be over seventy. Should he or she reach this age, he or she shall automatically be deemed as having resigned.

The Board may appoint a secretary for each meeting who may or may not be a member of the Board.

At each meeting, if the Chairman is absent or unable to act, the Board appoints one of its members in attendance to chair the meeting.

Article 15 – Deliberations of the Board of Directors

1 - The Board of Directors meets as often as is required by the interests of the Company, when convened by the Chairman.

The Chief Executive Officer or at least one half of the members of the Board of Directors may also ask the Chairman to convene a meeting of the Board of Directors to discuss a specific agenda.

In addition, when no meeting has been held for more than two months, a minimum of one third of the members of the Board of Directors may ask the Chairman to convene a meeting of the Board to discuss an agenda set by such directors.

In these latter two cases, the Chairman is bound by those requests submitted thereto and must convene the meeting of the Board of Directors to discuss the specific agenda.

The meeting takes place either at the registered office or in any other place as indicated in the convening notice, which may be outside of France. The detailed methods applicable to the convening of meetings of the Board of Directors are stipulated in the Internal Regulations of the Board of Directors.

An attendance register is kept and signed by all directors taking part in the meeting of the Board of Directors.

In order to have valid decisions, at least one half of the directors must be effectively present. However, those directors taking part in the meeting *via* videoconference or telecommunication methods are deemed to be present for the calculation of the *quorum* and majority, under the conditions set by the applicable laws and regulations.

A director may grant power of attorney to another director to act as his or her representative, even *via* letter or fax. During a single meeting, each director may hold one such power of attorney only.

2 - The Board may legally deliberate only if at least one half of its members are present.

Decisions are made on the basis of a majority of those members present or represented. The Chairman does not have a casting vote.

3 - The deliberations of the Board are recorded in minutes prepared in accordance with the legal provisions in force, and signed by the meeting Chairman and one director, or, if the meeting Chairman is unable to act, by two directors, without however the omission of this formality leading to the decisions made being null and void.

The meeting minutes state the names of those directors present, deemed present as per Article L. 225-37 of the French Commercial Code, excused, or absent. The meeting minutes acknowledge the presence or absence of those individuals or entities convened to attend the meeting of the Board of Directors pursuant to a provision of law, and the presence of any other individual having been in attendance for all or part of the meeting. They also refer to the potential occurrence of any technical incidents relating to videoconferencing or telecommunications when this has interrupted the conduct of the meeting.

Copies of or extracts from minutes of the resolutions can be legally certified by the Chairman of the Board of Directors, by the Chief Executive Officer, any director who has been temporarily authorized to perform the duties of the Chairman, or any proxy-holder authorized for such purpose.

The directors, as well as any other natural person required to attend meetings of the Board, are bound to discretion with regard to all confidential information which is identified as such by the Chairman of the meeting.

Article 16 – Powers of the Board of Directors

1 - The Board of Directors determines the guidelines for the Company's business and oversees their implementation. Subject to the powers expressly attributed to the Shareholders' General Meetings and within the limit of the Company's corporate purpose, it shall consider any issue affecting the smooth functioning of the Company and shall resolve the matters relating to it. To this end, the Chairman represents the Board of Directors; in addition, he or she may delegate his or her authority to any proxies of his or her choice.

In its relations with third-parties, the Company is bound even by the actions of the Board of Directors that fall outside the scope of the corporate purpose, unless it proves that the third-party knew that the action was beyond said scope or that it could not have been unaware of it given the circumstances, and the mere disclosure of the bylaws shall not constitute proof thereof.

The Board of Directors shall perform the checks and verifications that it deems appropriate.

Article 17 – Executive management - Delegation of authority - Corporate signing powers

1 - The executive management of the Company is performed, at his or her responsibility, either by the Chairman of the Board of Directors, or by another natural person who may or may not be a director, appointed by the Board of Directors and having the title Chief Executive Officer.

In accordance with Article L. 225-55 of the French Commercial Code, the Board of Directors determines the term of the position of the Chief Executive Officer. The Chief Executive Officer may be dismissed at any time by the Board of Directors. If the dismissal is without due cause, this may lead to the payment of damages unless the Chief Executive Officer takes up the duties of Chairman of the Board of Directors.

The Board of Directors selects one of two methods for the executive management of the Company. It deliberates in accordance with the conditions set out in Article 15.2 of the bylaws. However, the Chairman of the meeting does not have a casting vote if there is no clear majority.

Subject to those powers expressly allocated by law to Shareholders' General Meetings and to the powers reserved in particular for the Board of Directors and the Chairman of the Board of Directors, as well as those resolutions submitted to the Board of Directors for prior authorization in accordance with the Board of Directors' internal regulations, the Chief Executive Officer is vested, within the limits of the corporate purpose, with the widest possible powers to act in the name of the Company under all circumstances.

The Chief Executive Officer is bound by the provisions of Article L. 225-94-1 of the French Commercial Code in relation to holding simultaneously the positions of Chief Executive Officer, member of the Executive Board, single Chief Executive Officer, director, or member of the Supervisory Board of joint-stock companies having their registered office in France.

2 - Further to a proposal by the Chief Executive Officer, the Board may appoint one or more natural persons, up to a maximum of five, responsible for assisting the Chief Executive Officer, having the title Deputy Chief Executive Officer.

3 - The Deputy Chief Executive Officers are tasked with assisting the Chief Executive Officer to whom they report on all acts of management and, for this purpose, they hold powers, the scope and term of which are determined by the Board in agreement with the Chief Executive Officer. With regard to third parties, they each individually have the same powers as the Chief Executive Officer.

In the event of the death, dismissal, or dismissal of the Chief Executive Officer, unless otherwise decided by the Board, the Deputy Chief Executive Officer or officers retain their positions and duties until such time as the new Chief Executive Officer has been appointed.

The Deputy Chief Executive Officer or officers may be dismissed at any time by the Board of Directors, further to a proposal from the Chief Executive Officer.

4 - The Chief Executive Officer or each of the Deputy Chief Executive Officers is authorized to grant sub-delegations or substitutions of power for one or several specific transactions or specific categories of transaction.

Article 18 – Compensation paid to the directors, the Chairman, the Chief Executive Officers, and agents of the Board of Directors

1 - As compensation for their activities, the Shareholders' General Meeting may allocate the directors and the observer a fixed annual amount as directors' fees. The Board of Directors decides whether directors' fees are to be paid to the observer and may allocate this compensation at its discretion between its members.

When the Board of Directors is not composed in accordance with the first paragraph of Article L. 225-18-1 of the French Commercial Code, the payment of the compensation described in the previous paragraph is suspended. Payment may re-start once the composition of the Board of Directors becomes compliant, including any arrears accrued during the suspension period.

2 - The compensation paid to the Chairman of the Board of Directors and that of the Chief Executive Officer and, as applicable, of the Deputy Chief Executive Officer(s), is determined by the Board of Directors in accordance with the terms and conditions of Article L. 225-37-2 of the French Commercial Code. This may be fixed or variable, or both fixed and variable.

3 - The Board of Directors may allocate exceptional compensation for assignments or appointments entrusted to directors; in this case, this compensation, recorded as operating costs, is subject to approval from the Ordinary Shareholders' General Meeting, under the conditions set out in Article 23 of the bylaws.

4 - Subject to Articles L. 225-21-1, L. 225-22, L. 225-23, L. 225-27 and L. 225-27-1 of the French Commercial Code, directors cannot receive any compensation from the Company on a permanent or temporary basis other than that defined in Articles L. 225-45, L. 225-46, L. 225-47 and L. 225-53 of said Code.

Article 19 – Related-party agreements by and between the Company and a director, the Chief Executive Officer, a Deputy Chief Executive Officer, or a shareholder holding more than 10% of the voting rights

Any agreement entered into directly or indirectly by and between the Company and its Chief Executive Officer, any one of the Deputy Chief Executive Officers, any one of its directors, or any one of its shareholders holding more than 10% of the voting rights or, if this shareholder is a company, the company controlling it as per Article L. 233-3 of the French Commercial Code, must be submitted for prior authorization to the Board of Directors and then, further to the statutory auditors' special report, for ratification by the Ordinary Shareholders' General Meeting.

This is also the case for any agreements in which one of the individuals listed above is indirectly interested.

These provisions are also applicable to all agreements by and between the Company and any other company if the Chief Executive Officer, any one of the Deputy Chief Executive Officers, or any one of the directors of the Company is owner, shareholder with unlimited liability, manager, director, member of the Supervisory Board, or, more generally, executive officer of such company, subject to those exceptions defined by law.

In accordance with Article L. 225-39 of the French Commercial Code, the provisions set out above are not applicable to any agreements relating to day-to-day business and entered into under normal terms and conditions, or to any agreements executed by and between two companies where one company is, either directly or indirectly, the sole shareholder of the other (if applicable, after deduction of the minimum number of shares required to comply with the requirements of Article 1832 of the French Civil Code or of Articles L. 225-1 and L. 226-1 of the French Commercial Code.

In accordance with Article L. 225-40 of the French Commercial Code, the interested party must inform the Board of Directors immediately upon becoming aware of any agreement covered by Article L. 225-38 of the French Commercial Code. This party may not then take part in the vote on the request for authorization. The Chairman of the Board of Directors informs the statutory auditors on any authorized and concluded agreements and submits them to the Ordinary Shareholders' General Meeting for approval. The statutory auditors present a special report on these agreements to the Shareholders' Ordinary General Meeting, which provides a decision on this report. The interested party may not take part in the vote, and its shares shall not be taken into account to calculate *quorum* and majority.

Article 20 – Statutory auditors

One or several principal statutory auditors are appointed and carry out their audit assignments in accordance with the law.

Their permanent assignment, excluding any involvement in management, is to verify the books and records and figures used by the Company, and to verify the accuracy and compliance of the statutory financial statements.

Part IV – Shareholders' General Meetings

Article 21 – Convening a Shareholders' General Meeting

Collective shareholder resolutions are adopted at Shareholders' General Meetings which are classified as ordinary, extraordinary, or special, depending on the type of resolutions to be adopted.

1 - Shareholders' General Meetings are convened in accordance with the legal requirements.

They are held at the registered office or in any other place as indicated in the convening notice.

Meetings are convened at least fifteen days prior to the date of the Shareholders' General Meeting, either *via* a notice published in a newspaper authorized to carry legal notices in the district of the registered office, or *via* recorded delivery letter, or *via* simple letter, addressed to each shareholder.

If the Shareholders' General Meeting has failed to achieve the required *quorum*, the second Shareholders' General Meeting or, if applicable, the second extended Shareholders' General Meeting, are convened with at least six days' notice, in the same manner as the first. The convening letters and notice for this second Shareholders' General Meeting repeat the date and agenda used for the first.

2 - The agenda for the Shareholders' General Meeting is featured in the convening letters and notice; it is set by the author of the convening notice.

The Shareholders' General Meeting can deliberate only on those matters featured on the agenda which cannot be modified in the second convening notice; nevertheless, it may, under all circumstances, dismiss one or several directors and proceed with the appointment of their replacements.

One or several shareholders representing at least that percentage of the share capital defined by law, and acting under the conditions and within the deadline set by law, may require the addition of draft resolutions to the agenda.

3 - Any shareholder, irrespective of the number of shares held, has the right to attend Shareholders' General Meetings and take part in its deliberations either in person or *via* a proxy, or to cast a postal vote in accordance with the legal and regulatory conditions.

Each shareholder may be represented by any person of his or her choice, in accordance with Article L. 225-106 of the French Commercial Code. When the shareholder is represented by a person other than his or her spouse or civil partner, he or she is informed by the relevant proxy of any fact enabling the risk of such agent having interests other than his or her own to be assessed.

Each shareholder may cast a postal vote under the legal requirements.

The Board of Directors may decide that voting at the Shareholders' General Meeting may be cast remote transmission or *via* videoconferencing, under the conditions set by the regulations. This option must be mentioned in the convening notice.

Shareholders may, under the conditions set by law and the regulations, send their proxy forms and postal voting forms for any Shareholders' General Meeting either in the form of a hard copy returned to the Company, at the registered office, up to three days prior to the date of the meeting, or, if decided by the Board and stipulated in the convening notice, by remote transmission up to three days before the date of the meeting.

The presence of the shareholder at the Shareholders' General Meeting, either in person or, if the option has been granted, by remote transmission or *via* videoconference, cancels any postal vote already cast and/or any proxy previously granted by such shareholder.

The legal representatives of shareholders deprived of legal capacity and individuals who represent legal entity shareholders take part in Shareholders' General Meetings, irrespective of whether they are shareholders on a personal basis.

4 - For each Shareholders' General Meeting, an attendance sheet is kept, featuring all of the legally-required information.

This attendance sheet, duly signed by the shareholders and by any proxy-holders, and to which are attached as a schedule the powers of attorney granted to each proxy-holder and, if applicable, the postal voting forms, is certified by the office of the Shareholders' General Meeting.

Shareholders' General Meetings are chaired by the Chairman of the Board of Directors. In his or her absence or if the Board has failed to authorize another of its members among the attendees pursuant hereto to chair the Shareholders' General Meeting, the latter then elects its own Chairman.

The duties of tellers are performed by whichever two members of the Shareholders' General Meeting, present and agreeing to acting in this capacity, who hold either individually or as proxy-holders, the largest number of votes.

The office appoints a secretary, who is not required to be a shareholder.

The members of the office are tasked with verifying, certifying, and signing the attendance sheet, ensuring that discussions are held in the correct manner, resolving any incidents during the meetings, verifying the votes cast, ensuring the compliance of the voting, and ensuring minutes are prepared.

Minutes are drafted and copies of or extracts from the deliberations are issued and certified in accordance with the law.

Article 22 – *Quorum* - Voting

Double voting rights compared with those conferred on other shares, with regard to the percentage of the share capital thereby represented, are allocated as from August 31, 2000 to all fully paid-up shares proven to have been held in registered form for at least 2 years in the name of the same shareholder.

In addition, in the event of a capital increase *via* the incorporation of reserves, profits, or issue premiums, double voting rights are conferred as from the date of issuance on those registered shares allocated for free to a shareholder on the basis of previous shares for which such right was also granted.

Article 23 – Ordinary Shareholders' General Meetings

The Ordinary Shareholders' General Meeting makes all decisions beyond the scope of the powers of the Board of Directors and not reserved for the Extraordinary Shareholders' General Meeting.

An Ordinary Shareholders' General Meeting is held at least once per year, within six months following the end of the fiscal year, to vote on the financial statements for such fiscal year, subject to any extension that may be granted by court order.

It shall validly deliberate only, when convened for the first time, if those shareholders either present or represented, or casting a postal vote, or voting by remote transmission or *via* videoconferencing, hold at least one fifth of those shares having voting rights.

No *quorum* is required when convened for a second time.

Resolutions are adopted on the basis of a simple majority of the votes held by those shareholders either present or represented or casting a postal vote.

Article 24 – Extraordinary Shareholders' General Meetings

The Extraordinary Shareholders' General Meeting may modify all provisions of the bylaws and, in particular, decide on the conversion of the Company into a company having a different form, civil or commercial. They cannot however increase the commitments made by the shareholders, subject to any transactions resulting from a duly completed grouping together of shares.

The Extraordinary Shareholders' General Meeting may only validly deliberate if those shareholders either present or represented or casting a postal vote or voting by remote transmission or *via* videoconference hold at least, when convened for the first time, one quarter or, when convened for the second time, one fifth of those shares having voting rights. Should this second *quorum* not be achieved, the second Shareholders' General Meeting may be postponed to a date no more than two months later than the date for which it was initially convened.

An Extraordinary Shareholders' General Meeting votes on the basis of a two-thirds majority of the votes held by those shareholders either present or represented or casting a postal vote or voting by remote transmission or *via* videoconference, unless otherwise permitted by law.

Article 25 – Shareholders' Special Meetings

Preferred shareholders meet in a Shareholders' Special Meeting for any proposed modification of the rights attached to the preferred shares, it being stipulated that all collective resolutions within the competence of the Ordinary or Extraordinary Shareholders' General Meeting of the Company are not subject to approval from the Shareholders' Special Meeting. For all intents and purposes, it is specified that the following shall not be submitted for approval to Special General Meetings of the holders of existing preferred shares (without limitation):

- the conversion of PS 2 in accordance with Article 10.3.2 of these bylaws; and
- the repurchase and/or cancellation of any shares within the context (i) of the repurchase of preference shares by the Company in application of Article 10.3.3 of these bylaws, (ii) of the implementation of share repurchase programs under the conditions pursuant to Articles L. 225-209 *et seq.* of the French Commercial Code, and (iii) of a public offer for the ordinary shares or any class of preference shares.

However, in accordance with the provisions of Article L. 228-17 of the French Commercial Code, any contemplated merger or demerger of the Company in the context of which preferred shares could not be exchanged for shares having the equivalent specific rights shall be submitted for approval to ay relevant Shareholders' Special Meeting.

Special Meetings validly deliberate only if those shareholders present or represented hold at least one third when convened for the first time or one fifth when convened for the second time of those preferred shares having voting rights. They vote on the basis of a two-thirds majority of the voting rights held by holders of preferred shares of the same class, in person or by proxy.

In the event the share capital is modified or returned to shareholders, the rights of preferred shareholders will be adjusted, where applicable, to maintain their rights in accordance with Article L. 228-99 of the French Commercial Code.

Part V – Fiscal year- Financial statements - Allocation and distribution of profits

Article 26 – Fiscal year

The fiscal year is defined in Article 1.

Article 27 – Inventory - Annual financial statements

All corporate transactions are duly accounted for, in accordance with the law and with business practice.

At the end of each fiscal year, the Board of Directors compiles an inventory describing the various assets and liabilities. It also prepares the annual financial statements in accordance with the provisions of Part II of Book 1 of the French Commercial Code.

A statement of all security interests, endorsements, and guarantees granted by the Company and a statement of all sureties granted thereby are attached as a schedule to the balance sheet statement.

The Board of Directors draws up a management report containing the details required by law.

The management report includes, as applicable, a report on the management of the Group when the Company must prepare and publish consolidated financial statements in accordance with the conditions defined by law.

If applicable, the Board of Directors prepares provisional accounting documents under the conditions defined by law.

All such documents are provided to the statutory auditors in accordance with the legal and statutory conditions.

Article 28 – Allocation and distribution of profits

Those amounts to be allocated to the legal reserves are first of all deducted from the profits for each fiscal year minus if applicable any losses carried forward. Therefore 5% is deducted to create the legal reserve; this deduction is no longer mandatory once the said legal reserve reaches the equivalent of one tenth of the share capital; it becomes mandatory once more if, for any reason whatsoever, the legal reserve falls below this threshold.

The profits available for distribution are composed of the fiscal year profits minus any losses carried forward and all amounts allocated to the reserves in application of the law and the bylaws, plus any profits carried forward.

From these profits, the Shareholders' General Meeting then deducts any amounts it considers appropriate to allocate to any ordinary or extraordinary optional reserves, or to carry forward again.

The balance (if any) is then divided between all of the shares in direct proportion to the paid-up and not redeemed amount thereof.

However, other than further to a share capital decrease, no distribution can be paid out to shareholders when the equity capital is or would become as a result thereof less than the equivalent of the share capital plus any reserves not available for distribution in application of the law or the bylaws.

The Shareholders' General Meeting may vote to distribute certain amounts deducted from the optional reserves, either to provide or complete a dividend, or as an exceptional distribution; in this case, the resolution must expressly stipulate the reserve accounts from which such deductions are to be made. However, dividends are distributed in priority from the fiscal year profits available for distribution.

Losses (if any) are, once the financial statements have been approved by the Shareholders' General Meeting, recorded in a special account to be offset against the profits recorded in future fiscal years until extinguished.

Article 29 – Dividend payments

The Shareholders' General Meeting, voting on the financial statements for the fiscal year, has the option to grant each shareholder, for all or part of the dividend payment or of any interim dividend, an option between payment of the dividend or interim dividend in cash or in shares.

The detailed methods for the payment of dividends in cash are set by the Shareholders' General Meeting or, otherwise, by the Board of Directors.

However, the payment of dividends must take place within a maximum of nine months following the end of the fiscal year, unless an extension is granted by the courts.

When a balance sheet prepared during or at the end of the fiscal year and certified by the statutory auditors shows that, since the end of the previous fiscal year, after establishing the necessary provisions and depreciation, after deduction if necessary of any losses carried forward and of any amounts to be allocated to the reserves in application of the law or the bylaws and after taking into account any profits carried forward, the Company has recorded a profit, an interim dividend may be paid prior to the approval of the financial statements for the fiscal year. The value of such interim dividends cannot exceed the value of the profits thereby defined.

The Company cannot require the shareholders to repay any dividends unless the distribution was carried out in violation of the law and the Company establishes that the beneficiaries were aware of the unlawful nature of such distribution at the moment of payment or could not have been unaware of this fact given the circumstances.

Requests for repayment are time barred three years after the payment of such dividends. Any dividends not claimed within five years of their release for payment are then time barred.

Part VI – Significant losses - Purchase by the Company - Company conversion - Dissolution - Liquidation

Article 30 – Equity capital equal to less than one half of the share capital

If, due to losses recorded in the accounting documents, the Company's equity capital were to become equal to less than one half of the share capital, the Board of Directors must, within the four months following the approval of the financial statements showing such losses, convene an Extraordinary Shareholders' General Meeting in order to vote on the early dissolution of the Company.

If the decision is made not to dissolve the Company, the share capital must, subject to the provisions of law relating to the minimum capital and within the deadline set by law, be reduced by an amount equal to the value of all losses which have not been offset against the reserves if, within this deadline, the equity capital has not been returned to a level at least equal to one half of the share capital.

In all cases, the resolution approved by the Shareholders' General Meeting must be published in the manner defined by the applicable statutory provisions.

In the event of failure to comply with these requirements, any interested party may apply to the courts to have the Company dissolved. This is also the case if the shareholders have been unable to validly deliberate.

However, the court may not order the dissolution of the Company if, on the date on which a judgment on the merits is handed down, the situation has been remedied.

Article 31 – Acquisition by the Company of an asset owned by a shareholder

If, in the two years after its incorporation, the Company acquires an asset belonging to a shareholder of a value equal to at least one tenth of the share capital, an Appraiser, tasked with assessing the value of such asset, at his or her responsibility, is appointed *via* court order at the request of the Chairman of the Board of Directors.

The Appraiser's report is made available to the shareholders. The Ordinary Shareholders' General Meeting votes on the valuation of the assets, as a requirement for the acquisition to be valid.

The vendor cannot cast a vote either on his or her own behalf or as a proxy.

These provisions do not apply when the acquisition is made through the purchase of shares on the stock market or under the supervision of the courts, or in the context of the Company's day-to-day business and executed under usual terms and conditions.

Article 32 – Conversion

The Company may be converted into a Company of a different form if, at the moment of the conversion, it has existed for at least two years and if it has prepared and has had approved by the shareholders its balance sheets for the first two fiscal years.

The conversion decision is adopted on the basis of a report by the Company's statutory auditors which must confirm that the equity is at least equal to the share capital.

The conversion of the Company into a partnership (*société en nom collectif*) must be approved unanimously by the shareholders; in this case, the conditions set out above are not required.

The conversion of the Company into a limited partnership or a partnership limited by shares (*société en commandite simple ou par actions*) must be approved under the conditions defined for the change of the bylaws and with the consent of all shareholders who are to become the general partners.

The conversion of the Company into a limited liability company (*société à responsabilité limitée*) must be approved under the conditions defined for the change of the bylaws of companies of this type.

Article 33 – Dissolution - Liquidation

Other than those cases of court-ordered dissolution defined by law, and unless duly extended, the Company is dissolved on the expiry of the term set by the bylaws or further to a resolution adopted by the Extraordinary Shareholders' General Meeting.

One or several liquidators are then appointed by this Extraordinary Shareholders' General Meeting, under the *quorum* and majority conditions required for Ordinary Shareholders' General Meetings.

The liquidator represents the Company. All Company assets are liquidated and all liabilities are settled by the liquidator who is vested with the widest possible powers. The liquidator then allocates the available balance.

The Shareholders' General Meeting may authorize the liquidator to continue any current business or to undertake new business for the requirements of the liquidation.

The net assets remaining after the repayment of the par value of the shares is divided equally between the shares.

If the entire share capital is held by one shareholder, any potential resolution deciding on the dissolution, whether voluntary or court-ordered, then leads, under the conditions defined by law, to the transfer of all assets and liabilities of the Company to the sole shareholder, without liquidation.

Part VI – Disputes

Article 34 – Disputes

Any disputes that may arise during the course of the existence of SOITEC or during its liquidation, either between the shareholders themselves or between the shareholders and SOITEC, on the basis of these bylaws shall be settled in accordance with the law and submitted to the courts having jurisdiction.

9.2 DOCUMENTS ON DISPLAY

9.2.1 LIST OF DOCUMENTS ON DISPLAY

All regulatory information within the meaning of Article 221-1 of the AMF's General Regulations is available on the Company's website (www.soitec.com), in the "Company - Investors" section.

To this end, the following key documents relating to the three fiscal years preceding the publication of this Universal Registration Document may in particular be consulted and downloaded:

- the Registration Document filed with the AMF on July 4, 2017 under the reference D.17-0720;
- the Registration Document filed with the AMF on June 18, 2018 under the reference D.18-0586;
- the Registration Document filed with the AMF on July 4, 2019 under the reference D.19-0649;
- the Annual Financial Report filed with the AMF on July 7, 2020;
- the monthly statements relating to the total number of voting rights and the total number of shares forming our Company's share capital, established in application of Article 223-16 of the AMF General Regulations; and
- financial press releases.

Other information and documents made available to the shareholders under the legal and statutory requirements may also be consulted electronically and downloaded from our Company website (www.soitec.com), in the "Company - Investors" section, including the updated bylaws of our Company and all documents relating to Shareholders' General Meetings.

In addition, a copy of the deed of incorporation of our Company may be made available to any interested party in hard copy at the registered office located at Parc Technologique des Fontaines, Chemin des Franques, 38190 Bernin, France (telephone: + 33 4 76 92 75 00).

9.2.2 LIST OF PRESS RELEASES ISSUED BY OUR COMPANY

During the three fiscal years preceding the publication of this Universal Registration Document, and until the date of filing thereof, the following press releases were issued by our Company and published on the Company's website (www.soitec.com):

- August 27, 2020: Information relating to the total number of voting rights and shares forming the share capital as of July 31, 2020;
- August 27, 2020: Information relating to the total number of voting rights and shares forming the share capital as of June 30, 2020;
- August 4, 2020: Information related to the composition of Soitec's board of directors after CEA Investissement's stake fell below 10% of Soitec share capital;
- July 22, 2020: Soitec reports FY'21 first quarter revenues;
- July 7, 2020: availability of the 2019-2020 financial annual report;
- July 7, 2020: Soitec announces POI substrates business agreement with Qualcomm Technologies for 5G RF filters;
- July 3, 2020: Soite announces the departure of Sébastien Rouhe, CFO, to be replaced by Léa Alzingre, appointed acting CFO;
- July 1, 2020: EpiGaN becomes Soitec Belgium n.v. and strenghtens Soitec's portfolio beyond silicon for both 5G RF and power systems;
- June 26, 2020: Information relating to the total number of voting rights and shares forming the share capital as of May 31, 2020;
- June 10, 2020: Soitec reports full year'20 results;
- May 19, 2020: Soitec's engineered substrates for the automotive sector;
- May 12, 2020: Information relating to the total number of voting rights and shares forming the share capital as of April 30, 2020;
- May 11, 2020: Allocation of free performance shares;
- April 22, 2020: Soitec reports FY'19 fourth quarter revenues;
- April 8, 2020: Information relating to the total number of voting rights and shares forming the share capital as of March 31, 2020;
- March 19, 2020: Soitec OCEANE 2023 convertible bondholders approve a partial asset contribution to the benefit of its wholly-owned subsidiary;
- March 16, 2020: Information relating to the total number of voting rights and shares forming the share capital as of February 29, 2020;
- March 4, 2020: Soitec confirms its FY'20 guidance;
- March 4, 2020: Soitec's engineered substrates for 5G;
- March 2, 2020: Soitec convenes the holders of OCEANE 2023 convertible bonds to submit for their approval a partial asset contribution to the benefit of its wholly-owned subsidiary;
- February 20, 2020: Information relating to the total number of voting rights and shares forming the share capital as of January 31, 2020;
- January 31, 2020: Information relating to the total number of voting rights and shares forming the share capital as of December 31, 2019;
- January 21, 2020: Soitec reports FY'20 third quarter revenues;
- December 19, 2019: Allocation of free performance shares;
- December 10, 2019: Information relating to the total number of voting rights and shares forming the share capital as of November 30, 2019;
- November 29, 2019: Implementation of an employee shareholding plan;
- November 28, 2019: Information relating to the total number of voting rights and shares forming the share capital as of October 31, 2019;
- November 27, 2019: Half-year results for 2019-2020;
- November 18, 2019: Soitec announces joint development program with Applied Materials on next-generation silicon carbide substrates;
- October 31, 2019: Information relating to the total number of voting rights and shares forming the share capital as of September 30, 2019;
- October 15, 2019: Soitec reports FY'20 second quarter revenues;
- September 23, 2019: Information relating to the total number of voting rights and shares forming the share capital as of on August 31, 2019;
- September 17, 2019: Successful placement of Soitec shares;
- September 16, 2019: Private placement of Soitec shares;
- September 13, 2019: Soitec announces the addition of piezoelectric-on-insulator (POI) substrate capacity to meet increasing demand for 4G/5G RF filters;
- September 5, 2019: Soitec announces the appointment of Sébastien Rouge as Chief Financial Officer;
- August 29, 2019: Information relating to the total number of voting rights and shares forming the share capital as of July 31, 2019;
- July 30, 2019: Information relating to the total number of voting rights and shares forming the share capital as of June 30, 2019;
- July 19, 2019: Soitec announces the conversion of preferred shares into ordinary shares;
- July 26, 2019: Ordinary and Extraordinary Shareholders' General Meeting of July 26, 2019;
- July 17, 2019: Soitec reports FY'19 first quarter revenues;
- July 8, 2019: Soitec and KOKUSAI ELECTRIC CORPORATION expand their strategic technology partnership through R&D collaboration at Substrate Innovation Center;
- July 5, 2019: Publication of the Registration Document 2018-2019;
- July 5, 2019: Ordinary and Extraordinary Shareholders' General Meeting of July 26, 2019;
- June 17, 2019: Information relating to the total number of voting rights and shares forming the share capital as of May 31, 2019;
- June 13, 2019: Soitec hosts its 2019 Capital Markets Day;
- June 12, 2019: 2018-2019 annual results;
- June 6, 2019: GLOBAL FOUNDRIES and Soitec announce multiple long term SOI wafer supply agreements to meet accelerating demand in 5G, IoT and data centers;
- May 27, 2019: Soitec announces changes to its Board of Directors;
- May 16, 2019: Information relating to the total number of voting rights and shares forming the share capital as of April 30, 2019;
- May 13, 2019: Soitec expands its engineered substrate portfolio into GaN (Gallium Nitride) with the acquisition of EpiGaN n.v.;
- April 17, 2019: Soitec reports FY'19 fourth quarter revenues;
- April 11, 2019: Information relating to the total number of voting rights and shares forming the share capital as of March 29, 2019;
- March 28, 2019: Soitec announces changes to Board of Directors;
- March 26, 2019: Soitec and A*STAR launch joint program to develop a new layer transfer process for advanced packaging;
- March 18, 2019: Soitec announces direct sales operation in China;

- March 7, 2019: Information relating to the total number of voting rights and shares forming the share capital as of February 28, 2019;
- February 25, 2019: Soitec joins China Mobile 5G innovation center;
- February 19, 2019: Soitec and Simgui announce enhanced partnership and increased production capacity for 200mm SOI wafers in China, securing future growth;
- February 14, 2019: Soitec becomes strategic partner of Silicon Catalyst start-up incubator;
- February 12, 2019: Information relating to the total number of voting rights and shares forming the share capital as of January 31, 2019;
- January 21, 2019: Soitec expands collaboration with Samsung Foundry on FD-SOI wafer supply;
- January 21, 2019: Soitec reports FY'19 third quarter revenues;
- January 10, 2019: Information relating to the total number of voting rights and shares forming the share capital as of December 31, 2018;
- December 14, 2018: Information relating to the total number of voting rights and shares forming the share capital as of November 30, 2018;
- November 28, 2018: Soitec reports first half of FY'19 results;
- November 21, 2018: Information relating to the total number of voting rights and shares forming the share capital as of October 31, 2018;
- November 14, 2018: Soitec's SOI wafers at the heart of new Renesas SOTB™ energy harvesting chipset;
- October 19, 2018: Information relating to the total number of voting rights and shares forming the share capital as of September 30, 2018;
- October 17, 2018: Soitec reports FY'19 second quarter revenues;
- September 17, 2018: Information relating to the total number of voting rights and shares forming the share capital as of August 31, 2018;
- August 21, 2018: Soitec and MBDA to acquire Dolphin Integration assets;
- August 6, 2018: Information relating to the total number of voting rights and shares forming the share capital as of July 31, 2018;
- July 31, 2018: Soitec announces decisions taken by its Board of Directors during its meeting held on July 26, 2018;
- July 27, 2018: Ordinary and Extraordinary Shareholders' General Meeting of July 26, 2018;
- July 18, 2018: Soitec reports FY'19 first quarter revenues;
- July 11, 2018: Information relating to the total number of voting rights and shares forming the share capital as of June 30, 2018;
- July 10, 2018: Leti and Soitec Launch a new substrate innovation center to develop engineered substrate solutions;
- July 5, 2018: Ordinary and Extraordinary Shareholders' General Meeting of July 26, 2018 – Publication of the supporting documents;
- June 21, 2018: Soitec announces the success of its offering of Bonds Convertible into and/or exchangeable for New or Existing Ordinary Shares ("OCEANE"), due June 2023, for a nominal amount of approximately €150 million;
- June 21, 2018: Soitec launches an offering of Bonds Convertible into and/or exchangeable for New or Existing Ordinary Shares ("OCEANE"), due June 2023, for a nominal amount of approximately €150 million;
- June 19, 2018: Publication of the Registration Document 2017-2018- "Financial Reports" section;
- June 13, 2018: 2017-2018 annual results;
- June 8, 2018: Information relating to the total number of voting rights and shares forming the share capital as of May 31, 2018;
- May 29, 2018: Soitec commends the establishment of an Industry Strategic Committee under the aegis of the National Industry Council (*Conseil national de l'industrie* (CNI)) as well as the launch of the "Nano2022" plan;
- May 23, 2018: Information relating to the total number of voting rights and shares forming the share capital as of April 30, 2018;
- April 25, 2018: Information relating to the total number of voting rights and shares forming the share capital as of March 31, 2018;
- April 18, 2018: Soitec reports FY'18 fourth quarter and annual revenues;
- April 3, 2018: Soitec accelerates its recruitment plan to support its growth momentum;
- March 26, 2018: Information relating to the total number of voting rights and shares forming the share capital as of February 28, 2018;
- March 23, 2018: Ordinary and Extraordinary Shareholders' General Meeting of March 23, 2018;
- March 2, 2018: Ordinary and Extraordinary Shareholders' General Meeting of March 23, 2018 – Publication of the supporting documents;
- February 16, 2018: Information relating to the total number of voting rights and shares forming the share capital as of January 31, 2018;
- January 19, 2018: Information relating to the total number of voting rights and shares forming the share capital as of December 31, 2017;
- January 17, 2018: Soitec reports FY'18 third quarter revenues;
- December 14, 2017: Information relating to the total number of voting rights and shares forming the share capital as of November 30, 2017;
- December 4, 2017: Soitec hosts its first Capital Market Day;
- November 30, 2017: Soitec announces substrate breakthrough for 3D image sensing devices;
- November 29, 2017: After reorganizing the Company governance, Victoire de Margerie has decided to step down as Chairman of the Board of Directors of Soitec;
- November 29, 2017: Half-year results for 2017-2018;
- November 14, 2017: Information relating to the total number of voting rights and shares forming the share capital as of October 31, 2017;
- October 20, 2017: Information relating to the total number of voting rights and shares forming the share capital as of September 30, 2017;
- October 18, 2017: Soitec reports FY'18 second quarter revenues;
- September 29, 2017: Information relating to the total number of voting rights and shares forming the share capital as of on August 31, 2017;
- September 19, 2017: GlobalFoundries and Soitec enter into long-term supply agreement to supply FD-SOI wafers;
- September 12, 2017: Soitec launches FD-SOI pilot line in Singapore;
- August 28, 2017: Information relating to the total number of voting rights and shares forming the share capital as of July 31, 2017;
- August 9, 2017: Soitec announces the successful early amortization of its 2018 OCEANEs with a 98.74% rate of conversion rate;
- July 27, 2017: Ordinary and Extraordinary Shareholders' General Meeting of July 26, 2017;
- July 27, 2017: Change to Soitec's governance organization: dissociation of the duties of the Chairman of the Board of Directors and those of Chief Executive Officer;
- July 19, 2017: Soitec reports 2017-2018 first quarter revenues;
- July 13, 2017: Information relating to the total number of voting rights and shares forming the share capital as of June 30, 2017;
- July 10, 2017: Ordinary and Extraordinary Shareholders' General Meeting of July 26, 2017: Publication of supporting documents;

- July 7, 2017: Soitec implements the early amortization of its 2018 OCEANE for an amount of €41.8 million, and continues its debt relief process;
- July 5, 2017: Publication of the Registration Document 2016-2017;
- June 26, 2017: Information relating to the total number of voting rights and shares forming the share capital as of May 31, 2017;
- June 14, 2017: '17 annual results;
- May 24, 2017: Information relating to the total number of voting rights and shares forming the share capital as of April 30, 2017;
- May 11, 2017: Soitec names global industry veteran Stephen Lin to new position of Vice President of strategic business development in China;
- April 24, 2017: Information relating to the total number of voting rights and shares forming the share capital as of March 31, 2017;
- April 19, 2017: Soitec reports FY 2017 fourth quarter and annual revenues.

9.3 PERSONS RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT AND FOR FINANCIAL INFORMATION

9.3.1 PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

Paul Boudre, Chief Executive Officer.

9.3.2 DECLARATION BY THE PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

"I hereby certify, after taking all reasonable measures to this end, that to the best of my knowledge, the information contained in this Universal Registration Document is in accordance with the facts and does not make any omission likely to affect the fairness of the presentation.

I certify that, to the best of my knowledge, the financial statements are drawn up in accordance with applicable accounting standards and give a fair view of the assets, liabilities, financial position and results of our Company and of all the companies included in the scope of consolidation, and that the management report included in this Universal Registration Document (see Cross-reference list) presents a fair view of business developments, results and financial position of the Company and companies included in the scope of consolidation and a description of the main risks and uncertainties that they face".

On September 1, 2020

Paul Boudre

Chief Executive Officer

9.4 STATUTORY AUDITORS

PRINCIPAL AUDITORS

KPMG S.A., represented by Jacques Pierre and Stéphane Devin

Tour EQHO, 2, avenue Gambetta, 92066 Paris La Défense Cedex

- date of first appointment: July 25, 2016;
- expiration date of this appointment: Shareholders' Ordinary General Meeting called to approve the financial statements for the year ending March 31, 2022.

Ernst & Young Audit, represented by Nicolas Sabran

1-2, place des Saisons, 92037 Paris La Défense Cedex

- date of first appointment: July 25, 2016;
- expiration date of this appointment: Shareholders' Ordinary General Meeting called to approve the financial statements for the year ending March 31, 2022.

ALTERNATE AUDITORS

Salustro Reydel (alternate for KPMG S.A.)

Tour EQHO, 2, avenue Gambetta, 92066 Paris La Défense Cedex

- date of first appointment: July 25, 2016;
- expiration date of this appointment: Shareholders' Ordinary General Meeting called to approve the financial statements for the year ending March 31, 2022.

Auditex (alternate for Ernst & Young Audit)

1-2, place des Saisons, 92037 Paris La Défense Cedex

- date of first appointment: July 25, 2016;
- expiration date of this appointment: Shareholders' Ordinary General Meeting called to approve the financial statements for the year ending March 31, 2022.

9.5 STATUTORY AUDITORS' FEES

Statutory auditors' fees and fees of the members of their networks paid by our Company and its subsidiaries.

For fiscal years ended on March 31, 2019 and March 31, 2020, the fees are broken down as follows:

	2019-2020				2018-2019			
	KPMG S.A.		Ernst & Young Audit		KPMG S.A.		Ernst & Young Audit	
	Amount (VAT excluded) *(in € thousand)*	*%*	Amount (VAT excluded) *(in € thousand)*	*%*	Amount (VAT excluded) *(in € thousand)*	*%*	Amount (VAT excluded) *(in € thousand)*	*%*
Auditing, statutory auditor's opinion, examination of individual and consolidated financial statements								
• Issuer	219.69	56.22%	273	84%	162	77.15%	168	74.50%
• Fully consolidated subsidiaries	145.30	37.19%	12	3.70%	33	15.71%	42	18.63%
Other work and services directly related to statutory auditor's assignment								
• Issuer	25,750	6.60%	40	12.30%	15	7.14%	15.5	6.87%
• Fully consolidated subsidiaries	-	0%	-	0%	-	0%	-	0%
Subtotal	**390.74**	**100%**	**325**	**100%**	**210**	**100%**	**225.5**	**100%**
Other services provided by the networks to the fully consolidated subsidiaries								
Legal, tax, labor	-	0%	-	0%	-	0%	-	0%
Others (to be specified if > 10% of audit fees)	-	0%	-	0%	-	0%	-	0%
Subtotal	-	**0%**	-	**0%**	-	**0%**	-	**0%**
TOTAL	**400**	**100%**	**325**	**0%**	**210**	**100%**	**225.5**	**100%**

9

Cross-reference lists

CROSS-REFERENCE LIST WITH THE ITEMS OF ANNEXES 1 AND 2 OF DELEGATED REGULATION (EU) 2019/980

The cross-reference list below helps identify within this Universal Registration Document the information referred to in the items of Annex 1 and Annex 2 of Commission Delegated Regulation (EU) 2019/980 of March 14, 2019, supplementing Regulation (EU) No. 2017/1129 of the European Parliament and of the Council, dated June 14, 2017 as regards the format, content, scrutiny, and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No. 809/2004.

No.	Items of Annex 1 of European Regulation 2019/980	Section	Pages
12.	**Administrative, management, and supervisory bodies, and Executive Management**		
12.1	Information on the members of the administrative bodies	4.1	107-147
12.2	Conflicts of interest within administrative, management, and supervisory bodies and senior management	4.1.6	139-143
13.	**Compensation and benefits**		
13.1	Compensation and benefits in kind	4.2	146-164
13.2	Total amounts provisioned or accrued by the issuer or its subsidiaries to provide for pension, retirement or similar benefits	4.2.7	164
14.	**Functioning of the administrative and management bodies**		
14.1	Expiry dates and start dates of current terms of office	4.1.1.2	111
14.2	Service contracts binding members of the administrative, management, or supervisory bodies to the issuer or one of its subsidiaries	4.1.6.8	143
14.3	Information about the Audit Committee and Compensation Committee	4.1.4	135-137
14.4	Compliance with the corporate governance regime in force	4.1.5	137-138
14.5	Potential material impacts on the corporate governance, including future changes in the Board and committees' composition	4.1.2.2 4.1.2.3	126
15.	**Employees**		
15.1	Number of employees	3.4.1	70
15.2	Shareholding and stock options	4.2.6.1	162
15.3	Employee interests in the issuer's share capital	7.2.3	262-270
16.	**Major shareholders**		
16.1	Shareholders with more than 5% of the share capital	7.1.1	254
16.2	Existence of different types of voting rights	7.1.5.2	257
16.3	Control of the issuer	7.1.6.2	259
16.4	Arrangements the operation of which may result in a change of control	7.1.6.3	259
17.	**Related party transactions**	**6.2.1.2 (note 5.3)**	**217-218**
18.	**Financial information regarding the assets and liabilities, financial position, and profits and losses of the issuer**		
18.1	Historical financial information		
18.1.1	*Audited historical financial information*	6.2, 6.3	184-225, 226-247
18.1.2	*Change of accounting reference date*	N/A	N/A
18.1.3	*Accounting standards*	6.2.1.1 (note 2)	188-197
18.1.4	*Change of accounting framework*	N/A	N/A
18.1.5	*Financial information audited according to national accounting standards*	6.2, 6.3	184-225, 226-247
18.1.6	*Consolidated financial statements*	6.2	184-225
18.1.7	*Age of the latest financial information*	March 31, 2020	N/A
18.2	Interim and other financial information		
18.2.1	*Quarterly or half-yearly financial information prepared since the date of the last audited financial statements*	N/A	N/A
18.2.3	*Interim financial information from the first six months of the financial year after the end of the last audited financial year*	N/A	N/A
18.3	Auditing of annual historical financial information		
18.3.1	Auditing of annual historical financial information	6.1	184
18.3.2	*Other information in the Universal Registration Document that has been audited by the statutory auditors*	3.7.4, 8.4	101-103, 341-342
18.3.3	*Indication of the source and lack of verification of the financial information contained in the Universal Registration Document for any information that is not extracted from the issuer's audited financial statements*	N/A	N/A
18.4	*Pro forma* financial information	N/A	N/A
18.5	Dividend policy	7.1.4	256
18.5.1	*Description of the issuer's policy*	7.1.4	256
18.5.1	*Dividend amount*	7.1.4	256
18.6	Legal and arbitration proceedings	N/A	N/A
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19.	**Additional information**		
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19.1.2	*Shares not representing capital*	7.2.1.1	259
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19.1.5	*Information on the terms governing all acquisition rights and/or obligations attached to the capital subscribed but not paid-up, or on any undertaking aimed at increasing the share capital*	7.2.4	270-283
19.1.6	*Information about the share capital of any member of the Group which is under option or agreed conditionally or unconditionally to be put under option*	7.2.5	284
19.1.7	*History of the share capital*	7.2.6	284
19.2	Articles of incorporation and bylaws		
19.2.1	*Corporate purpose of the issuer and place where this is stipulated in the Articles of incorporation and the bylaws*	9.1.2	348
19.2.3	*Rights, preferences, and restrictions attached to each class of existing shares*	9.1.2	349-252
19.2.3	*Provisions which could delay, defer, or prevent any change in control*	N/A	N/A
20.	**Material contracts**	**N/A**	**N/A**
21.	**Documents available**	**9.2**	**357-360**

No.	Items of Annex 2 of European Regulation 2019/980	Section	Pages
1.	Disclosures requirements	Cross reference above	
2	Filing with the competent authority	Cover Page	1

CROSS-REFERENCE LIST OF THE ANNUAL FINANCIAL REPORT

The cross-reference list below helps identify within this Universal Registration Document the information that makes up the annual financial report in accordance with Article L. 451-1-2 of the French Monetary and Financial Code and Article 222-3 of the General Regulations of the French Financial Markets Authority (AMF).

CROSS-REFERENCE LIST OF THE MANAGEMENT REPORT

The cross-reference list below helps identify within this Universal Registration Document the information which makes up the Board of Directors' management report to the Shareholders' General Meeting required in accordance with Article L. 225-100 and seq. of the French Commercial Code.

This was approved by the Board of Directors of our Company on June 10, 2020 and September 1, 2020 and reports on the elements referred to below, in accordance with the applicable legal and statutory provisions.

Applicable provisions		Information	Section	Pages
III. Information on the share capital				
French Commercial Code	L. 233-13	Names of the individuals or legal entities holding directly or indirectly more than 5% of the share capital or voting rights, and changes made during the fiscal year	7.1.2	255
French Commercial Code	L. 233-13	Names of controlled companies and percentage of the Company's share capital held	1.8 and 7.2.2.2	41 and 256
French Commercial Code	L. 225-102	Employees' stakes in the share capital	7.1.2	255
French Commercial Code	L. 225-102	Shares acquired by employees in the context of a corporate takeover	N/A	N/A
French Commercial Code	L. 233-29 R. 233-19	Share disposals completed for the regularization of cross holdings	N/A	N/A
French Commercial Code	L. 225-211	Information relating to the buy-back by the Company of its own shares	7.2.2	259
French Commercial Code	L. 225-181 L. 228-99 R. 225-137 R. 228-91	Potential adjustments made for securities granting access to the share capital	N/A	N/A
AMF General Regulations French Monetary and Financial Code	223-26 L. 621-18-2 R. 621-43-1	Summary of the transactions in Company shares completed during the last fiscal year by the corporate officers, executives, certain managers of the Company, and any individuals with whom they have a close personal relationship	4.2.6.2	163
IV. Other accounting, financial, and legal information				
French Commercial Code	L. 441-14D. 441-4	Information on supplier or customer terms of payment	5.4.7	180-181
French General Tax Code	243 *bis*	Value of any dividends paid with respect to the last three fiscal years	7.1.4	256
French Commercial Code	L. 464-2	Injunctions or financial sanctions imposed for anti-competitive practices	N/A	N/A
French Monetary and Financial Code	L. 511-4-2	Information on those financial instruments whose underlying asset comprises of an agricultural commodity, and resources implemented by the Company to avoid having a material impact on the prices of agricultural commodities	N/A	N/A
French Monetary and Financial Code	L. 511-4-1	Value and characteristics of all loans financed or distributed by the Company or distributed thereby as defined in part III of Article 80 of law no. 2005-32 of January 18, 2005 on programming for social cohesion and benefiting from public guarantees on this basis.	N/A	N/A
French Monetary and Financial Code	L. 511-6	Amounts of loans maturing in less than three years granted by the Company as an additional mechanism to microbusinesses, SMEs, or intermediate-sized enterprises with which the Company has business ties justifying said loans	N/A	N/A
French Monetary and Financial Code	R. 511-16-1	Return on the Company's assets	N/A	N/A
V. Social and environmental information				
French Commercial Code	L. 225-102-1	Information on how the Company takes into account the social and environmental consequences of its business, that of its subsidiaries and controlled companies, and the impacts of this business regarding respect for human rights and the prevention of corruption and tax evasion	3.6.1	89-90
French Commercial Code	L. 225-102-1 R. 225-105 R. 225-105-1	Information on the Company, subsidiaries, and controlled companies, and information relating to the corporate commitments supporting sustainable development, the circular economy, the prevention of food waste, and the promotion of animal welfare and responsible, equitable, and sustainable food	3.5	83-88
French Commercial Code	L. 225-102-1	Collective agreements executed by the Company, subsidiaries, and controlled companies, and impact on the economic performance of the Company, subsidiaries, and controlled companies, as well as working conditions for employees	3.4.6	81-82
French Commercial Code	L. 225-102-1	Information on how the Company's business, that of its subsidiaries and controlled companies, and the use of the products and services produced impact climate change	3.5.2	85-86
French Commercial Code	L. 225-102-1	Measures adopted by the Company, subsidiaries, and controlled companies in support of people with disabilities	3.4.4.2	79
French Commercial Code	L. 225-102-2	Information for companies using at least one type of facility featured on the list set out in Article L. 515-36 of the French Environment Code	N/A	N/A
French Commercial Code	L. 225-102-4	Vigilance plan relating to the business of the Company, its subsidiaries, and controlled companies, and a report on its implementation	N/A	N/A
VI. Appendices to the management report				
French Commercial Code	R. 225-102	Table showing the Company's financial results for the last 5 fiscal years	6.5.1	249
French Commercial Code	L. 225-102-1, paragraph 3 R. 225-105-2	Opinion issued by the independent third-party body retained to verify the social and environmental information provided in the management report	3.7.4	101-102

CROSS-REFERENCE LIST OF THE CORPORATE GOVERNANCE REPORT

The cross-reference list below helps identify within this Universal Registration Document the information which makes up the Board of Directors' corporate governance report required in accordance with Article L. 225-37 of the French Commercial Code.

This was approved by the Board of Directors of our Company on June 10, and September 1, 2020, and reports on the elements referred to below, in accordance with the applicable legal and statutory provisions.

The statutory auditors' report on the report by the Board of Directors on corporate governance is included in their report on the annual financial statements.

Applicable provisions		Information	Section	Pages
French Commercial Code	L. 225-37-2	Information on the compensation policy for corporate officers for fiscal year 2020-2021	4.2.3	155-160
French Commercial Code	L. 225-37-3	Total compensation and benefits of all kinds paid, during fiscal year 2019-2020 or granted in respect of the term of office for fiscal year 2019-2020, to each corporate officer of the Company by the Company, the companies under its control, or its controlling company	4.2.1	146-151
French Commercial Code	L. 225-37-3	Commitments of all kinds made by the Company to its corporate officers, corresponding to components of compensation, indemnities, or benefits due or likely to be due because of commencement, termination, or change in their functions, or subsequent to the performance of these functions, particularly retirement benefits and other life annuity benefits	4.2.7	164
French Commercial Code	L. 225-37-3	Annual change in compensation, Company performance, average compensation based on full-time equivalent for Company employees other than executives, and ratios, during at least the five most recent fiscal years	4.2.2.4	152-156
French Commercial Code	L. 225-37-3	Description of the way in which the total compensation complies with the adopted compensation policy, including the way in which it contributes to the Company's long-term performance, and the way in which the performance criteria have been applied	4.2.3	155-159
French Commercial Code	L. 225-37-3	Manner in which the vote of the most recent Ordinary Shareholders' General Meeting stipulated in part II of Article L. 225-100 of the French Commercial Code has been taken into account	4.2.1	146-151
French Commercial Code	L. 225-37-3	Disparity between the procedure for implementing the compensation policy and any exemption applied in accordance with the second paragraph of part II of Article L. 225-37-2 of the French Commercial Code, including a description of any exceptional circumstances and an indication of the specific components that do not apply	4.2.1	146-151
French Commercial Code	L. 225-37-3	If necessary, information on the enforcement of the provisions of the second paragraph of Article L. 225-45 of the French Commercial Code	N/A	N/A
French Commercial Code	L. 225-197-1	Conditions concerning the retention period of free shares allocated to executive corporate officers	4.1.7.3.(B)	144
French Commercial Code	L. 225-185	Conditions governing the exercise and holding of options allocated to corporate officers	N/A	N/A
French Commercial Code	L. 225-37-4-1	List of all corporate offices and duties performed within any company by each corporate officer during fiscal year 2019-2020	4.1.1.2	112-123
French Commercial Code	L. 225-37-4-2	Related-party agreements executed by and between any one of the Company's corporate officers or a shareholder with over 10% of the voting rights and a subsidiary of the Company	4.1.6.8	143
French Commercial Code	L. 225-37-4-3	Summary table of delegations relating to capital increases	7.2.4.1 and 8.2.3	270-271, 312
French Commercial Code	L. 225-37-4-4	Exercise methods for the Executive Management	4.1.1.1	107-110
French Commercial Code	L. 225-37-4-5	Composition and conditions governing the preparation and organization of the work of the Board	4.1.2 and 4.1.3	124-132
French Commercial Code	L. 225-37-4-6	Application of the principle of gender balance within the Board of Directors	4.1.2.4	126
French Commercial Code	L. 225-37-4-7	Limits potentially imposed by the Board of Directors on the powers of the Chief Executive Officer	4.1.1.1	107
French Commercial Code	L. 225-37-4-8	Corporate Governance Code prepared by corporate representative organizations used as a reference by the Company	4.1.5	137
French Commercial Code	L. 225-37-4-9	Terms related to the participation by shareholders in the Shareholders' General Meeting	8.5.1	343
French Commercial Code	L. 225-37-5	Factors likely to have an impact in the event of a public offering	7	253
French Commercial Code	L. 225-235	Statutory auditors' report on the Board of Directors' report on corporate governance	Included in the report on the annual financial statements featured in section 6.3.2 (page 224)	

DOCUMENTS OF THE SHAREHOLDERS' GENERAL MEETING

The documents and information required by Article R. 225-88 of the French Commercial Code (other than those listed above), as well as any additional information required in preparation for the Annual Shareholders' General Meeting, included in this Universal Registration Document, are listed below.

The other documents required by Article R. 225-88 of the French Commercial Code are included in the convening notice sent by mail or electronically to registered shareholders. These documents, as well as this Universal Registration Document, are published on our Company website (www.soitec.com), in the section Company - Investors - Shareholders' General Meetings - 2020 – OEGM September 23, 2020.

Crl

G. Glossary

Key words in electronics

Wafer

Semiconductor plate, slice or wafer used as a support for manufacturing micro-structures. These micro-structures are a major component in the manufacturing of integrated circuits, transistors, power semiconductors or electromechanical microsystems.

Moore's law

Moore's law was published in 1965 in "Electronics Magazine" by Gordon Moore, a Fairchild Semiconductor engineer and one of three founders of Intel. Ascertaining that the complexity of the semiconductors proposed at range entry-level doubled every year at a constant cost since 1959, the date of their invention, he forecast the continuation of this growth (in 1965, the best-performing circuit contained 64 transistors). This exponential increase was quickly named Moore's law, or, given the subsequent adjustment, "Moore's First law".

Transistor

A transistor is a semiconductor device with three active electrodes, which can control a current. They are found in high numbers in processors (smartphones, computers, etc.).

More Moore

A challenge to continue the trend to manufacture ever-smaller devices for technological nodes beyond 28nm.

Nanometer (nm)

One billionth of a meter.

More than Moore

The challenge of integrating more circuit functions and managing their growing complexity.

Compound products

Any semiconductor material composed of two or more elements is called a compound semiconductor material. Gallium arsenide (GaAs), gallium nitride (GaN), indium phosphide (InP), zinc selenide (ZnSe), and silicon carbide (SiC) are typical examples of a compound semiconductor.

Components

Substrate

Physical base, support or stand which can receive any scriptural or other element, organic, to ensure its sustainability or development.

Silicon-on-Insulator (SOI)

Structure constituted of a stacking of a layer of silicon (from a few dozen nm to a few µm thick) on an insulator layer. This technology is an alternative to raw silicon in the manufacturing of transistors operating at high frequencies.

Bulk silicon

Bulk silicon in "basic" form (unlike advanced substrates such as the SOI), whose semiconductor properties have allowed for the creation of transistors and then integrated circuits ("chips").

Industrial applications

Smart Cut™

Process allowing for transferring very fine layers of crystalline materials to a mechanical support. The application of this technological process is used mainly in Silicon-on-Insulator (SOI). The role of SOI is to electronically insulate a thin layer of mono-crystalline silicon from the rest of the silicon plate, an ultra-thin silicon film is transferred to a mechanical support, which introduces an intermediary, insulator layer. Semiconductor manufacturers can then manufacture integrated circuits on the upper layer of the SOI wafers by using the same processes they would use on raw silicon wafers.

Smart Stacking™

The Soitec Smart Stacking™ technology enables the transfer of thin layers of substrates or circuits to other substrates, in an efficient industrial environment. It is used for backlit image sensors, whose sensitivity it increases, which means that the size of the pixels can be reduced. It opens up new prospects for RF and 3D applications.

Bonded SOI

Process of bonding silicon wafers without additional intermediary layers.

FD-SOI (Fully-Depleted Silicon-on-Insulator)

FD-SOI technology is considered a low-consumption and high-performance new-generation alternative to traditional silicon technologies. The wafers used for the fully depleted flat structure transistor technology are composed of an extremely thin silicon layer on an insulating oxide layer. These wafers, adapted for mass-market mobile and multi-media applications, are able to reduce energy consumption by up to 40% compared to traditional technologies, with equivalent performances.

Epitaxy

Epitaxy means a technique involving stacking thin layers measuring just a few nanometers in width. These layers of material allow various characteristics to be introduced, in the case of the Group, in order to improve the RF performance of their future devices.

Financial

AMF

French Financial Markets Authority (*Autorité des marchés financiers*), the financial markets regulatory authority in France.

Bond

Contract by which a legal entity (a company, a bank, a government or a governmental organization) receives a certain amount of money from subscribers of the bonds it has issued.

The bonds bear interest that compensates the lender investors. These securities also give their holders the right to be repaid on the maturity of the bond itself. Should the Company go bankrupt, the bond holders are repaid before the shareholders.

Goodwill

Can be estimated from profitability outlooks of the investments made by the Company, taking account of the positions it has taken on its market.

The concept of goodwill corresponds to a financial valuation of the reputation, know-how and performances of the Company, as well as its positioning and the commitment of its suppliers and all its partners.

Goodwill is an element monitored closely by investors since in the event of a sale or buyout of the Company, the estimate of the value of the goodwill may provide a good foundation for discussion for determining the sale price.

IFRS standards

Accounting standards (International Financial Reporting Standards) which are applied internationally and which are defined by the International Accounting Standard Board. The IFRS standards concern the summary documents (balance sheet, profit & loss account and notes) published by the companies but also, more generally, all published financial information.

OCEANE convertible bonds

Bonds that can be converted into new shares. An OCEANE gives its holder the option of converting the bond at any time, on given dates or even at maturity. An OCEANE may also sometimes be converted when the issuer wishes depending on the terms of the issue contract.

Prospectus 3

Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market.

CGU (cash-generating unit)

According to the IFRS standards, a company must define the highest possible number of cash-generating units (CGU) comprising it; these CGU need to be largely independent in their operations and the Company must allocate its assets to each of these CGU. The impairment tests are performed on these CGU from time to time if there are reasons to believe that their value dropped, or every year if they include goodwill.

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