

Lannion, March 16, 2021 – 5:45pm

2020 EARNINGS: CURRENT OPERATING MARGIN¹ OF OVER 11% IN A HEALTH CRISIS CONTEXT

- Current operating income up 15% to €14.1m (reported)
- Increase in profitability for the Medical division on the new scope (successful integration of Ellex)
- Sound financial position

The LUMIBIRD Group, the European leader for laser technologies, is reporting an improvement in current operating income for 2020, despite a business environment held back by the global health crisis. This performance was supported by a higher margin rate and lower external costs on the historical scope. Alongside these factors, acquisitions made a positive contribution, confirming the relevance of the external growth strategy. From operating income to net income, the contraction primarily reflects the €4.0m expense linked to the payment fraud affecting the subsidiary Halo-Photonics. Following record-high revenues in the fourth quarter of 2020, in 2021 LUMIBIRD is looking to continue building on the robust development of its historical scope, while capitalizing on synergies with the companies acquired last year.

Extract from the condensed consolidated full-year financial statements approved by the Board of Directors on March 16, 2021

| At 31 December (€m) | 2019 | 2020 | Reported change | | 2020 - Contribution historical scope | 2020 - Contribution new scope ² |
|---------------------------------|--------------|--------------|-----------------|---------------|--------------------------------------|--|
| | | | Value | % | | |
| Revenues | 110.7 | 126.7 | +16.0 | +14.5% | 100.3 | 26.4 |
| EBITDA | 21.0 | 23.7 | +2.7 | +12.8% | 19.1 | 4.6 |
| <i>% revenues</i> | 18.9% | 18.7% | | | 19.0% | 17.3% |
| Current operating income | 12.3 | 14.1 | +1.9 | +15.3% | 10.7 | 3.5 |
| <i>% revenues</i> | 11.1% | 11.2% | | | 10.6% | 13.1% |
| Operating income | 11.3 | 8.7 | (2.6) | -23% | 8.9 | (0.2) |
| Pre-tax income | 10.6 | 7.2 | (3.4) | -32% | 7.6 | (0.4) |
| Net income | 8.8 | 5.6 | (3.2) | -36% | 6.2 | (0.6) |

¹ Current operating income / revenues

² The data for the new scope correspond to the contributions by Ellex from July 1, 2020 to December 31, 2020, by Halo-Photonics from January 1, 2020 to December 31, 2020, by Optotek from January 1 to August 31, 2020, and by the EssMed companies from August 1, 2020 to December 31, 2020.

Business resilient in 2020

The LUMIBIRD Group's full-year revenues came to €126.7m in 2020, up 14.5% (reported) and down 9.4% like-for-like. Including Ellex's laser and ultrasound activities at January 1 (€20m of revenues for the first half of 2020), the Group's pro forma 2020 revenues represent €146.7m.

In the fourth quarter, the Group returned to positive organic growth (+3.0%) which, combined with the contribution from new activities (€12.9m), made it possible to achieve record revenues of €48.2m.

- The Photonics division, with €68.8m of revenues (reported basis), recorded a -3.6% contraction for the year (-10.2% like-for-like), marked primarily by the planned scaling down of the MegaJoule contract that began in the fourth quarter of 2019;
- The Medical division's revenues (reported data) came to €57.9m (+47.2% reported and -8.0% on an organic basis), including six months of Ellex's business and marked in particular by a change in purchasing and sales practices linked exclusively to the pandemic (cancellation of major events). On a pro forma basis (considering Ellex's acquisition at January 1, 2020 and taking into account first-half revenues of €20m), the Medical division's revenues totaled €77.9m.

Despite the restrictions introduced with the health crisis, the integration of Ellex and the development of commercial and industrial synergies have moved forward as planned, with sales for the new combined structure in line with the budget set, including operations in the United States.

Current operating profitability maintained

Summary of results for each division

| €m | 2019 | | | 2020 | | |
|---------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Photonic | Medical | TOTAL | Photonic | Medical | TOTAL |
| Revenues | 71.4 | 39.3 | 110.7 | 68.8 | 57.9 | 126.7 |
| EBITDA | 15.5 | 5.5 | 21.0 | 14.3 | 9.4 | 23.7 |
| <i>% of revenues</i> | <i>21.7%</i> | <i>13.9%</i> | <i>18.9%</i> | <i>20.8%</i> | <i>16.2%</i> | <i>18.7%</i> |
| Current op. income | 9.3 | 3.0 | 12.3 | 8.0 | 6.1 | 14.1 |
| <i>% of revenues</i> | <i>13.0%</i> | <i>7.6%</i> | <i>11.1%</i> | <i>11.7%</i> | <i>10.5%</i> | <i>11.2%</i> |

Profitability maintained for the new scope

LUMIBIRD generated €14.1m of current operating income in 2020, representing 11.2% of revenues, compared with 11.1% one year earlier.

This good performance reflects a year marked by the effects of the health crisis in 2020 and the integration of Ellex's activities at June 30, 2020.

The €1.9m increase in current operating income can be broken down as follows:

- +€3.5m from external growth contribution, highlighting the intrinsic profitability of the companies acquired, as well as their successful integration within the Group;

- -€2.9m contraction for the Photonics division, for which the impact of the contraction in revenues on current operating profitability was partially offset by the improvement in the gross margin rate, linked to a favorable product mix;
- +€1.3m increase for the Medical division, linked primarily to the adaptation of external costs (variable) in line with the health crisis context (and particularly the cancellation of a number of marketing expenses);

After taking into account the impact of non-recurring items (primarily including the cost of the payment fraud for €4.0m and acquisition costs relating to the business combinations for €1.4m), operating income came to €8.9m for 2020, compared with €11.3m in 2019.

Pre-tax income totaled €7.2m (vs. €10.6m in 2019), after factoring in finance costs of €1.5m, higher than the previous year due to the effect of the increase in debt and the one-off, non-cash impact of restructuring the acquisition debt.

Following a corporate income tax contribution of €(1.6)m, net income came to €5.6m, compared with €8.8m in 2019. Excluding the impact of the payment fraud (€3.2m net of tax), net income represents €8.8m for 2020, the same level as in 2019.

Solid balance sheet position

| Balance sheet highlights (€m) | 2019 | 2020 | Change | Of which contrib. from 2020 acquisitions |
|---|--------------|--------------|--------------|--|
| Goodwill | 40.1 | 69.2 | 29.1 | 29.3 |
| Non-current assets (excl. Goodwill) | 50.3 | 74.1 | 23.8 | 18.8 |
| Current assets (excl. cash) | 53.1 | 82.0 | 28.9 | 21.5 |
| Cash and equivalents | 50.3 | 80.3 | 30.0 | (53.9) |
| TOTAL ASSETS | 193.8 | 305.6 | 111.8 | 15.7 |
| Shareholders' equity (Incl. minority interests) | 124.9 | 163.7 | 38.8 | 1.3 |
| Long-term financial liabilities ³ | 25.0 | 71.5 | 46.5 | 1.4 |
| Other long-term liabilities | 9.5 | 13.0 | 3.5 | 1.6 |
| Current financial liabilities | 7.1 | 16.8 | 9.7 | 0.3 |
| Current liabilities | 27.3 | 40.6 | 13.3 | 11.2 |
| TOTAL LIABILITIES | 193.8 | 305.6 | 111.8 | 15.7 |

The change in the balance sheet total for 2020, up from €193.8m to €305.6m, includes the change in scope with the acquisition of Ellex.

- Shareholders' equity increased from €124.9m to €163.7m, with a €35.6m impact for the Group's rights issue in June 2020;
- Gross financial debt⁴ increased from €56.2m to €88.3m, linked in particular to:
 - The €29.9m drawdown, for the balance of the acquisition debt, which made it possible to finance the Ellex operation at June 30, 2020;

³ Financial liabilities (current and non-current) include lease liabilities under IFRS 16.

⁴ Gross financial debt corresponds to the sum of non-current financial liabilities and current financial liabilities, including lease liabilities under IFRS 16.

- The €25.9m of new financing lines set up, primarily including a French government-backed loan plan with six partner banks for €15m and two lines for €5m with BPI Financement for nine years and nine months.
- Taking into account €80.3m of cash assets at December 31, 2020 (versus €50.3m one year earlier), net financial debt at December 31, 2020 totaled €8.0m, compared with -€18.2m at December 31, 2019.

This robust financial position is enabling the Group to maintain its financial flexibility and its capacity to continue financing its ambitions for external growth.

Cash flow analysis

| En M€ | 31/12/2019 | 31/12/2020 |
|--|---------------|---------------|
| Net cash-flow from operations | 19.5 | 13.1 |
| Operating cash-flow before interests and tax | 19.9 | 18.2 |
| Change in WCR | (0.1) | (6.1) |
| Taxes paid | (0.3) | 1.1 |
| Net cash-flow from investing activities | (17.1) | (67.1) |
| Capital expenditures | (11.0) | (12.3) |
| External growth | (6.1) | (54.2) |
| Other financial assets investments | - | (0.6) |
| Net cash-flow from financing activities | 28.9 | 84.8 |
| Capital increase | 24.6 | 35.6 |
| Net loans issuance | 4.3 | 53.2 |
| Financing cost | (0.6) | (1.4) |
| Other change | 0.7 | (2.6) |
| NET CASH FLOW⁵ | 31.2 | 30.7 |

Over the year, in a health crisis context, and despite the impact of the fraud affecting Halo-Photonics, Lumibird maintained its cash generation at around €31m:

- Cash flow from operating activities, including the impact of the fraud (for -€4m) and an increase in working capital requirements (€6.1m) linked to the fourth quarter's strong business growth, enabled it to cover the financing for its industrial investments (€12.3m, with €6.4m of development costs, €2.9m of work to fit out Quantel Medical's new building and €3m of technical facilities).
- Cash flow from financing activities (+€84.8m over the year) enabled the Group to finance its external growth operations during the year and to give itself the means to finance its growth.

In addition, the Group carried out an operation on December 1, 2020 to overhaul its acquisition debt under the following conditions:

- Refinancing of the line already set up for €35m, based on 50% with the same banking pool and 50% with a bond investors pool, under the same financial conditions: (i) 3-month Euribor rate + 1.65%, (ii) repayable in five instalments from December 2020 (first instalment

⁵ The cash position corresponds to "cash and cash equivalents" on the asset side of the balance sheet, net of current bank borrowings (cash liabilities) included in current financial liabilities on the liability side of the balance sheet

paid in December 2021), and (iii) requiring rate hedging to be set up for 100% of the nominal amount of this debt;

- Setting up an additional line (undrawn at December 31, 2020):
 - banking, with a €41.3m confirmed allocation for authorized targets and €41.3m unconfirmed for eligible targets: (i) able to be drawn down through to December 2022, (ii) subject to interest at the 3-month Euribor + 1.65%, (iii) repayable in five instalments from December 2022 (first instalment paid in December 2023), and (iv) requiring rate hedging to be set up for 100% of the nominal amount of this debt;
 - bond, with a €17.5m confirmed allocation for authorized targets and €5m unconfirmed for eligible targets: (i) able to be drawn down through to December 31, 2022, (ii) subject to 3.30% interest, and (iii) repayable at term on December 1, 2027.

All of this debt is subject to two ratios which are tested annually at December 31 and which, if they are not complied with, result in the debt becoming payable:

- a leverage ratio (ratio of consolidated net debt to consolidated EBITDA) that must not exceed a maximum, based on a sliding scale, decreasing gradually from 3.50 (upper limit) at December 31, 2020 to 2.75 (lower limit) at December 31, 2026;
- a coverage ratio (ratio of consolidated cash flow to debt servicing) that must be higher than 1 for the duration of the credit facilities.
- At December 31, 2020, the Group was compliant with all of its financial ratios.

Outlook

LUMIBIRD is approaching 2021 with confidence, backed by an extensive order book, confirming the upturn on the Group's various markets.

Looking ahead to 2023, the Group plans to continue moving forward with its combined organic and external growth strategy with a view to doubling its current revenues (reported basis). Building on its buoyant markets, its capacity for innovation and the impact of its commercial synergies, it is targeting 8% to 10% average organic growth over the next three years.

In terms of profitability, looking beyond the expected synergies, the Group's performance on purchases, supply chain rationalization and growing vertical integration are expected to contribute towards the target for EBITDA margin growth of 20% to 25% from 2021.

Next date: Q1 2021 revenues on April 26, 2021 after close of trading

LUMIBIRD is one of the world's leading specialists in lasers. With 50 years of experience and a mastering of solid state laser, laser diodes and fiber laser technologies, the Group designs, manufactures and markets high performance lasers for scientific (laboratories and universities), industrial (manufacturing, defense, Lidar sensors) and medical (ophthalmology) markets.

Born from the combination of Keopsys Group with Quantel in October 2017, LUMIBIRD has more than 800 employees and over €126 million of consolidated revenues in 2020 and is present in Europe, America and Asia.

LUMIBIRD shares are listed on the Euronext Paris B Compartment. FR0000038242 – LBIRD www.lumibird.com

Contacts

LUMIBIRD

Marc Le Flohic
Chairman and CEO
Tel. +33(0)1 69 29 17 00
info@lumibird.com

LUMIBIRD

Aude Nombrot-Gourhand
Secretary General – CFO
Tel. +33(0)1 69 29 17 00
info@lumibird.com

Calyptus

Mathieu Calleux
Investors Relations
Tel. +33(1) 53 65 37 91
lumibird@calyptus.net