2020 ANNUAL REPORT

Year ended 31 December 2020

Quantum Genomics
Public Limited Company (*Société Anonyme*)
With capital of €10,752,183.54
Registered office: 33, rue Marbeuf – 75008 Paris
487 996 647 Trade and Companies Register of Paris

CONTENTS

MESSAGE FROM THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Ladies, Gentlemen and Shareholders,

2020 has been a special year, marked by an unprecedented global pandemic. At Quantum Genomics, we have been able to stay the course and have continued to implement our strategic plan, focusing successfully on the 3 fundamental pillars of our development: research, financing and preparation for the firibastat marketing phase.

Our priority has been to implement all the measures recommended by the European and US Health Authorities to ensure the continuation of our research programmes and, above all, to ensure the safety of patients, caregivers and teams.

Then, in an extraordinary context, the uncertain consequences on access to financing, research activities or the ability of pharmaceutical groups to pursue their partnership strategy, we secured financing that allowed us to protect our company from any liquidity crisis. This financing, initially planned in three tranches of €8 million, was not renewed after the 1st tranche and, in December, we increased our capital by €20 million, the great success of which reflects investor confidence in our company.

Above all, we continued discussions with pharmaceutical laboratories with a view to signing regional licensing agreements. These discussions were successful despite a challenging context in which travel has been limited. Six partnerships now cover the high potential areas of Latin America, South East Asia, Australia, New Zealand, Canada, China, South Korea and Greece, a total addressable market of 60 million patients. Other partnerships will be concluded in the coming months to cover the majority of the world market moving forward. These successive signatures are an important sign of confidence on the part of laboratories who are experts in cardiovascular pathologies and demonstrate the interest in firibastat.

We will therefore close 2020 with the first contributions from our partnership agreements and a significantly strengthened cash position. The 2020 financial year has enabled us to prepare for a 2021 that is set to be particularly active with the announcement of the results of our two research programmes in hard-to-treat/resistant hypertension and heart failure.

At the beginning of 2021, Orient EuroPharma Co. Ltd (OEP) acquired a stake in Quantum Genomics as part of a reserved capital increase of €0.9 million, thereby strengthening cooperation between our two companies.

We therefore continue our development path with confidence, determination and the unwavering ambition to place on the market a new single therapeutic class, which provides hope to millions of patients worldwide with resistant hypertension or heart failure.

Lionel Ségard
Chairman of the Board of Directors

Jean-Philippe Milon
Chief Executive Officer

COMPANY PRESENTATION

1. DESCRIPTION OF THE COMPANY'S ACTIVITY

Established on 23 December 2005, QUANTUM GENOMICS ("**QUANTUM GENOMICS**" or the "**Company**") is a biotechnology company specialising in the development of innovative medicines to combat cardiovascular diseases.

Led by professionals in the creation and management of technology *start-ups* and drug development, as well as internationally renowned researchers and inventors, QUANTUM GENOMICS has been able to establish contractual relationships with academic institutions of excellence in France (Inserm, Collège de France, CNRS and the Université Paris Descartes).
QUANTUM GENOMICS has as its current priority the development of firibastat, a highly innovative product against arterial hypertension and heart failure, the first of a new class of drugs acting on the inhibition of aminopeptidase A (APA) in the brain.

The QUANTUM GENOMICS business model is not to market its products. The Company plans to develop these by its own means, through to phase III clinical trials, before forming alliances with pharmaceutical companies so as to complete the clinical trials and bring them to market.

To this end, QUANTUM GENOMICS has defined the following strategic priorities:

- Build a diversified portfolio of candidate drugs at an advanced stage of development for marketing through partnerships, licences or alliances.
- Manage its cash resources effectively by closely following the development of its activities and potentially being able to invest in new products.
- Manage existing and future partnerships to support the growth of the Company.

The licence agreements with the company or companies concerned will enable QUANTUM GENOMICS to:

- no longer financially support the clinical and regulatory phases as soon as the licence is signed;
- benefit from know-how in the marketing and distribution of the product; and
- collect revenue (upfront/milestones) at each stage of development, according to pre-established terms, then royalties during the product's marketing period.

These combined revenues (upfront and milestones) may be significant.

Once firibastat has been put on the market, the Company can expect a double-digit royalty rate during the product's marketing years.

2. INDIVIDUALS RESPONSIBLE

2.1 Individual responsible for the 2020 Annual Report

Mr Jean-Philippe Milon:
CEO

Quantum Genomics
33, rue Marbeuf
75008 Paris

Tel.: + 33 (0)1 85 34 77 70

2.2 Statement by the person responsible for the 2020 annual report

I certify that, to the best of my knowledge, the parent company financial statements for the past year have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, financial position and results of QUANTUM GENOMICS, and that the annual report presents an accurate record of the business, earnings and financial situation of QUANTUM GENOMICS, as well as a description of the main risks and uncertainties that the Company faces.

Drawn up in Paris on 24 March 2021

Mr Jean-Philippe Milon:
CEO

2.3 Accountants and statutory auditors

- Principal Statutory Auditor

Deloitte & Associés, a member of the Compagnie Région des Commissaires aux Comptes de Versailles: appointed by the General Meeting of 14 June 2018; expiry of the term of office at the end of the General Meeting ruling on the financial statements for the year ended 31 December 2023.

- Alternate Statutory Auditor

BEAS, a member of the Versailles Regional Company of Statutory Auditors: renewed by the General Meeting of 14 June 2018; expiry of the term of office at the end of the General Meeting ruling on the financial statements for the year ended 31 December 2023.

MANAGEMENT REPORT

3. COMPANY ACTIVITY AND HIGHLIGHTS FROM THE FINANCIAL YEAR

During 2020, Quantum Genomics (the "**Company**") took major steps forward in its research programmes, notably with the launch of Phase III Fresh in resistant and hard-to-treat hypertension and the signature of a number of licence agreements.

On 28 January 2020, the Company announced the appointment of Benoît Gueugnon as Vice President Finance. He took over from Marc Karako, who stepped down from his role.

On 26 March 2020, the Company successfully implemented a new financing solution consisting of a loan of not more than €8 million, renewable twice, and an issue of share subscription warrants as part of an agreement with Negma Group Ltd.

On 7 April 2020, the Company published a memo on the impact of the Covid-19 public health crisis on clinical research activities.

In May 2020, the Company announced the results of the intermediate analysis of the firibastat study in patients with renal insufficiency. The results show that firibastat could be used in treating hypertension and heart failure even in the event of associated renal insufficiency, subject to adjustment of the dose.

On 13 July 2020, the Company announced the recruitment of the first patient in the Fresh study, its phase III pivot study in difficult-to-treat and resistant hypertension.

In September, the Company and Orient EuroPharma Co. LTD (OEP) entered into an exclusive licensing and collaboration agreement for firibastat in South East Asia, Australia and New Zealand. Under the terms of the agreement, Orient EuroPharma (OEP) will receive exclusive marketing rights for firibastat for the treatment of hypertension in South East Asia (Taiwan, Malaysia, Philippines, Singapore, Vietnam, Thailand, Indonesia, Burma, Cambodia), Australia and New Zealand. The Company will receive upfront and milestone payments amounting to $19 million plus sales royalties. OEP will finance the clinical part conducted in Taiwan as part of the overall phase III pivotal study conducted by the Company in difficult-to-treat and resistant hypertension.

In October 2020, the Company entered into an exclusive licensing and collaboration agreement with Qilu Pharmaceutical for China, Hong Kong and Macao. The Company will receive up to $50 million in upfront payments and milestone payments as well as two-digit royalties on future sales.

In the same month, the Company announced a new exclusive licence and collaboration agreement with Xediton Pharmaceuticals for Canada. The Company will receive up to $11.35 million in upfront payments and milestone payments as well as two-digit royalties on future sales.

In November 2020, the Company terminated the ongoing financing with Negma Group Ltd. The financing thus stops at the first tranche of €8 million.

In December, the Company increased its capital by €20 million through a private placement organised with French and international corporate investors. Otium Capital thus becomes a new reference shareholder with 3.4% of the equity.

In December 2020, the Company announced a new agreement prior to entering into an exclusive licence and collaboration agreement with DongWha Pharm for South Korea. The Company will receive up to $18.5 million in upfront payments and milestone payments as well as two-digit royalties on future sales.

On 15 December 2020, the Company entered into an exclusive licence and collaboration agreement with Faran for Greece. The Company will receive up to $12.1 million in upfront payments and milestone payments as well as two-digit royalties on future sales.

Finally, the Company announced that it has chosen Delpharm for the large-scale production of firibastat tablets to support clinical trials and future business needs.

Concerning legal matters, since 1 January 2020 and during the past financial year, the following operations have taken place:

- the Board of Directors meeting on 28 January 2020, after a Compensation and Appointments Committee meeting held on the same day:
  - recognised the exercise of 290,150 $BSA_{06\text{-}2010}$ warrants issued by the Board decisions of 30 June 2010 and 5 July 2011, thus increasing the Company's capital by €6,444.69 by the creation and issuance of 16,119 new shares;
  - made decisions on the compensation policy for employees within the Company, in accordance with the recommendations of the Compensation and Appointments Committee, which met on the same day;
  - decided to increase the compensation of the CEO, in accordance with the recommendations of the Compensation and Appointments Committee, which met on the same day;
  - reviewed the various possible financing options for the Company;
  - carried out a progress report on the partnerships under discussion;
  - appointed a new Chief Financial Officer;
- under the terms of decisions dated 31 January 2020, the CEO recognised the exercise of (i) 535,220 BSA_B warrants issued by a decision of the Board of Directors dated 22 October 2018, and (ii) 1,100 warrants issued by a decision of the Board of Directors dated 25 July 2017, thus increasing the Company's share capital by €214,321.09 through the creation and issuance of 536,045 new shares;
- the Board of Directors meeting on 17 March 2020 discussed the next financing operations to be put in place;
- under the terms of decisions dated 25 March 2020, the CEO recognised the exercise of 110,000 BSA_B warrants issued by a decision of the Board of Directors dated 22 October 2018, thus increasing the Company's share capital by €43,980.11 through the creation and issuance of 110,000 new shares;
- on 25 March 2020, the Board of Directors:
  - examined and approved the financial statements for the financial year ended 31 December 2019;
  - proposed the allocation of the income for the financial year ended 31 December 2019;
  - decided to submit to this General Meeting new delegations of authority to the Board of Directors;
  - took the necessary decisions, as a result of the above decisions, for the preparation and convening of the Ordinary Annual General Meeting called to approve the financial statements for this financial year;
- on 26 March 2020, the Board of Directors:
  - approved the terms and conditions of a new Company financing operation;
  - authorised the conclusion and signature of the contract to implement said financing transaction;

- decided to increase the capital in cash, within the framework of a delegation of authority decided by the Company's Annual Ordinary and Extraordinary General Meeting of 27 June 2019, with the elimination of the preferential subscription right to a named beneficiary, and set out the terms and conditions of the issue;

- requested payment of the first tranche of the financing;

- decided on the issue of securities giving access to the Company's capital, within the framework of a delegation of authority decided by the Company's Annual Ordinary and Extraordinary General Meeting of 27 June 2019, with the elimination of the preferential subscription right to a named beneficiary, and set out the terms and conditions of the issue;

- granted powers to the CEO in connection with the implementation of the adopted resolutions;

- issued the supplementary report of the Board of Directors, provided for by the provisions of articles L. 225-129-5 and R. 225-116, paragraph 3, of the French Commercial Code;

- the CEO, pursuant to decisions dated 31 March 2020, determined the claims held against the Company;

- the CEO, pursuant to decisions dated 2 April 2020, in particular:

  - noted the final completion of the capital increase decided by the Board of Directors on 26 March 2020, in the 3rd and 6th resolutions adopted, on delegations from the Company's General Meeting of Shareholders of 27 June 2019;

  - decided on the corresponding amendment to Article 6 of the Company's articles of association;

- the CEO, in accordance with the terms of the decisions dated 9 April 2020, noted the final completion of the issue of securities giving access to the Company's capital, decided by the Board of Directors on 26 March 2020, in the 5th and 6th resolutions adopted, on delegations from the Company's General Meeting of 27 June 2019;

- the CEO, pursuant to decisions dated 30 April 2020, (i) determined, in accordance with article R.225-134 of the French Commercial Code, the total amount of the claim of NEGMA GROUP LTD held against the Company on the date of its decisions, and (ii) recognised the exercise of 454,441 $BSA_{2020\text{-}T1}$ warrants issued by decision of the Board of Directors dated 26 March 2020, thus increasing the Company's share capital by €181,694.25 through the creation and issuance of 454,441 new shares;

- on 15 May 2020, the Board of Directors:

  - adjusted the arrangements regarding the organisation and holding of the next Annual Ordinary and Extraordinary General Meeting, due to the current public health crisis related to the Covid-19 pandemic;

  - convened the Annual Ordinary and Extraordinary General Meeting;

  - recognised the exercise of share subscription warrants ($BSA_{06\text{-}2010}$);

- the CEO, pursuant to decisions dated 31 May 2020, (i) determined, in accordance with article R.225-134 of the French Commercial Code, the total amount of the claim of NEGMA GROUP LTD held against the Company on the date of its decisions, and (ii) recognised the exercise of 466,761 $BSA_{2020\text{-}T1}$ warrants issued by decision of the Board of Directors dated 26 March 2020, thus increasing the Company's share capital by €186,620.02 through the creation and issuance of 466,761 new shares;

- the CEO, pursuant to decisions dated 30 June 2020, (i) determined, in accordance with article R.225-134 of the French Commercial Code, the total amount of the claim of NEGMA GROUP LTD held against the

Company on the date of its decisions, and (ii) recognised the exercise of 466,761 $BSA_{2020\text{-}T1}$ warrants issued by decision of the Board of Directors dated 26 March 2020, thus increasing the Company's share capital by €186,620.02 through the creation and issuance of 466,761 new shares.

- the CEO, pursuant to decisions dated 1 July 2020, (i) determined, in accordance with article R.225-134 of the French Commercial Code, the total amount of the claim of NEGMA GROUP LTD held against the Company on the date of its decisions, and (ii) recognised the exercise of 128,677 $BSA_{2020\text{-}T1}$ warrants issued by a decision of the Board of Directors dated 26 March 2020, thus increasing the Company's share capital by €51,447.54 through the creation and issuance of 128,677 new shares;

- the Annual Ordinary and Extraordinary General Meeting of Shareholders held on 16 July 2020, on second call, having failed to meet the quorum for the first call, in particular:

  - examined and approved the financial statements for the year ended 31 December 2019,
  - discharged the Board Members,
  - allocated the earnings of the financial year,
  - assigned the retained losses to the item "issue premium, merger premium, contribution premium",
  - approved the agreements referred to in articles L. 225-38 et seq. of the French Commercial Code,
  - authorised the Board of Directors to carry out transactions on the Company's shares, pursuant to the provisions of article L. 225-209 of the French Commercial Code,
  - delegated authority to the Board of Directors to increase the share capital, with elimination of the preferential subscription right and public offering of financial securities,
  - delegated authority to the Board of Directors to decide on the increase in share capital, by issuing – with the preferential subscription right maintained – shares and/or securities giving access to the Company's capital and/or by issuing securities giving right to the allocation of debt securities,
  - delegated authority to the Board of Directors to decide on the increase in share capital, by issuing – with the preferential subscription right eliminated – shares and/or securities giving entitlement to the Company's capital and/or by issuing securities giving right to the award of debt securities through an offer referred to in article L. 411-2 II of the French monetary and financial code, particularly to qualified investors or a small circle of investors,
  - delegated authority to the Board of Directors to decide on the increase in share capital, by issuing shares and/or securities giving entitlement to the Company's capital and/or by issuing securities giving right to the award of debt securities, with elimination of the preferential subscription right for the benefit of a category of persons (strategic operation),
  - delegated authority to the Board of Directors to decide on the increase in share capital, by issuing shares and/or securities giving entitlement to the Company's capital and/or by issuing securities giving right to the award of debt securities, with elimination of the preferential subscription right for the benefit of a category of persons (investment operation),
  - delegated authority to the Board of Directors to decide on the increase in share capital through the capitalisation of issue premiums, reserves, profits or other items,
  - delegated authority to the Board of Directors to increase the number of securities to be issued in case of a capital increase with or without a preferential subscription right,
  - delegated authority to the Board of Directors to decide on the increase in share capital through the

issuance of shares or equity interests reserved for members of savings plans, eliminating the preferential share subscription right for their benefit,

- delegated authority to the Board of Directors to grant share subscription or purchase options,
- delegated authority to the Board of Directors to carry out bonus allocations of existing shares or shares to be issued to all or some employees and corporate officers of the group,
- authorised the Board of Directors to reduce the capital by cancelling repurchased shares;

- the CEO, pursuant to decisions dated 31 July 2020, (i) determined, in accordance with article R.225-134 of the French Commercial Code, the total amount of the claim of NEGMA GROUP LTD held against the Company on the date of its decisions, and (ii) recognised the exercise of 466,761 $BSA_{2020\text{-}T1}$ warrants issued by decision of the Board of Directors dated 26 March 2020, with the Company's share capital increasing by €186,620.02 through the creation and issuance of 466,761 new shares;

- in particular, on 28 August 2020, the Board of Directors, after a Compensation and Appointments Committee meeting held on the same day:
  - made decisions on the CRO (contract research organisation) budget of PRA Health Sciences as part of the conduct of the Phase III programme;
  - noted the final completion of the capital increase of €73,497.97 following the allocation of free shares to employees and directors of the Company;
  - decided on the corresponding amendment of article 6 of the Company's articles of association;
  - awarded bonus shares to the Company's employees and/or officers, on the basis of the delegation of authority granted by the Annual Ordinary and Extraordinary General Meeting of 16 July 2020 ("$AGA_{08\text{-}2020}$");
  - issued the supplementary report of the Board of Directors;

- the CEO, pursuant to decisions dated 31 August 2020, (i) determined, in accordance with article R.225-134 of the French Commercial Code, the total amount of the claim of NEGMA GROUP LTD held against the Company on the date of its decisions, and (ii) recognised the exercise of 304,879 $BSA_{2020\text{-}T1}$ warrants issued by decision of the Board of Directors dated 26 March 2020, with the Company's share capital increased by €121,896.48 through the creation and issuance of 304,879 new shares;

- on 14 September 2020, the Board of Directors:
  - made decisions on the partnership operation with Orient EuroPharma;
  - authorised the CEO to conclude negotiations and sign with Orient EuroPharma;

- the CEO, pursuant to decisions dated 30 September 2020, (i) determined, in accordance with article R.225-134 of the French Commercial Code, the total amount of the claim of NEGMA GROUP LTD held against the Company on the date of its decisions, and (ii) recognised the exercise of 430,032 $BSA_{2020\text{-}T1}$ warrants issued by decision of the Board of Directors dated 26 March 2020, with the Company's share capital increased by €171,935.06 through the creation and issuance of 430,032 new shares;

- in particular, on 30 September 2020, the Board of Directors, after a Compensation and Appointments Committee meeting held on the same day:
  - reviewed and approved the Company's half-yearly financial statements for the first half of 2020, a copy of which is appended to this report;

- finalised and approved the 2020 interim financial report;
- awarded bonus shares to the Company's employees and/or officers, on the basis of the delegation of authority granted by the Annual Ordinary and Extraordinary General Meeting of 16 July 2020 ("AGA$_{09\text{-}2020}$");
- authorised the establishment of a licence agreement with Qilu;
- authorised the CEO to enter into and sign a *term sheet* with Qilu;

- the Board of Directors met on 23 October 2020 and in particular:
  - authorised the establishment of a licence agreement with Xediton Pharmaceuticals Inc.;
  - authorised the CEO to enter into and sign a *term sheet* with Xediton Pharmaceuticals Inc.;
- the CEO, pursuant to decisions dated 31 October 2020, (i) determined, in accordance with article R.225-134 of the French Commercial Code, the total amount of the claim of NEGMA GROUP LTD held against the Company on the date of its decisions, and (ii) recognised the exercise of 637,597 BSA$_{2020\text{-}T1}$ warrants issued by decision of the Board of Directors dated 26 March 2020, with the Company's share capital increased by €254,923.54 through the creation and issuance of 637,597 new shares;
- the Board of Directors met on 11 November 2020 and in particular:
  - authorised the establishment of a licence agreement with Dongwha Pharma Co. Ltd.;
  - authorised the CEO to enter into and sign a *term sheet* with Dongwha Pharma Co. Ltd.;
- the Board of Directors met on 30 November 2020 and in particular:
  - decided to increase the capital in cash, within the framework of a delegation of authority decided by the Company's Annual and Extraordinary Ordinary General Meeting of 16 July 2020, by an offer referred to in Article L. 411-2 1° of the French Monetary and Financial Code, with the elimination of the preferential subscription right in favour of qualified investors and a restricted circle of investors, and determined the terms and conditions of the issue;
  - authorised the conclusion and signature of an investment contract;
  - granted powers to the CEO in connection with the implementation of the adopted resolutions;
  - issued the supplementary report of the Board of Directors, provided for by the provisions of articles L. 225-129-5 and R. 225-116, paragraph 3, of the French Commercial Code;
- the CEO, pursuant to a single decision dated 2 December 2020, decided to implement the envisaged private placement;
- the CEO, pursuant to a single decision dated 3 December 2020, established the terms and conditions of the private placement;
- the Board of Directors meeting on 04 December 2020, after a Compensation and Appointments Committee meeting held on the same day:
  - authorised the establishment of a licence agreement with Faran SA;
  - authorised the CEO to enter into and sign a *term sheet* with Faran SA;

- awarded bonus shares to the Company's employees and/or officers, on the basis of the delegation of authority granted by the Annual Ordinary and Extraordinary General Meeting of 16 July 2020 ("AGA$_{12\text{-}2020}$");

- the CEO, pursuant to decisions dated 07 December 2020, in particular:

  - noted the final completion of the capital increase decided by the Board of Directors on 30 November 2020, in the 1st resolution adopted, on delegations from the Company's General Meeting of Shareholders of 16 July 2020;

  - decided on the corresponding amendment to Article 6 of the Company's articles of association;

- on 31 December 2020, the Board of Directors in particular recognised the expiry of the vesting period of 39,633 bonus shares awarded by decision of the Board on 10 December 2019, (ii) the definitive allocation of said bonus shares for the benefit of employees and officers of the Company and (iii) completion of the corresponding capital increase by the incorporation of reserves, by deducting an amount of €15,846.04 from the "Unavailable Reserves" account created for this purpose.

As a result of the operations referred to in section 3 of this report, as at 31 December 2020, the Company's share capital is €10,680,166.50, divided into 26,712,489 shares.

4. ECONOMIC RESULTS AND FINANCIAL SITUATION IN 2020

4.1 Operating profits

All operating income amounted to €2,261,502 compared to €361,135 in 2019, while operating expenses amounted to €16,119,158 compared to €11,121,114 the previous financial year, amounting to operating losses of (€13,857,655).

The gross amount of salaries and wages is €1,532,137 and the associated social welfare costs amount to €796,503, for a salaried workforce as at 31 December 2020 of 7 people.

4.2 Financial result

Financial income was €5,660 compared to €11,001 in the previous financial year and financial expenses of €10,663 compared to €82 in the previous financial year, the financial result is negative at (€5,003), bringing the current result before tax to (€13,862,658).

4.3 Extraordinary profit

The extraordinary income is €178,415.

4.4 Income for the financial year

The financial year ended 31 December 2020 resulted in a net loss of (€11,536,701), after integration of the research tax credit amounting to €2,147,542.

4.5 Changes in capital and shareholders' equity

Shareholders' equity was positive at €27,135,290 at the end of 2020, down €16,964,261 compared with the end of 2019.

Taking into account Bpifrance's conditional advances amounting to €720,013, shareholders' equity stands at €27,855,303.

4.6 Changes in indebtedness

The financial debts of the Company are insignificant (€1,869 at the end of 2020 compared with €1,382 for the previous financial year).

4.7 Change in Working Capital Requirement (WCR)

The working capital requirement increased by €592,000 in 2020.

5. SIGNIFICANT EVENTS AFTER THE CLOSE OF THE FINANCIAL YEAR

5.1 Scientific and economic progress

In February 2021, Orient EuroPharma (OEP) subscribed to a reserved capital increase of €870,000, at a price of €4.83 per share. The 180,124 new shares have a mandatory lock-up period of 3 years.

5.2 Legal operations

Since 1 January 2021, the following legal operations have occurred:

- the Board of Directors meeting on 26 January 2021, after a Compensation and Appointments Committee meeting held on the same day:
  - made decisions on the compensation policy for employees within the Company, in accordance with the recommendations of the Compensation and Appointments Committee, which met on the same day;
  - decided to increase the compensation of the CEO, in accordance with the recommendations of the Compensation and Appointments Committee, which met on the same day;
- the Board of Directors met on 8 February 2021 and in particular:
  - approved the terms and conditions of a new strategic, commercial and capital partnership operation;
  - authorised the conclusion and signature of an English-language contract entitled "*Subscription Agreement*" for implementation of said operation;
  - decided to increase the capital in cash, within the framework of a delegation of authority decided by the Company's Annual Ordinary and Extraordinary General Meeting of 16 July 2020, with the elimination of the preferential subscription right to a named beneficiary, and set out the terms and conditions of the issue;
  - granted powers to the CEO in connection with the implementation of the adopted resolutions;
  - issued the supplementary report of the Board of Directors, provided for by the provisions of articles L. 225-129-5 and R. 225-116, paragraph 3, of the French Commercial Code;
- the CEO, pursuant to decisions dated 25 February 2021, in particular:
  - noted the final completion of the capital increase decided by the Board of Directors on 8 February 2021, in the 3rd resolution adopted, on delegations from the Company's General Meeting of Shareholders of 16 July 2020;
  - decided to amend Article 6 of the Company's articles of association accordingly.

Furthermore, on 24 March 2021 the Board of Directors:

- awarded bonus shares to the Company's employees and/or officers, on the basis of the delegation of authority granted by the Annual Ordinary and Extraordinary General Meeting of 16 July 2020 ("$AGA_{03\text{-}2021}$");
- examined and approved the financial statements for the financial year ended 31 December 2020;
- proposed the allocation of the income for the financial year ended 31 December 2020;
- decided to submit to this General Meeting new delegations of authority to the Board of Directors;
- took the necessary decisions, as a result of the above decisions, for the preparation and convening of the Annual Ordinary General Meeting called to approve the financial statements for this financial year.

As a result of the operations listed above, the Company's share capital was set at €10,752,183.54, divided into 26,892,613 shares as of the date of the present report.

6. FORECAST EVOLUTION AND OUTLOOK FOR THE FUTURE

Following the excellent results of the Phase IIb NEW-HOPE study (in arterial hypertension) announced at the annual conference of the American Heart Association (AHA) held in November 2018, the Company began its phase III FRESH study in the second half of 2019 with a planned duration of two years. The first patient was recruited in July 2020.

In the field of heart failure, the Company launched its phase IIb study, called QUORUM, to assess the efficacy and tolerance of firibastat compared to Ramipril in patients after acute myocardial infarction (AMI). The first results are expected at the end of the second quarter of 2021.

The company continues its business development activities to eventually cover most of the world market.

7. OBJECTIVE AND EXHAUSTIVE ANALYSIS OF BUSINESS DEVELOPMENTS, RESULTS AND THE FINANCIAL POSITION OF THE COMPANY, PARTICULARLY IN ITS DEBT SITUATION WITH RESPECT TO VOLUME AND COMPLEXITY OF BUSINESS

The €27.2 million of available cash at 31 December 2020, as well as the various partnerships announced, enable the Company to achieve its budget objectives for the current year, particularly in expenditure on research and development.

8. KEY PERFORMANCE INDICATORS OF A NON-FINANCIAL NATURE RELATING TO THE SPECIFIC ACTIVITY OF THE COMPANY (AND INFORMATION ON ENVIRONMENTAL AND STAFF ISSUES)

This involves successfully completing the various steps necessary for the marketing of new drugs, which will involve the completion of phase III in arterial hypertension, phase IIb in heart failure and new licensing agreements with pharmaceutical companies.

This process is long and highly regulated.

9. INFORMATION ON RISKS AND UNCERTAINTIES WHICH THE COMPANY IS FACING

The risks presented below are those that the Company considers, as at the date of this annual report, to have a material adverse effect on the Company, its business, its financial situation, its results or its development. The Company has reviewed risks that could have a material adverse effect on its business, financial position or results and considers that there are no other significant risks other than those presented.

9.1 Strategic risks

Risk related to historical losses and forecast losses

Since the beginning of its operations in 2006, the Company has recorded operating losses. As at 31 December 2020, cumulative net losses amounted to €59,196,000, including a net loss of €11,537,000 in 2020. They result mainly from large expenditures in research and development programmes and lack of revenue.

The Company may experience continued operating losses over the next few years, in relation to its development activities, and in particular as a result of continued spending on the development of its medicines.

At the date of this report, none of the Company's products has been placed on the market or licensed and has therefore not generated sales. The Company's ability to generate profit will come in particular from its ability to finalise a partnership with a pharmaceutical company.

The main known source of revenue for the Company is refunds from research tax credits (CIR).

The Company cannot guarantee that in the near future it will generate revenue from the sale of licences for its products in order to achieve profitability. Interruption of any of these revenue streams could have a material adverse effect on its business, prospects, financial condition, results and development.

Specific risks related to preclinical studies and clinical trials

The Company conducts pre-clinical studies[1] and complete clinical trials on animals and humans for which it must ensure the quality of its products and demonstrate their safety and effectiveness for the indications concerned.

In general, the development time of a drug in human health is long, 12 to 15 years between the discovery of the compound (candidate drug) and the provision of the drug for patients.

Typically, the selection and preclinical phases last 2 to 3 years, a phase I 1 to 2 years, a phase IIa 1 to 2 years, a phase IIb 1 to 2 years, a phase III 2 to 3 years and the authorisation of placing on the market 2 to 3 years. Nevertheless, these approximate durations remain very variable depending on the nature of the candidate drugs (new chemical entity, biological product) and the targeted pathologies (rare diseases or acute or chronic therapeutic treatment).

Since the beginning of its activities in 2006, the Company has developed 4 research programmes. The duration of each step already performed by the Company as of the date of this report are as follows:

- The programme **First-in-class: Resistant hypertension** began in 2006. The Company selected the candidate drug during 2008 and conducted complementary animal pharmacology studies (duration approximately 1 year) and regulatory studies of the preclinical phase (duration of approximately 2.5 years). The Company has conducted several Phase I clinical trials between 2012 and 2013 (duration of approximately 2 years). It defined the clinical phase IIa protocol in 2014 and obtained all the necessary approvals from the health authorities at the end of 2014. The clinical part of Phase IIa was completed in April 2016 and the positive results were announced in September of the same year.
  After receiving the FDA's agreement in September 2017 to launch the NEW HOPE (Phase II in Hypertension) study in the United States, the company announced that it had recruited its first patients in November 2017.
  At the annual conference of the American Heart Association (AHA) in Chicago from 10 to 12 November 2018, the Company announced excellent results for its NEW-HOPE Phase IIb study assessing the efficacy and good tolerance of firibastat in the treatment of arterial hypertension.

[1] As a reminder:

Preclinical phase: Laboratory tests on animals to evaluate the main effects of the drug and its toxicity.

Phase IIb: Determination of the therapeutic dose of the drug on a larger scale

Phase III: comparison of the effectiveness of the new drug compared to the benchmark treatment. This phase is for a large number of patients. Patients are selected according to specific criteria that will answer the question of the effectiveness and benefit of the drug tested as a new standard treatment for the disease concerned.

In September 2019, the Company received positive feedback from the FDA regarding the phase III development plan and protocols for firibastat in patients with resistant arterial hypertension. It initiated the FRESH study, the results of which are expected at the end of 2021.
The purpose of the REFRESH study, announced in January 2021, is to demonstrate the long-term safety of the product and its efficacy at 3 months after a single daily intake of 1,000 mg.

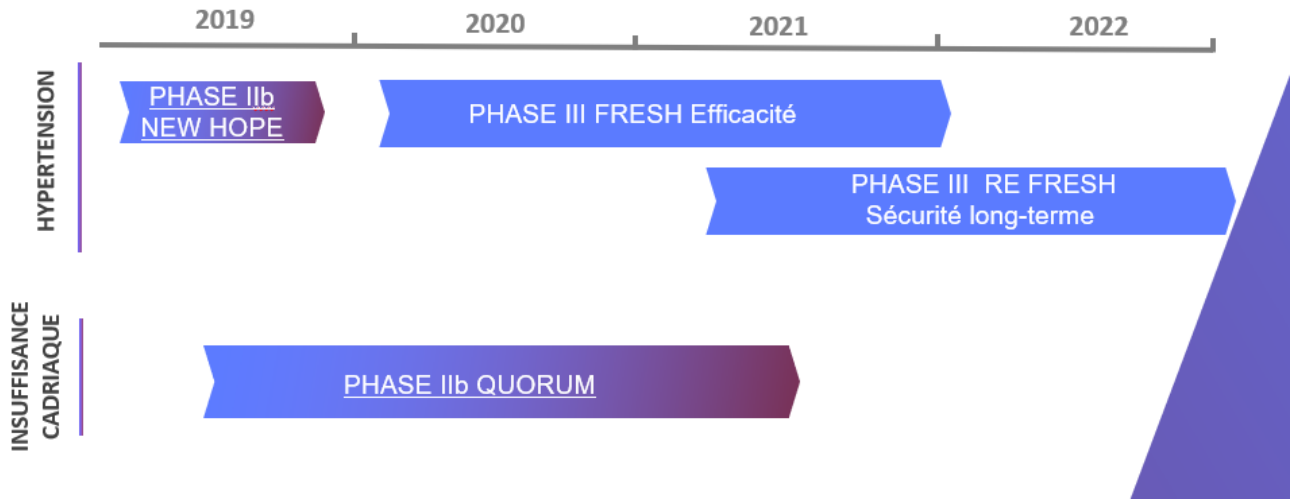
- The **Fixed Association Hypertension** programme (firibastat and IEC) started in 2010. The Company initiated preclinical pharmacology studies in spontaneously hypertensive rats and was able to select the candidate drug in 2013. The Company conducted additional preclinical pharmacology studies in rats in 2016 and initiated regulatory preclinical toxicity studies for QGC011 in rats. The Company is continuing to explore new combinations of firibastat with other antihypertensive agents.

- The programme **Best-in-class: Optimised treatment of hypertension in monotherapy** began in 2007. This programme has remained at the research stage in close collaboration with the academic teams that are behind this work. The Company selected the second candidate drug in 2013. Since 2016, the Company has been conducting preclinical pharmacology studies in the hypertensive rat. At the same time, the Company has been conducting a medicinal chemistry programme since 2016 to identify new chemical families of candidate drugs that will in fact be protected by new patent applications.

- The programme **First-in-class: Heart failure** started in 2013 with the selection of the candidate drug based on preclinical pharmacology studies conducted by the academic team led by Dr. Llorens-Cortès. In 2014, the Company prepared a programme of preclinical studies to demonstrate the efficacy of the product in repeated doses in both dogs and post-infarction rats (estimated duration of approximately 2 years). In June 2016, the Company announced the launch of a pan-European phase II study (QUID HF) in patients with heart failure (estimated duration of approximately 2 years).
  In April 2018, the Company announced, in agreement with its Scientific Committee, to plan ahead for the launch of the Phase IIb study without waiting for the final results of QUID-HF. This study, called QUORUM, will make it possible to assess the efficacy and tolerance of firibastat (formerly QGC001) in comparison with Ramipril in patients with a reduced ejection fraction after an acute myocardial infarction.
  In April 2019, the Company received the first favourable opinions from ethics committees and regulatory authorities to launch the Phase IIb QUORUM study on firibastat in heart failure.
  In June 2019, the Company recruited the first patient in the QUORUM study.
  The study is ongoing and the first results are expected at the end of the 2nd quarter of 2021.

Certain stages were longer than those generally observed in the major international pharmaceutical companies because the Company conducted its studies according to its means, even if it meant slowing down the programmes.

The clinical progress of firibastat in resistant arterial hypertension and heart failure is illustrated in the figure below.



Source: Quantum Genomics

Each clinical trial is subject to prior authorisation and ex-post control and all development data are evaluated by the relevant regulatory authorities.

These regulatory authorities could prevent the Company from undertaking clinical trials or continuing clinical developments if it is proven that the data presented were not produced in accordance with the applicable regulations or if they consider that the ratio of the profits from the product and its potential risks are not sufficient to justify the test. In addition, the Company may choose, or regulatory authorities may request, to suspend or terminate clinical trials if patients are exposed to unforeseen and serious risks. Deaths and other adverse events, whether or not related to the treatment being tested, could occur and require the Company to delay or discontinue the trial and thereby prevent further development of the product for the targeted indication or for other indications.

In addition, the completion of clinical trials and the ability of Quantum Genomics to recruit patients to perform these tests depend on many factors such as:

- the nature of the targeted indication;
- the number of patients assigned and eligible for treatment;
- the evolution of the pathology of patients included in the trials;
- the existence of other clinical trials targeting the same population;
- the Company's ability to convince clinical investigators to recruit patients for its trials;
- the ability to recruit and treat patients at a given clinical investigation centre; and
- the availability of sufficient quantities of product.

The tests being entrusted to service providers, the Company depends on the ability of these service providers to perform their services under the agreed conditions and deadlines. The remoteness or geographical distribution of clinical investigation centres can raise operational and logistical difficulties, which could lead to costs and delays.

Clinical and preclinical trials are expensive. If the results of these tests are not satisfactory or conclusive, the Company may have to choose between abandonment of the programme, resulting in the loss of the financial investment and the corresponding time, or its continuation, without guarantee that the additional costs thus incurred make it possible to succeed.

The Company's inability to successfully carry out and complete clinical trials could have a material adverse

effect on its business, prospects, financial condition, results and development. Although these risks are common to all players in the industry, they are all the more significant for the Company as its financial and human resources are limited.

This risk is managed in particular by the choice of service providers, subcontractors, the monitoring of compliance with the regulations under the supervision of a project manager or a manager at Quantum Genomics.

Risk of dependency on developing programmes

The development of a drug requires considerable investment of time and financial resources as well as the involvement of highly qualified personnel. The future success of the Company and its ability to generate long-term revenue will depend on the successful development and commercial success of its products to treat resistant arterial hypertension and heart failure, including the occurrence of many factors, such as:

- the success of Phase III for the arterial hypertension development programme and, to a lesser extent, the success of animal or Phase I studies for the development programme on other products developed by the Company (combination of treatments for arterial hypertension);
- the success of Phase IIb for the heart failure development programme.
- the establishment of partnerships and/or licence agreements;
- the marketing authorisation ("MA") granted by the regulatory authorities;
- the production on an industrial scale and in sufficient quantities of pharmaceutical batches of consistent and reproducible quality;
- the acceptance of the Company's products by the medical community, healthcare providers and third-party payers (such as social security systems); and
- their commercial success.

Quantum Genomics' strategy is to form alliances with a pharmaceutical company capable of completing the clinical development of firibastat, obtaining the MA for the product and ensuring its marketing.

To date, the Company's objective is to undertake a Phase III study of its flagship product firibastat in arterial hypertension, continue its Phase IIb study in heart failure and form partnerships with pharmaceutical companies the aim of achieving MA.

If the Company fails to develop its drugs on one or more clinical applications, its business, prospects, financial position, results and development could be significantly affected.

Risks related to the need for financing the business

The Company has made significant investments since the beginning of its business in December 2005. Overall operating expenses totalled €16,119,000 in 2020. They were €1,934,000 in 2013, €2,759,000 in 2014, €4,477,000 in 2015, €6,233,000 in 2016, €10,317,000 in 2017, €13,669,000 in 2018 and €11,164,000 in 2019, in the absence of recurring revenues.

At 31 December 2020, the Company's cash position was €27.1 million.

It is necessary for the Company to obtain funding sources to continue its clinical trials and its long-term growth. The objective is to quickly reach licensing agreements with pharmaceutical companies, including an upfront payment, milestone payments and royalties when the products developed by the Company are placed on the market. Otherwise, the Company will consider further capital increases and/or new loans from its shareholders.

Future capital requirements will depend on many factors, such as:

- higher costs and slower progress than expected for its development programmes, in Phase III, Phase II and the Preclinical Phase;

- higher costs and longer delays than expected in obtaining regulatory approvals, including the time required to prepare application files for regulatory authorities;
- costs of preparation, filing, defence and maintenance of patents and other intellectual property rights;
- costs to respond to technological and market developments, to conclude, within the timeframes envisaged and to maintain effective collaboration agreements, and to ensure the efficient manufacture and marketing of its products;
- new opportunities for developing promising new products or acquiring technologies, products or companies.

In the period covered by the Company's cash flow, these costs may be such that they cannot continue to operate or the Company cannot raise sufficient funds on acceptable terms, or even not raise funds at all. If the necessary funds are not available, the Company may be required to:

- delay, reduce or even eliminate development programmes;
- obtain funding through partnership agreements that could force it to waive rights to some of its technologies or products, rights that it would not have waived in a different context;
- acquire licences or enter into new collaborative arrangements that may be less attractive to the company than would have been possible in a different context; or
- consider disposals of assets, or even a merger with another company.

In addition, to the extent that the Company could raise capital by issuing new shares, the shareholders' interest could be diluted. Debt financing, to the extent that it would be available, could also include restrictive conditions.

The occurrence of one or more of these risks could have a material adverse effect on the Company's business, prospects, financial position, results and development, as well as the position of its shareholders.

The Company integrates financing risk into its management issues. The signing of partnerships with payments upon signature as well as throughout product development, as well as sales royalties, aims to reduce, over time, the financing risk and its need for capital financing. Nevertheless, the Company considers that its exposure to the economic and stock market environment remains substantial.

Risk related to the licence agreement

As of the date of this report, the Company has obtained an exclusive worldwide licence from Inserm, CNRS and Paris Descartes University for the following 3 patents:

1) Concept of BAPAI to treat hypertension
2) Use of firibastat for the treatment of hypertension and related diseases
3) Use of QC006 for the treatment of hypertension and related diseases

These patents protect the use of Aminopeptidase A inhibitors, including firibastat and QGC006, for the treatment of hypertension and related conditions (such as heart failure) in humans and animals.

The licence will expire on the later of two dates: (i) the expiry of the last of the Patents irrespective of the country or (ii) 10 years from the date of the initial marketing of a product in a country.

This licence will end if Quantum Genomics:

- does not respect the commitments provided for in the contract,
- is in liquidation or receivership (subject to applicable laws)
- does not conduct any study on the products from the patents related to this licence for 6 months

Given the three necessary conditions set out above, the Company considers that the loss of this licence is unlikely. However, if such a case arises, it could have a material adverse effect on the Company's business, results, financial position and prospects.

By an amendment from the beginning of November 2013 to the exclusive licence agreement of 25 May 2009

granted to Quantum Genomics, Inserm, the CNRS and the University Paris Descartes have extended the exclusive licence to any application for the treatment of cardiovascular pathologies in humans and animals. The changes to the original agreement concern the extension of the scope to animal health, milestones and royalties.

This exclusive worldwide licence is essential to the development of all R&D programmes of the Company.

Risk due to lack of therapeutic benefit

The development of a candidate drug is a long, costly and uncertain multi-phase process, the purpose of which is to demonstrate the therapeutic benefit provided by this candidate drug for one or more indications. The Company may be unable to demonstrate the good tolerability or efficacy of one or more of its preclinical or clinical products. Any delay in the preclinical development of a candidate would result in a delay in initiating the clinical development of this candidate. A failure in the preclinical development of a candidate would result in the abandonment of that candidate's development. Failure at different clinical stages for a given indication could delay the development of the product or even halt its development. If the Company is unable to demonstrate a therapeutic benefit for all of the products of a developing class, it may be required to halt development for that class.

If its products prove to be ineffective or if they cause unacceptable side effects, they may not be marketed, which could have a material adverse effect on Quantum Genomics' business, prospects, financial situation, results and development.

Risks related to research and dependence on current and future partnerships

In order to develop and market products, the Company will seek to enter into collaboration and licence agreements with pharmaceutical companies that can assist in drug development and funding. As of the date of this report, the Company and Biolab Sanus Pharmaceutical have entered into an exclusive licensing and collaboration agreement on firibastat in Latin America.

The Company may not find any partners or find the right partners to develop its products. If it finds these partners, they might decide to withdraw from the agreements. The Company may also fail to enter into new agreements with respect to its other drugs. In addition, existing and future collaboration and licence agreements may not be successful.

If the Company is unable to maintain existing collaboration agreements or enter into new agreements, it may need to consider alternative development conditions, including abandoning or fully disposing of certain programmes, which could limit its growth.

The Company cannot control the scope and timing of resources that its existing or future partners will devote to the development, manufacturing and marketing of its products. These partners may not fulfil their obligations as the Company anticipates. That is why it could face significant delays or fail to introduce its products in certain markets.

In addition, although it seeks to include non-competition clauses in its collaboration and licence agreements, these restrictions may not provide the Company with sufficient protection. Its partners could pursue alternative and competitive technologies, alone or in collaboration with others.

To carry out certain tasks in the development of its products, the Company relies on a network of scientific experts acting as external consultants, including researchers attached to academic institutions. To build and maintain such a network under acceptable conditions, it faces intense competition. These external collaborators can put an end to their commitments at any time. The Company has only limited control over their activities. However, the Company believes that the experience and professional network of leaders is a means of attracting and retaining quality scientific partners.

The occurrence of one or more of these risks could have a material adverse effect on the business, prospects, financial standing, results and development of the Company. In order to limit the risks associated with its current and future partnerships, partnership, growth and new candidate acquisition strategies are maintained.

Risks related to the competitive environment

The pharmaceutical market is characterised by the rapid evolution of technologies, the predominance of products protected by intellectual property rights and intense competition. Numerous structures, pharmaceutical companies, biotechnology companies, academic institutions and other research organisations, are actively engaged in the discovery, research, development and marketing of drugs, including products aimed at reducing blood pressure in humans or to fight against heart failure. The Quantum Genomics products could also compete with a number of therapies under development or recently marketed.

Many of the Company's competitors have resources and experience in management, research access to patients in clinical trials, and manufacturing and marketing beyond their own resources. In particular, large pharmaceutical companies have greater experience in conducting clinical trials and obtaining regulatory approvals. Smaller or younger companies, especially in the field of cardiovascular diseases, can also be significant competitors. All of these companies are also likely to compete with Quantum Genomics to acquire rights to promising products, as well as other complementary technologies.

Finally, the Company cannot guarantee that its products:

- will remain competitive with other products developed by the Company's competitors that prove to be safer, more efficient or less expensive;
- will be a commercial success; or
- will not be rendered obsolete or unprofitable by technological advances or other therapies developed by its competitors.

Such events could have a material adverse effect on the Company's business, prospects, financial standing, results and development.

Quantum Genomics believes that the competitive risk is high for its business, especially given the size of some of its potential competitors. The competitive issue is integrated into the development choices of the Company. It continuously analyses the market and candidate drugs in development.

Risks related to uncertain protection of patents and other intellectual property rights

It is important to the success of its business that Quantum Genomics and its future licensees be able to obtain, maintain and enforce its patents and intellectual property rights in Europe, the United States and other countries.

The Company has exclusive and worldwide licences for the exploitation of three patent families owned by Inserm, CNRS and Paris Descartes University[2]. Similarly, Quantum Genomics has extended its patent portfolio by adding three complementary patent families (owned directly or in co-ownership with Inserm)[3] aiming to protect the manufacturing process and the use of its firibastat compound in combination with other antihypertensive drugs.

It cannot be excluded that:

- the Company is unable to develop new inventions that are patentable;

---

[2] Patent family no. 1 is owned by Inserm and the CNRS. The patents have been granted by the competent authorities of the countries concerned.

Patent families no. 2 & 3 are owned by Inserm, CNRS and Paris Descartes University. The patents have been granted by the competent authorities of the countries concerned.

[3] Patent families no. 4 & 6 are owned by Quantum Genomics. The patents are being examined by the competent authorities of the countries concerned. They have already been granted in the USA.

Patent family no. 5 is owned by Quantum Genomics and Inserm. The patents are being examined by the competent authorities of the countries concerned. It has already been granted in Europe.

- the patents for which applications are being examined, including certain important patents in several jurisdictions, may not granted;
- the patents granted or licensed to its partners or to the Company may be contested, deemed invalid or Quantum Genomics cannot enforce them;
- the extent of the protection afforded by a patent is insufficient to protect the Company from its competitors; or
- third parties may claim patents or other intellectual property rights owned or licensed by the Company.

Granting a patent does not guarantee its validity or applicability and third parties may question both aspects. The granting and applicability of a patent in the area of biotechnology is highly uncertain and raises complex legal and scientific issues. So far, no uniform policy has emerged at the global level in terms of the content of patents granted in the field of biotechnology and the scope of authorised claims. Legal action may be necessary to enforce the Company's intellectual property rights, protect its trade secrets, or determine the validity and extent of its intellectual property rights. Any litigation could entail considerable expenses, reduce its profits and not provide the Company with the protection sought. Quantum Genomics' competitors could successfully challenge its patents, whether issued or licensed, in court or in other proceedings, which could have the effect of reducing the scope of its patents. In addition, these patents could be counterfeited or circumvented successfully through innovations.

The occurrence of any of these elements relating to any of its patents or intellectual property rights could have an adverse effect on the Company's business, prospects, financial standing, results and development.

These risks are all the greater for the Company given its limited financial and human resources. In order to limit this risk, the process of managing the patents and rights of the Company is placed under the responsibility of the R&D Director with the involvement of General Management and an external consulting firm that summarises the rights held directly and indirectly by the Company.

Risks related to patents and intellectual property rights held by third parties

The growth of the biotechnology industry and the increasing number of patents granted increase the risk that third parties consider that the Company's products infringe their intellectual property rights. In general, patent applications are published only 18 months after the date of priority applications. In the United States, some patent applications are not published prior to the granting of the patent itself. On the other hand, also in the United States, patents can be granted on the basis of their date of invention, which does not always lead to the granting of a patent to the party who first filed the application. Discoveries are sometimes published or patented only months or even years later. Therefore, the Company cannot be certain that third parties were not the first to invent products or to file patent applications for inventions also covered by its own patent applications or those of its partners. In such a case, the Company may need to obtain licences on the patents of such third parties (licences that may not be obtained on reasonable terms, if at all), cease the production and marketing of certain product lines or develop alternative technologies.

Any litigation or claim against the Company, regardless of its outcome, could result in substantial costs and compromise its reputation. Some of its competitors with more resources than its own might be able to better withstand the costs of a complex procedure. Any such litigation could seriously affect the Company's ability to continue as a going concern. More specifically, litigation concerning intellectual property may require it to:

- stop selling or using any of its products that would depend on the contested intellectual property, which could reduce its revenues;
- obtain a licence from the holder of the intellectual property rights, which may not be obtained on reasonable terms, if at all.

Active IP monitoring activities help mitigate this risk.

Risks related to the inability to protect the confidentiality of its information and know-how

The Company sometimes provides information and materials to researchers from academic institutions and other public or private entities to whom it requests to conduct certain tests, or to potential partners. In these cases, it relies on the signing of confidentiality agreements. Its business also depends on non-patented technologies, processes, know-how and proprietary data that Quantum Genomics considers to be trade

secrets and is protected in part by confidentiality agreements with its employees, consultants and subcontractors. It cannot be excluded that these agreements or other methods of protection of trade secrets provide the protection sought or be violated, that the Company does not have appropriate solutions against such violations, or that its trade secrets are disclosed to its competitors or developed independently by them.

The occurrence of one or more of these risks could have a material adverse effect on the business, prospects, financial standing, results and development of the Company. The implementation of different types of confidentiality agreements aims to limit these risks.

Risks related to the lack of commercial success of the products

If a future partner of the Company succeeds in obtaining a marketing authorisation for a product derived from the Company's technology, it may take time for it to gain the support of the medical community, prescribers and third-party payers. The degree of market acceptance will depend on several factors, including:

- the perception of the therapeutic benefit of the product by the prescribers;
- clinical developments after the MA;
- the occurrence of adverse effects after the MA;
- the existence of alternative therapeutic options;
- the ease of use of the product, related in particular to the method of administration;
- the cost of treatment;
- reimbursement policies of governments and other third parties;
- effective implementation of a scientific publishing strategy; and
- support from recognised experts.

Poor market penetration, as a result of any of these factors, could have an adverse effect on the royalties received by the Company from its partner and therefore on the business, prospects, financial standing, results and development of the Company.

However, this risk will only occur when the Company's technology products are registered and marketed.

9.2 Operational risks

In addition to the risks associated with delaying and stopping the development of its drugs as well as the specific risks related to preclinical studies and clinical trials described above, the main operational risks are as follows:

Risks related to partnerships and subcontracting

The Company uses subcontracting in the course of its business, whether for the development of its Phase III clinical study in arterial hypertension (manufacture of batches of drugs and clinical studies in these patients) or for the preclinical trials for other candidate drugs and/or for heart failure (manufacture of drug batches and clinical studies for Phase IIb). It is therefore obligated to entrust to its subcontractors the manufacture and development of complex processes that must be closely monitored, as well as clinical trials. The Company therefore depends on third parties for the manufacture of its products.

Partners

In order to develop and market products, the Company seeks to enter into and has entered into collaboration, research and licence agreements with pharmaceutical companies that may assist in the development and funding of candidate drugs and with companies or entities, including academic institutions, to participate in its research and share intellectual property. These agreements are necessary for research, preclinical and clinical development of its products. The Company also has research collaborations with Inserm, the CNRS, the Collège de France and Paris Descartes University to deepen the know-how and knowledge about the mechanism of action of its candidate drugs and the manufacturing process of its QGC006 product.

If the Company is unable to maintain its existing collaboration, research and licence agreements or enter into new agreements, it may need to consider alternative development conditions, including abandoning or fully

disposing of certain programmes, which could slow down or even limit its growth.

Existing and future collaboration, research and licence agreements may not bear fruit. In addition, Quantum Genomics may also fail to enter into new agreements with respect to its other candidate drugs and programmes.

In addition, although the Company seeks to include non-competition clauses in its collaboration, research and licence agreements, these restrictions may not provide it with sufficient protection. Partners could pursue alternative and competitive technologies, alone or in collaboration with others.

Subcontractors

As part of its business, Quantum Genomics uses subcontractors in charge of research, biometrics and pharmacovigilance. These heavy and complex processes/tasks are carried out under the supervision of a project manager who coordinates the whole and allows a real-time monitoring of the progress of the project.

The Company outsources, including:

- Carrying out certain research studies;
- Manufacture of the drug for clinical trials;
- Management of clinical trials.

The outsourced activities and their terms are defined at the signing of the contract. The project manager is the point of contact for all the stakeholders, and his or her duties include: coordination of all tasks and staff involved;

- coordination of all tasks and staff involved;
- follow-up of the calendar and the respect of the objectives;
- identification of possible problems; and
- supervision of weekly follow-up points.

The Company relies on third parties for the development of its products and may be unable to conclude subcontracting agreements for the production, development of its products, or to do so on terms that would be acceptable. If the Company is unable to enter into acceptable subcontracts, it will not be able to successfully develop its products.

Dependence on partners and subcontractors poses risks that Quantum Genomics would not face if it were directly involved in its products, namely:

- non-compliance by third parties with regulatory and quality control standards;
- the violation of agreements by these third parties; and
- the termination or non-renewal of these agreements for reasons beyond the control of the Company.

If products manufactured by third-party suppliers prove to be non-compliant with regulatory standards, penalties may be imposed on the Company. These penalties could include fines, injunctions, civil penalties, the refusal of the regulatory authorities to grant the MA of its products, delays, the suspension or the withdrawal of the authorisations, the revocations of the licence, the seizure or the recall its products, operational restrictions and criminal prosecution, all of which may have a material and negative impact on the Company's business.

In addition, contracts with subcontractors usually contain limiting liability clauses in their favour, which means that the Company may not obtain full compensation for any losses it may incur in the event of a breach of these commitments by the subcontractors concerned.

To the extent that the Company changes manufacturers for its products, it will be required to revalidate the process and manufacturing procedures in accordance with the current Good Manufacturing Practice ("GMP") standards. This revalidation could be costly, time-consuming and may require the attention of the Company's

most qualified personnel. If revalidation is refused, the Company may be forced to seek another supplier, which could delay the production, development and marketing of its products and increase their manufacturing costs.

Such events could have a material adverse effect on the Company's business, prospects, financial standing, results and development. In order to limit these risks, the Company attaches the utmost importance to the relationship and to the communication with its subcontractors. Subcontractors are evaluated and subject to strict audits by regulatory agencies and the Company.

To mitigate partner and outsourcing risks, Quantum Genomics controls and regularly instils competition with all players involved at each new stage of development. Management has selected partners and subcontractors on the basis of previous collaborations prior to the creation of the Company and their notoriety. They are audited regularly and an evaluation is conducted annually.

Risks related to the enforcement of liability, particularly with regard to product liability

The Company is exposed to risks of liability, particularly product liability, related to the testing, manufacturing and marketing of therapeutic products for humans. It may also be held liable for clinical trials in connection with the preparation of the therapeutic products tested and the unexpected side effects resulting from the administration of these products. Complaints or lawsuits may be filed or initiated against the Company by patients or regulatory agencies. These actions may include complaints arising from acts carried out by its partners and subcontractors, over which the Company exercises little or no control. The Company cannot guarantee that its current insurance coverage is sufficient to meet the liability claims that may be made against it.

If its liability or that of its partners and subcontractors were thus incurred, if it or its partners and subcontractors were not able to obtain and maintain appropriate insurance at an acceptable cost, or to protect itself in any way against claims for product liability, this would have the effect of seriously affecting the marketing of its products and, more generally, adversely affect its activities, prospects, financial situation, its results and its development. The Company could also be the subject of civil or criminal proceedings and the image of the Company would be altered.

In order to limit this risk, the Company has taken out insurance policies detailed in this section and will take out the necessary insurance when advancing its products.

Risks of shortage of raw materials and essential materials necessary for its business

The Company is dependent on third parties for the supply of certain chemical and biological products (adjuvants) that are necessary for the manufacture of its candidate drugs such as the supply of raw materials (L-homocystine) for the firibastat synthesis process.

Although it has a policy of developing long-term contractual relationships with its strategic suppliers, and relying on important suppliers in the pharmaceutical industry, its supply of certain chemical and biological products may be limited, interrupted, or restricted. In addition, if this were the case, the Company may not be able to find other suppliers of chemical or biological products of acceptable quality, in appropriate volumes and at an acceptable cost. If its major suppliers or manufacturers fail or if its supply of products is reduced or interrupted, the Company may not be able to continue to develop and produce its products for the continuation of its clinical studies.

If the Company encounters difficulties in the supply of these chemical and biological products, if it is unable to maintain its subcontracting agreements, to make new agreements, or to obtain the necessary chemical and biological products to continue its clinical studies, its activity, its outlook, its financial situation, its results and its development could be significantly affected.

9.3 Regulatory risks

The main regulatory risks are:

Risks related to the regulatory environment

To date, the Company has not received any marketing authorisation for its products from a regulatory agency.

The Company cannot be assured that it will receive – directly or indirectly – the necessary authorisations to market one of its products.

Its products are subject to many very stringent legislations and the applicable regulatory requirements are complex, sometimes difficult to apply and subject to change. The French National Agency for Medicines and Health Product Safety ("ANSM") in France, the European Medicines Agency ("EMA") in Europe and the Food and Drug Administration ("FDA") in the United States, as well as their counterparts in other countries regulate, among other things, research and development, clinical trials, manufacturing, safety, efficacy, archiving, labelling, marketing and distribution of therapeutic products. In particular, without the authorisation of the FDA, it would be impossible to access the US market which is the largest pharmaceutical market in the world by value.

The regulatory approval process for new therapeutic products requires the submission of detailed product characteristics, the manufacturing and control process, as well as preclinical and clinical data and any information to establish the safety and potential efficacy of the product for each indication. It may also require ongoing studies after the MA, as well as controls on the quality of manufacture.

These regulatory procedures are expensive, can take many years and their outcome is unpredictable. In addition, the authorities may carry out inspections to verify that the development of a medicine is proceeding according to the regulations in force.

Data from preclinical and clinical developments may give rise to differing interpretations, which could delay the obtaining and limit the scope of regulatory approval, or force the Company to re-test to meet the requirements of different regulators. Requirements and regulatory processes vary widely from country to country, so that the Company or its strategic partners may not be able to obtain the authorisation in each country in time.

In Europe, the United States and other countries, regulations are likely to:

- delay and/or significantly increase the cost of product development, testing, manufacturing and marketing;
- limit the indications for which the Company would be authorised to market its products;
- impose new, stricter requirements, suspend the authorisation of its products, require the discontinuation of clinical trials or marketing if unexpected results are obtained during trials by other researchers on products similar to its own;
- impose binding labels.

Finally, if the Company does not comply with the laws and regulations that govern its operations, it could be subject to sanctions, which could include a refusal to authorise pending applications, product recalls, sales restrictions, the temporary or permanent suspension of its operations as well as civil or criminal proceedings.

The occurrence of one or more of these risks could have a material adverse effect on its business, prospects, financial position, results and development.

Having demonstrated the efficacy and tolerance of firibastat following the announcement of its Phase IIb results in arterial hypertension, Quantum Genomics has a strategy of forming alliances with pharmaceutical companies capable of completing clinical development, obtaining the MA for the product and ensuring its marketing. As a result, the Company believes that it is less exposed to the risks associated with regulatory constraints than a similar company that would financially support the entire process: from research to marketing of the product.

Risks related to the evolution of drug reimbursement policies

Once marketed by partners, the market acceptance of the Company's technology-based products will depend, in part, on the rate at which public health insurance funds and private insurers will reimburse them. Primary health insurance funds and other third-party payers will seek to limit the cost of care by restricting or refusing

to cover costly therapeutic products and procedures. This risk is currently increasing in Europe due to the fiscal crisis of certain states and, more generally, weak economic growth.

The ability of partners to successfully market the Company's technology-based products will depend, in part, on the determination by public authorities, private insurers and other organizations in Europe and the United States of sufficient reimbursement rates for its drugs and associated treatments. Third-party payers are increasingly questioning the prices of therapeutic products and medical services. The cost containment measures that health care providers and reimbursement agencies are putting in place and the effect of possible health system reforms could adversely affect the Company's operating profits.

Products derived from the Company's technology could thus not obtain satisfactory reimbursements, which would undermine their acceptance by the market, in which case the royalties paid to the Company by its partners would not achieve a sufficient return on investments.

The occurrence of one or more of these risks could have a material adverse effect on its business, prospects, financial position, results and development.

Disputes

Supplier Scalene Partners

Scalene Partners is requesting payment of the sum of €1 million exclusive of tax in respect of commissions related to the last fund raising organised by Quantum Genomics in December 2020.
Quantum Genomics is disputing the payment of this sum and summonsed Scalene Partners, in January 2021, for the purposes of cancelling the mandate and its amendments, and returning the sums paid to Scalene Partners under the contract, representing a total of €0.4 million exclusive of tax.
After reviewing the file with its counsel, Quantum Genomics considers that Scalene Partners' application is unfounded and that the risk is not proven. Consequently, no provision has been recognised in the 2020 financial statements.

Tax audit

Since December 2020, a tax audit on payroll tax for 2017 to 2019 has been ongoing. The tax authorities are requesting a recall of €238,000. As the audit is in progress at the time of closing of the accounts and as Quantum Genomics is disputing the sums claimed, no amount was recorded in the accounts or provisions.

Risks related to the need to maintain, attract and retain key personnel and scientific advisors

The success of the Company depends largely on the work, experience and expertise of its executives. The loss of their skills could affect its ability to achieve its goals. In addition, as part of its development, the Company may be required to recruit new qualified employees.

The Company's policy is to reduce the magnitude of this risk by managing its human resources, in particular by giving employees the opportunity after each capital increase to subscribe to instruments giving entitlement to the capital (warrants).

From an operational point of view, the Company has set up a human resources organisation in the form of project management.

Strong competition with other companies, some of which are more prominent than the Company, as well as strong investment by major pharmaceutical companies, could reduce the Company's ability to maintain, attract and retain key employees on economically acceptable terms and would be detrimental to the business, prospects, financial standing and development of Quantum Genomics.

At the date of this report, the Company has not put in place any Key Person Insurance.

9.4 Insurance and risk coverage

The Company has put in place a policy of hedging the main insurable risks with coverage amounts that it considers compatible with its cash consumption requirements and its activities.

The Company has taken out the following insurance policies for a total cost of €75,000:

- Insurance of the premises;
- Liability Insurance for the Sponsor of Biomedical Research;
- Corporate officer liability.

The main features of these policies are summarised below:

Type of policy	Insurer	Risks covered/Observations/ceiling per claim	Maturity
Professional multi-risk	AXA	- Fire/Explosion/Various risks: Unlimited to the extent of damages - Content € 51,000 - Climate events and natural disasters: Unlimited to the extent of damages - Content € 51,000 - Terrorist attacks and acts: Unlimited to the extent of damages - Content € 51,000 - Electrical damage: € 15,800 - Collapse: premises for the facilities belonging to us: €4,000,000 - Content: €51,000 - Water damage: Unlimited to the extent of damages - Content: €51,000 - Glass breakage: € 4,938 - Thefts and vandalism: unlimited vandalism of premises - Content: € 51,000 - Breakdown of machines: € 39,500 - Civil liability: Unlimited to the extent of damages - Archival reconstruction costs as a result of previous events: € 34,563 - Loss of income: €366,363	31/12/2021
Civil Liability: Clinical studies	CNA	- €650,000 to €5,000,000 per patient - €5,000,000 to $2,000,000 per protocol	31/12/2021
Corporate officer liability	AIG	- €3,000,000 per insurance period	21/04/2021

The Company cannot guarantee that it will always be able to maintain, and if necessary obtain, similar insurance coverage at an acceptable cost, which could lead to it, particularly as it develops, accepting more expensive insurance policies and assuming a higher level of risk. In addition, the occurrence of one or more significant claims, even if covered by these insurance policies, could seriously affect the Company's business and financial position in view of the interruption of its activities which may resulting from such a claim, repayment terms by the insurance companies in the event of exceeding the limits set in the policies and, finally, because of the increase in premiums that would follow.

The occurrence of one or more of its risks could have a material adverse effect on the Company's business, prospects, financial position, results or development.

9.5 Financial risks

The accounting data referred to in this section are taken from the annual financial statements of the Company as at 31 December 2020 according to French standards.

Liquidity risk

The financing of the Company's development was achieved through a reinforcement of its own funds by way of capital increases, bank debts, debt with its shareholders/third parties as well as by the receipt of public aid through research tax credits and the support of Bpifrance and ANR.

The Company has carried out a specific review of its liquidity risk. It considers that its cash position on the date of this annual report, as well as the partnerships announced with pharmaceutical groups, should enable it to finance its operating expenses beyond 2021.

Interest rate risk

Bpifrance's advances of €720,000 being at an interest rate of zero do not present any interest rate risk.

Currency risk

At the date of this report, the Company's revenues and expenses are almost all denominated in euros.

The Company is therefore practically not exposed to currency risk.

Country risk

The Company is established in France. The Company believes that the country risk is negligible.

Equity risk

At the date of this report, the Company does not hold any interest in listed companies and is therefore not exposed to equity risk.

Risk of dilution

Since its creation, the Company has awarded warrants and bonus shares. The Company may in the future award or issue new instruments giving entitlement to the capital.

The details of the information relating to the warrants and bonus shares issued by the Company appear in sections 11.2 and 11.3 below of this annual report.

10. RESEARCH AND DEVELOPMENT

The Company has invested in its four areas of research and development, presented in part 9.1 of this document.

11. LEGAL INFORMATION

11.1 Social and environmental consequences of the business

In accordance with the provisions of article L. 225- 102- 1 paragraph 5 of the French Commercial Code, it is specified that the Company's business has no social or environmental consequences.

11.2 Information on the share capital and its distribution

As at 31 December 2020, the Company's capital is divided into 26.712.489 common shares. The shareholders

of the Company are institutional and private investors including the management team and the employees of QUANTUM GENOMICS.

The share capital of the Company is as follows at 31 December 2020:

Actionnaires	Capital existant		Capital dilué *	
	Nombre de titres	*% de détention*	Nombre de titres	*% de détention*
Tethys	993 161	3,72%	993 161	3,65%
Otium Capital	888 888	3,33%	888 888	3,27%
André Gombert	785 038	2,94%	785 038	2,89%
Lionel Ségard	700 057	2,62%	825 590	3,04%
Managers/salariés/administrateurs	657 997	2,46%	719 679	2,65%
Autres actionnaires	22 687 348	84,93%	22 973 604	84,51%
Total	**26 712 489**	100%	**27 185 960**	100%

**excluding bonus shares during the vesting period.*

In accordance with article L. 233-13 of the French Commercial Code, and taking into account the information received pursuant to the provisions of articles L.233-7 and L.233-12 of said Code, we hereby disclose the identity of the natural or legal persons directly or indirectly holding more than one twentieth, one tenth, three twentieths, one fifth, one quarter, one third, one half, two thirds, eighteen twentieths or nineteen twentieths of the share capital or voting rights at general meetings, as at 31 December 2020:

- **Mr Lionel Ségard**
  Born on 22 February 1968 in Issy Les Moulineaux (92), a French national, residing at 12 bis rue de Bel Air - 17690 Angoulins, Lionel Ségard is the Chairman of the Board of Directors of the Company (no longer combining the functions of Chairman of the Board of Directors and Chief Executive Officer since 6 April 2018).

- **TETHYS**
  French investment company with a capital of €144,305,535, registered with the Nanterre Trade and Companies Register under number 409 030 053 and owned by the Bettencourt-Meyers family, holding financial assets and interests in companies.

- **OTIUM CAPITAL via its holding company BAD21 SPRL**
  Belgian investment company with capital of €183,340,000, registered under number BE 0849.021.796 and located at 21 rue Haute, 1380 Lasne, Belgium.

- **Mr André Gombert**
  Born on 27 October 1943 in Paris, of French nationality, residing at 53, boulevard Suchet - 75016 Paris.

Lastly, the Company's articles of association, amended on 21 November 2013, grant double voting rights to fully paid-up shares for which specific registration has been warranted for at least two years in the name of the same shareholder.

The conversion to the bearer of a share or the transfer of its ownership causes the share to lose the double voting right mentioned above.

The table below shows the number of shares with double voting rights in the Company as at 31 December 2020:

Shareholders	**Number of securities**
Tethys	993,161
André Gombert	785,088
Lionel Ségard	527,474
Other shareholders	484,889
Total double voting rights	**2,790,612**

Potential dilution: at 31 December 2020, the Company issued warrants, the characteristics of which are set out below:

Plan no.	BSA 2009	BSA 06-10	BSA 06-12	BSA 11-13	BSA 11-13-02	BSAR 2016	BSA 2017	BSA 2019
Meeting Date	Extra. General Meeting of 15/04/2009	Extra. General Meeting of 30/06/2010	Extra. General Meeting of 29/06/2012	Extra. General Meeting of 21/11/2013	Extra. General Meeting of 21/11/2013	Extra. General Meeting of 22/12/2015	Extra. General Meeting of 08/06/2017	Extra. General Meeting of 27/06/2019
Board of Directors Meeting Date	5/13/2009	30/06/2010 and 05/07/2011	6/24/2013	04/04/2014 and 20/11/2014	2/13/2015	14/03/2016	25/07/2017	19/07/2019
Total number of new shares attached to unexercised warrants	**0**	**0**	**37,501**	**97,551**	**298,542**	**0**	**1,523,629**	**39,877**
Starting point for exercising options	5/13/2009	6/30/2010 or 7/05/2010	6/24/2013	04/04/2014	13/02/2015	16/03/2016	26/07/2017	19/07/2019
Expiration date	13/05/2019	6/30/2020 or 7/5/2020	6/24/2023	04/04/2024	13/02/2025	16/09/2018	26/01/2020	19/07/2022
Subscription price	€ 0.01	€ 0.01	€ 0.02	€ 0.62	€ 0.63	€ 0	€ 0	0.76
Exercise price	€ 0.10	€ 0.08	€ 0.18	€ 6.12	€ 6.30	€ 7.75	€ 4.75	5.06
Number of shares created attached to the warrants exercised at the close of the financial year	451,097	320,387	24,722	0	0	896	161,292	39,877
Cumulative number of cancelled or expired options (in number of shares)	54,621	0	0	0	0	1,428,181	0	0
Number of warrants unexercised at the close of the financial year	**Expired since 13/05/2019**	**Expired since 05/07/2020**	**675,012**	**97,551**	**298,542**	**Expired since 16/09/2018**	**Expired since 26/01/2020**	**39,877**

As of the date of this annual report, the Company has:

- Issued and awarded 2,022,870 **BSA2009** warrants subscribed: these warrants expired on 13/05/2019.
- Issued and awarded 5,766,967 **BSA06-2010** warrants subscribed: these warrants expired on 05/07/2020.
- Issued and awarded 1,120,000 **BSA06-2012** warrants subscribed: If all the unexercised warrants were exercised, they would give the right to **37,501** new shares.
- Issued and awarded 97,551 **BSA11-2013** warrants subscribed: If all the unexercised warrants were exercised, they would give the right to **97,551** new shares.
- Issued and awarded 298,542 **BSA11-2013-02** warrants subscribed: If all the unexercised warrants were exercised, they would give the right to **298,542** new shares.
- Issued and award 1,429,973 **BSAR2016** warrants: these warrants expired on 16/09/2018.
- Issued and awarded 2,191,698 **BSA2017** warrants subscribed: these warrants expired on 26/01/2020.
- Issued and awarded 39,877 **BSA2019** warrants subscribed: If all of the unexercised warrants were

exercised, they would give the right to **39,877** new shares.

As at 31 December 2020, in the event of the above instruments giving entitlement to the capital being exercised (excluding free shares during the vesting period), the dilution would be 1.7%, according to the details below:

	Existing securities	In the case of the sole exercise of BSA 06-12	In the case of the sole exercise of BSA 11-13	In the case of the sole exercise of BSA 11-13-02	In the case of the sole exercise of BSA2019	If all the dilutive instruments are exercised
Number of shares created	**26,712,489**	37,501	97,551	298,542	39,877	**473,471**
% potential		0.1%	0.4%	1.1%	0.1%	**1.7 %**

11.3 Employee profit-sharing

In accordance with the provisions of article L. 225-102 of the French Commercial Code, we inform you that as at 31 December 2020, several company savings plans have been put in place for the benefit of the Company's employees.

As at 31 December 2020, employee profit-sharing calculated in accordance with the provisions of article L. 225-102 of the French Commercial Code amounted to 2.91 % at the end of the previous financial year, with 238,461 bonus shares acquired at this date.

Pursuant to article L. 225-197-1, II para. 4 of the French Commercial Code, we inform you that the Board of Directors, at the time of each of the bonus share awards detailed below, has decided that the award of bonus shares would only be considered to be definitively acquired by the beneficiaries provided, at the end of the vesting period, that they are an employee of the Company or of a related company or executive corporate officer and the acceptance by the latter of the agreement on opening a financial instruments account stating that the bonus shares are unavailable during the containing the free holding period during the stock holding period.

- **AGA$_{03\text{-}2016}$**

On 2 March 2016, the Board of Directors granted a bonus share award of 244,850 shares ("**AGA$_{03\text{-}2016}$**"), distributed as follows:

- Lionel Ségard: 51,625 AGA$_{03\text{-}2016}$
- Marc Karako: 51,625 AGA$_{03\text{-}2016}$
- Jean-Philippe Milon: 44,250 AGA$_{03\text{-}2016}$
- Fabrice Balavoine: 29,500 AGA$_{03\text{-}2016}$
- Oliver Madonna[4]: 53,100 AGA$_{03\text{-}2016}$
- Yannick Marc: 2,950 AGA$_{03\text{-}2016}$
- Véronique Pellicer: 2,950 AGA$_{03\text{-}2016}$
- Mathilde Keck: 2,950 AGA$_{03\text{-}2016}$

[4] Left the company in 2017

- Delphine Compère: 2,950 $AGA_{03\text{-}2016}$
- Quentin Ricomard[5]: 2,950 $AGA_{03\text{-}2016}$

The $AGA_{03\text{-}2016}$ bonus shares have not been in the holding period since 2 March 2018.

- **$AGA_{07\text{-}2016\text{-}1}$ and $AGA_{07\text{-}2016\text{-}2}$**

On 08 July 2016, the Board of Directors proceeded with new bonus share awards, totalling 251,713 shares ("**$AGA_{07\text{-}2016\text{-}1}$**"), i.e. 3 % of the capital at the date of said Board meeting, and distributed as follows:

- Lionel Ségard: 70,730 $AGA_{07\text{-}2016\text{-}1}$
- Marc Karako: 48,077 $AGA_{07\text{-}2016\text{-}1}$
- Jean-Philippe Milon: 36,750 $AGA_{07\text{-}2016\text{-}1}$
- Fabrice Balavoine: 36,750 $AGA_{07\text{-}2016\text{-}1}$
- Olivier Madonna: 36,750 $AGA_{07\text{-}2016\text{-}1}$
- Yannick Marc: 3,776 $AGA_{07\text{-}2016\text{-}1}$
- Véronique Pellicer: 3,776 $AGA_{07\text{-}2016\text{-}1}$
- Mathilde Keck: 3,776 $AGA_{07\text{-}2016\text{-}1}$
- Delphine Compère: 3,776 $AGA_{07\text{-}2016\text{-}1}$
- Quentin Ricomard: 3,776 $AGA_{07\text{-}2016\text{-}1}$
- Stéphanie Desbrandes: 3,776 $AGA_{07\text{-}2016\text{-}1}$

And 251,713 shares ("**$AGA_{07\text{-}2016\text{-}2}$**"), i.e. 3% of the capital on the date of said Board meeting, and distributed as follows:

- Lionel Ségard: 70,730 $AGA_{07\text{-}2016\text{-}2}$
- Marc Karako: 48,077 $AGA_{07\text{-}2016\text{-}2}$
- Jean-Philippe Milon: 36,750 $AGA_{07\text{-}2016\text{-}2}$
- Fabrice Balavoine: 36,750 $AGA_{07\text{-}2016\text{-}2}$
- Olivier Madonna: 36,750 $AGA_{07\text{-}2016\text{-}2}$
- Yannick Marc: 3,776 $AGA_{07\text{-}2016\text{-}2}$
- Véronique Pellicer: 3,776 $AGA_{07\text{-}2016\text{-}2}$
- Mathilde Keck: 3,776 $AGA_{07\text{-}2016\text{-}2}$
- Delphine Compère: 3,776 $AGA_{07\text{-}2016\text{-}2}$
- Quentin Ricomard: 3,776 $AGA_{07\text{-}2016\text{-}2}$
- Stéphanie Desbrandes: 3,776 $AGA_{07\text{-}2016\text{-}2}$

The $AGA_{07\text{-}2016\text{-}1}$ bonus shares have not been in the holding period since 8 March 2019.

The $AGA_{07\text{-}2016\text{-}2}$ bonus shares have not been in the holding period since 08 March 2020.

Mr Olivier Madonna lost his right to acquire $AGA_{07\text{-}2016\text{-}1}$ and $AGA_{07\text{-}2016\text{-}2}$ bonus shares due to his departure

[5] Left the company in 2018

from the Company in 2017.

Mr Quentin Ricomard lost his right to acquire $AGA_{07\text{-}2016\text{-}2}$ bonus shares due to his departure from the Company in 2018.

- **$AGA_{01\text{-}2017\text{-}1}$ and $AGA_{01\text{-}2017\text{-}2}$**

On 18 January 2017, the Board of Directors proceeded with new bonus share awards of 20,000 shares (10,000 of them entitled "**$AGA_{01\text{-}2017\text{-}1}$**" and the remaining 10,000 entitled "**$AGA_{01\text{-}2017\text{-}2}$**"), all awarded to Mr Bruno Besse.

The $AGA_{01\text{-}2017\text{-}2}$ and $AGA_{01\text{-}2017\text{-}2}$ plans were cancelled by decision of the Board of Directors on 4 May 2017.

- **$AGA_{05\text{-}2017\text{-}1}$ and $AGA_{05\text{-}2017\text{-}2}$**

In replacement of the $AGA_{01\text{-}2017\text{-}1}$ and $AGA_{01\text{-}2017\text{-}2}$ bonus share award plans, which were cancelled on 4 May 2017, the Board of Directors, on the same date, proceeded with new bonus share awards of 20,000 shares (10,000 of them entitled "**$AGA_{05\text{-}2017\text{-}1}$**" and the remaining 10,000 entitled "**$AGA_{05\text{-}2017\text{-}2}$**"), all awarded to Mr Bruno Besse.

The $AGA_{05\text{-}2017\text{-}1}$ bonus shares have not been in the holding period since 04 May 2019.

The $AGA_{05\text{-}2017\text{-}2}$ bonus shares have not been in the holding period since 04 May 2020.

- **$AGA_{08\text{-}2017\text{-}1}$ and $AGA_{08\text{-}2017\text{-}2}$**

On 22 August 2017, the Board of Directors proceeded with new bonus share awards of 7,552 shares ("**$AGA_{08\text{-}2017\text{-}1}$**"), i.e. 0.08 % of the share capital on the date of said Board meeting, distributing them as follows:

- Marine Minder[6]: 3,776 $AGA_{08\text{-}2017\text{-}1}$
- Solène Boitard: 3,776 $AGA_{08\text{-}2017\text{-}1}$

And 7,552 shares ("**$AGA_{08\text{-}2017\text{-}2}$**"), i.e. 0.08% of the capital on the date of said Board meeting, and distributed as follows:

- Marine Minder: 3,776 $AGA_{08\text{-}2017\text{-}2}$
- Solène Boitard: 3,776 $AGA_{08\text{-}2017\text{-}2}$

The $AGA_{08\text{-}2017\text{-}1}$ bonus shares have not been in the holding period since 22 August 2019.

The $AGA_{08\text{-}2017\text{-}2}$ bonus shares have not been in the holding period since 22 August 2020.

Ms Marine Minder lost her right to acquire $AGA_{08\text{-}2017\text{-}1}$ and $AGA_{08\text{-}2017\text{-}2}$ bonus shares due to her departure from the Company in 2017.

[6] Left the company in 2017

- **AGA$_{04\text{-}2018}$**

On 6 April 2018, the Board of Directors proceeded with a new bonus share award of 15,000 shares ("**AGA$_{04\text{-}2018}$**"), i.e. 0.13% of the capital on the date of said Board meeting, all attributed to Mr Jean-Philippe Milon:

The AGA$_{04\text{-}2018}$ bonus shares are in a holding period from 6 April 2019 to 6 April 2021.

- **AGA$_{07\text{-}2019\text{-}1}$ and AGA$_{07\text{-}2019\text{-}2}$**

On 19 July 2019, the Board of Directors proceeded with new bonus share awards of 183,828 shares ("**AGA$_{07\text{-}2019\text{-}1}$**"), i.e. 1.09% of the capital on the date of said Board meeting, distributed as follows:

- Jean-Philippe Milon: 156,166 AGA$_{07\text{-}2019\text{-}1}$
- Bruno Besse: 23,662 AGA$_{07\text{-}2019\text{-}1}$
- Benoit Gueugnon: 4,000 AGA$_{07\text{-}2019\text{-}1}$

And 220,675 shares ("**AGA$_{07\text{-}2019\text{-}2}$**"), i.e. 1.31 % of the capital on the date of said Board meeting, and distributed as follows:

- Jean-Philippe Milon: 176,042 AGA$_{07\text{-}2019\text{-}2}$
- Bruno Besse: 39,633 AGA$_{07\text{-}2019\text{-}2}$
- Benoit Gueugnon: 5,000 AGA$_{07\text{-}2019\text{-}2}$

The AGA$_{07\text{-}2019\text{-}1}$ bonus shares are in a holding period from 19 July 2020 to 19 July 2021.

The AGA$_{07\text{-}2019\text{-}2}$ bonus shares are in a vesting period until 19 July 2021.

- **AGA$_{12\text{-}2019}$**

On 10 December 2019, the Board of Directors proceeded with a new bonus share award of 39,633 shares ("**AGA$_{12\text{-}2019}$**"), i.e. 0.23% of the capital on the date of said Board meeting, all attributed to Mr Fabrice Balavoine:

The AGA$_{12\text{-}2019}$ bonus shares are in a holding period from 10 December 2020 to 10 December 2021.

- **AGA$_{08\text{-}2020}$**

On 28 August 2020, the Board of Directors proceeded with a new bonus share award of 45,000 shares ("**AGA$_{08\text{-}2020}$**"), i.e. 0.22% of the capital on the date of said Board meeting, all attributed to Mr Benoît Gueugnon:

The AGA$_{08\text{-}2020}$ bonus shares are in a vesting period until 28 August 2021.

- **AGA$_{09\text{-}2020}$**

On 30 September 2020, the Board of Directors proceeded with new bonus share awards of 190,000 shares ("**AGA$_{09\text{-}2020}$**"), i.e. 0.88% of the capital on the date of said Board meeting, distributed as follows:

- Jean-Philippe Milon: 90,000 AGA$_{09\text{-}2020}$
- Bruno Besse: 45,000 AGA$_{09\text{-}2020}$
- Fabrice Balavoine: 45,000 AGA$_{09\text{-}2020}$
- Véronique Pellicer: 5,000 AGA$_{09\text{-}2020}$
- Marie-Noëlle Ly: 5,000 AGA$_{09\text{-}2020}$

The AGA$_{09\text{-}2020}$ bonus shares are in a vesting period until 30 September 2021.

- **AGA$_{12\text{-}2020}$**

On 4 December 2020, the Board of Directors proceeded with a new bonus share award of 90,000 shares ("**AGA$_{12\text{-}2020}$**"), i.e. 0.4% of the capital on the date of said Board meeting, all attributed to Mr Jean-Philippe Milon.

The AGA$_{12\text{-}2020}$ bonus shares are in a vesting period until 04 December 2021.

11.4 Securities transactions of directors and similar persons during the financial year

Pursuant to the provisions of articles 223-22 A and 223-26 of the AMF General Regulation, we inform you of the transactions carried out by the managers and their relatives concerning the Company's shares during the past financial year:

No transactions during the 2020 financial year.

11.5 Other transactions during the year

We inform you of the transactions made during the 2020 financial year by the directors and members of the Board of Directors other than those referred to in the previous article:

Lionel Ségard (Chairman of the Board of Directors):

Exercise of Warrants (BSA06-2010): Subscription for 49,696 shares of the Company for a price of €71,562.40.

Christian Béchon (Director):

Exercise of Warrants (BSA06-2010): Subscription for 20,417 shares of the Company for a price of €29,400.00.

11.6 Share buyback programme - Liquidity agreement

In accordance with the provisions of articles L. 225-208, L. 225-209-1 and L. 225-211 of the French Commercial Code, we must report to you on the Company's purchase and sale of its own shares.

In accordance with the authorisation given to it each year by the General Meeting of Shareholders, the Company has had a liquidity agreement since 10 April 2014, through the Board of Directors, with Invest Securities, which complies with the legal and regulatory provisions applicable in this area, in particular to promote liquidity and stimulate the price of the Company's shares on the Euronext Growth (formerly Alternext) market in Paris. On 31 December 2018, the company entered into a new liquidity contract in accordance with

the AMAFI charter with Gilbert Dupont, which took effect on 1 February 2019. As a result, 59,005 shares were transferred from Invest Securities to Gilbert Dupont.

As at 31 December 2020, the following assets were on the liquidity account:

- € 285.186,34
- 74,385 securities (0.28% of the total number of shares)

11.7 Subsidiaries and investments – Existing branches

As at both 31 December 2020 and the date of this report, the Company does not have any subsidiaries or holdings.

Furthermore, in accordance with the legal provisions, we inform you that the Company has no branch.

11.8 Significant equity investments

In accordance with the provisions of articles L. 233- 6 and L. 247- 1 of the French Commercial Code, it is specified that the Company has not taken any equity stake or acquired control during the past financial year.

11.9 Management Team and Committees

The members of the management team during the financial year ended on 31 December 2020 are as follows:

- Lionel Ségard: Chairman of the Board of Directors
- Jean-Philippe Milon: CEO
- Benoît Gueugnon: Administrative and Financial Director
- Fabrice Balavoine: Director, Research & Development
- Bruno Besse: Medical Director

As of 31 December 2020, the members of the Scientific Committees are:

- Mark Caulfield
- Alexandre Persu
- Keith Ferdinand
- Toshiro Fujita
- Frans Leenen

11.10 Status of the terms of office of the Board Members and the Statutory Auditors

The terms of office of the directors Lionel Ségard and Christian Béchon expire at the end of the general meeting, which will approve the financial statements for the financial year ended 31 December 2020.

Discussions are ongoing, on the date of this report, on the future composition of the Board of Directors.

Furthermore, no terms of office of the Statutory Auditors have expired.

As a reminder, the General Meeting of 14 June 2018 decided in particular:

- for organisational reasons within the Deloitte Group, to not renew the expired term of office of the

incumbent Statutory Auditor, Pierre Henri Scacchi et Associés - Deloitte Group, and to propose the appointment of Deloitte et Associés as the new incumbent Statutory Auditor of the Company, for a period of six financial years ending at the General Meeting that will approve the financial statements for the year ending 31 December 2023; and

- to renew the term of office of the alternate statutory auditor, BEAS, for a period of six financial years ending at the General Meeting that will approve the financial statements for the year ending 31 December 2023.

11.11 Money laundering and terrorism financing

Within the framework of the Euronext Growth rules in force, it is specified that the Company, its officers and corporate officers comply with the EC Directive 2005/60 of the European Parliament and of the Council on the prevention of the use of the financial system for the purposes of money laundering and terrorist financing, as well as any other relevant national regulations or laws.

In addition, the Company, its officers and corporate officers do not appear on the European Union sanction list or the list drawn up by the OFAC.

11.12 Agreements referred to in Article L. 225-38 of the French Commercial Code

We ask you, in accordance with Article L. 225-40 of the French Commercial Code, to approve the agreements referred to in Article L. 225-38 of the French Commercial Code, entered into and/or which continued during past financial year, having been regularly authorised by the Board of Directors.

Your auditor has been informed of these agreements, which it reports to you in its special report.

We also inform you that the Board of Directors, at its meeting on 28 March 2019, carried out an annual review of regulated agreements that had been previously authorised and that continued during the past financial year.

11.13 Agreements referred to in article L. 225-39 of the French Commercial Code

The list of agreements relating to ordinary transactions entered into under normal conditions has been kept at your disposal within the statutory periods and communicated to your Statutory Auditor.

11.14 Supplier and customer payment terms

In accordance with the provisions of articles L. 441-6-1 and D. 441-4 of the French Commercial Code, we hereby provide you with information on the payment terms of our suppliers and our customers as at 31 December 2020, including all taxes:

- for the Company's suppliers, the number and total amount of invoices received and not paid on the closing date of the financial year whose term has expired; this amount is broken down into instalments of arrears and reported as a percentage of the total amount of tax-free purchases for the financial year;

- for the Company's customers, the number and total amount of invoices issued and not paid on the closing date of the financial year whose term has expired; this amount is broken down by late payment instalments and reported as a percentage of revenue excluding tax for the financial year.

Received and issued invoices not paid on the closing date of the financial year the term of which has expired (table provided for in I of article D. 441-4)												
	Article D. 441 I.-1°: Received invoices not paid on the closing date of the financial year whose term has expired						Article D. 441 I.-1°: Issued invoices not paid on the closing date of the financial year whose term has expired					
	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day or more)	*0 days (indicative)*	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day or more)
(A) Late payment tranches												
Number of invoices concerned	*74*					165	*0*					1
Total amount of invoices concerned including tax	2428452	639698	559503	0	202676	3830329	0	814930				814930
Percentage of total purchases including taxes for the financial year	*14 %*	4 %	3 %	0 %	1 %	22 %						
Percentage of revenue including taxes for the financial year								100%				
(B) Invoices excluded from (A) relating to debts and receivables in dispute or unrecognised												
Number of invoices excluded												
Total amount of invoices excluded												
(C) Reference payment terms used (contractual or legal period - article L. 441-6 or article L.443-1 of the French Commercial Code)												
Payment terms used to calculate late payment	□ Contractual terms: (specify) □ Legal terms: (specify)						□ Contractual terms: (specify) □ Legal terms: (specify)					

11.15 Dividend distribution

In accordance with the provisions of Article 243 bis of the French General Tax Code, it is recalled that no dividend has been distributed during the last three financial years.

11.16 Evolution of the listed securities during the past financial year

The QUANTUM GENOMICS share (ALQGC -FR0011648971) is listed on the Euronext Growth Market (formerly Alternext) in Paris.

As at 31 December 2020, the share price was €4.90 (compared to €3.38 as at 31 December 2019). The total

number of shares traded in 2020 was 92,033,856 shares (Source: Boursorama).

Changes in the QUANTUM GENOMICS share price from 1 January 2020 to 31 December 2020 were as follows: see https://www.boursorama.com/cours/1rPALQGC/

12. FIVE-YEAR FINANCIAL SUMMARY

In accordance with the provisions of Article R. 225- 102 of the French Commercial Code, the table showing the earnings of the Company for the last five financial years is reproduced below:

	Financial year 2016	Financial year 2017	Financial year 2018	Financial year 2019	Financial year 2020
Capital at the end of the financial year					
Share capital	3,354,781.41	4,393,771.93	6,306,887.99	7,222,655.85	10,680,166.50
Number of existing common shares	8,390,811	10,989,392	15,774,349	18,064,804	26,712,489
Financial year operations and results					
Turnover excluding taxes	0	0	0	0	0
Earnings before tax, employee profit sharing and amortisation and provisions	(6,160,860)	(10,356,785)	(13,233,663)	(10,550,616)	(13,348,403)
Taxes on profits (including research tax credit)	(957,927)	(1,149,981)	(1,458,378)	(1,547,215)	(2,147,542)
Employee profit-sharing due for the year	0	0	0		
Profit after tax, employee profit-sharing and allocations to					
Amort. and prov.	(5,241,359)	(9,381,174)	(11,990,055)	(9,078,421)	(11,536,701)
Distributed earnings	0	0	0	0	0
Earnings per share					
Earnings after tax, employee profit-sharing, but before allocations to amortisation and provisions	(0.62127)	(0.83780)	(0.8389)	(0.49982)	(0.41931)
Earnings after tax, employee profit-sharing, and allocations to amortisation and provisions	(0.62466)	(0.85366)	(0.76001)	(0.50254)	(0.43188)
Dividend distributed to each share	0	0	0	0	0
Staff					
Average number of employees employed during the year	11	13	13	12	9
Amount of payroll for the year	1,284,076	1,600,355	1,583,221	1,730,382	1,532,137
Amount of benefits paid in the year	539,052	855,674	819,429	1,045,239	796,503

13. PRESENTATION OF ANNUAL ACCOUNTS

We remind you that the accounts presented to you have been prepared in accordance with the regulations in force and French accounting principles, following the same methods as in the previous financial year.

14. ALLOCATION OF INCOME

We kindly ask you to approve the parent company financial statements (balance sheet, income statement and notes) for the past financial year as presented to you, which show a net accounting loss of (€11,536,701).

We also suggest that you allocate the loss for the financial year ended 31 December 2020 totalling (€11,536,701) in full to the "Carryforward" item.

15. NON-DEDUCTIBLE EXPENSES

In accordance with the provisions of article 223 quater and 223 quinquies of the French General Tax Code, it is specified that the accounts for the past financial year do not show any non-deductible expenses of the tax result.

CORPORATE GOVERNANCE REPORT

In accordance with the provisions of ordinance No. 2017-1162 of 12 July 2017 and Article L.225-37 paragraph 6 of the French Commercial Code, we present to you, under the terms of this specific section of this report, information relating to the corporate governance report.

1. CORPORATE OFFICERS AND LIST OF OFFICES HELD

At the date of this report, the Board of Directors of the Company is composed as follows:

- Mr Lionel Ségard, Chairman of the Board of Directors,

- Christian Béchon, Board Member,

- Mr Jean-Philippe Milon, Board Member

- Mrs Carole Wassermann, Board Member.

As indicated in section 11.9 above of this report:

- Mr Jean-Paul Kress resigned in June 2019 from his term of office as Board Member of the Company,
- Mr Marc Karako did not have his term of office as Board Member of the Company renewed, subject to the vote of the General Meeting of 17 June 2019, and
- Mr Jean-Philippe Milon was appointed as a new Board Member of the Company at the General Meeting of 17 June 2019.

In accordance with the provisions of article L. 225-37-4 paragraph 1 of the French Commercial Code, the following is a list of the offices held in any company on December 31st of the year ended by each corporate officer:

Corporate officers of the Company			Offices and positions held in other companies		
Positions in the Company	Full name, Date of birth	Salaried position (if applicable)	Characteristics of the Company	Legal form	Offices and positions exercised
Chairman of the Board of Directors	Lionel Ségard Born on 2/22/1968	Not applicable	Rugby Club Massy Essonne	SASP [Professional Sports Limited Company]	Board Member
			Enthei	SAS	Chairman
Board Member	Christian Béchon Born on 12/09/1959	Not applicable	OpenHealth Company	SA	Board Member
			Checkpoint Therapeutics (USA)	Inc.	Board Member
			CHB Consultants	SAS	CEO
			Dietecom (France)	SARL [Limited Liability Company]	Manager
Board Member	Carole Wassermann born 20/07/1965	Not applicable	not applicable	not applicable	not applicable
CEO	Jean-Philippe Milon born 15/09/1960	CEO	LANDANGER	SAS	Board Member
			PLG	SAS	Board Member
			21 INVEST	SAS	Board Member

2. AGREEMENTS ENTERED INTO BETWEEN A CORPORATE OFFICER OR A SHAREHOLDER HAVING A FRACTION OF THE VOTING RIGHTS GREATER THAN 10% AND, SECONDLY, A SUBSIDIARY OF THE COMPANY

In accordance with the provisions of article L. 225-37-4 paragraph 2 of the French Commercial Code, we

inform you that no agreement covered by this legal provision is to be mentioned, the Company having no subsidiary.

3. CURRENT DELEGATIONS GRANTED BY THE GENERAL SHAREHOLDERS' MEETING TO THE BOARD OF DIRECTORS PURSUANT TO ARTICLES L. 225-129-1 AND L. 225-129-2 OF THE FRENCH COMMERCIAL CODE

In accordance with the provisions of article L. 225-37-4 paragraph 3 of the French Commercial Code, the table of current delegations of powers and authority granted by the General Meeting of Shareholders on 16 July 2020 to the Board of Directors pursuant to articles L. 225-129-1 and L. 225-129-2 of the French Commercial Code is reproduced below:

Purpose of the resolution	Reso	Term of authorisation and expiration	Terms	Maximum nominal amount in euros
Authorisation to be given to the Board of Directors to complete transactions concerning the Company's shares, pursuant to the provisions of Article L. 225-209 of the French Commercial Code	6th	18 months from the date of this meeting, i.e. until 16 January 2022	Authorisation to the Board of Directors, with the option of subdelegation under the conditions set by law, in accordance with the provisions of articles L. 225-209 et seq. of the French Commercial Code, to acquire a number of shares may exceed 10% of the total number of shares making up the share capital at the date of this General Meeting, it being specified that the limit of 10% applies to an amount of the share capital which will, if necessary, be adjusted to take into account transactions affecting said capital after the General Meeting	Maximum amount of the capital increase: 10% of €1,872,752,400
Delegation of authority to be given to the Board of Directors to proceed with the increase of the share capital, with cancellation of the preferential subscription right and public offering of financial securities (in accordance with articles L. 225-129 to L. 225-129-6, L. 225-135, L. 225-136, and L. 228-91 to L. 228-97 of the French Commercial Code)	7th	26 months from the date of this meeting, i.e. until 16 September 2022	Delegation of authority to the Board of Directors to decide on the issue, on one or more occasions, at the time or times it will determine and in the proportions that it will assess, both in France and abroad, with cancellation of the preferential subscription right of the shareholders and public offerings of financial securities, (i) of shares of the Company and/or (ii) common shares giving the right to the award of other common shares or securities receivables and/or (iii) securities, representing a claim or not, giving entitlement by any means, immediately or in the future, to existing or future shares of the Company or giving right to the award of debt securities or a combination of both (including, in particular, bonds convertible into shares with warrants), the subscription of which may be released by payment in cash or by compensation with liquid assets held against the Company	Maximum nominal amount* of the capital increase: (i) €9,000,000 for the issue of shares and/or common shares giving the right to the award of other common shares and/or securities not representative of debt securities giving entitlement by any means, immediately or in the future, to existing or future shares of the Company, and (ii) €50,000,000 for issues of securities representing debt securities or giving the right to the allocation of debt securities

Delegation of authority to be given to the Board of Directors to decide to increase the share capital by issuing - with preferential subscription rights - shares and/or securities giving entitlement to the capital of the Company and/or issue of securities giving right to the award of debt securities (in accordance with the provisions of articles L. 225-129 et seq. of the French Commercial Code, in particular article L. 225-129-2 of the said Code, and the provisions of articles L. 228-91 et seq. of said Code)	8th	26 months from the date of this meeting, i.e. until 16 September 2022	Delegation of authority to the Board of Directors, with the option of subdelegation under the conditions set by law, to decide on the issue, on one or more occasions, in France or abroad, in the proportion and at the times it will consider, of shares (excluding preferred shares), and/or common shares giving the right to the award of other common shares or debt securities, and/or securities, representative of a claim or not, giving entitlement by any means, immediately or in the future, to existing or future shares of the Company or giving right to the award of debt securities or a combination of both (including in particular, bonds convertible into shares with warrants), it being specified that the subscription of shares and/or other securities may be paid either by cash or by receivables, profits or premiums or, under the same conditions, to decide on the issue of securities giving right to the award of debt securities governed by articles L. 228-91 et seq. of the French Commercial Code	Maximum nominal amount* of the capital increase: Idem 7th resolution
Delegation of authority to be given to the Board of Directors to decide to increase the share capital by issuing - with cancellation of the preferential subscription right - shares and/or securities giving entitlement to the capital of the Company and/or the issue of securities conferring entitlement to the award of debt securities through an offer referred to in Article L. 411- 2 II of the French Monetary and Financial Code to, among others, qualified investors or a restricted circle of investors	9th	18 months from the date of this meeting, i.e. until 16 January 2022	Delegation of authority to the Board of Directors with the option of subdelegation under the conditions set by law, to decide to increase the share capital, on one or more occasions, in the proportion and at the times that it assesses, in France or in abroad, by an offer referred to in Article L.411- 2 II of the French Monetary and Financial Code, by the issue of (i) shares (excluding preferred shares) and/or (ii) common shares giving right to the award of other common shares or debt securities and/or (iii) transferable securities, representing a claim or not, giving entitlement by any means, immediately or in the future to existing or future shares of the Company or giving right to the award of debt securities or a combination of both (including, in particular, bonds convertible into shares with warrants), it being specified that the subscription of shares and/or other securities may be released either by payment in cash or by offsetting receivables, or, under the same conditions, to decide the issue of securities giving right to the award of debt securities governed by Articles L.228-91 et seq. of the French Commercial Code	Maximum nominal amount* of the capital increase: Idem 7th resolution in any event 20% of the capital
Delegation of authority to be given to the Board of Directors to decide to increase the share capital by issuing shares and/or securities giving entitlement to the capital of the Company and/or securities giving rights to the award of securities, with cancellation of the preferential subscription right for the benefit of a category of persons (strategic operation) (in accordance with Articles L. 225-129 et seq. of the French Commercial Code, in particular Articles L. 225-129-2, L. 225-135 and L. 225-138 of the said Code, and the provisions of Articles L. 228-91 et seq. of the said Code)	10th	18 months from the date of this meeting, i.e. until 16 January 2022	Delegation of authority to the Board of Directors, with the option of subdelegation under the conditions set by law, to decide on the issue, on one or more occasions, in France or abroad, by the issue of (i) shares (excluding preferred shares) and/or (ii) common shares giving the right to the award of other common shares or debt securities and/or (iii) securities, representative of a right of claim or not, giving entitlement by any means, immediately or in the future, to existing or future shares of the Company or giving right to the award of debt securities or a combination of both (including in particular, bonds convertible into shares with warrants), it being specified that the subscription of the shares and/or other securities may be paid either by cash or by offsetting claims, or, under the same conditions, to decide on the issue of securities giving right to the award of debt securities governed by articles L. 228-91 et seq. of the French Commercial Code, for the benefit of the category of persons meeting the following characteristics: "*Any natural or legal person involved in the areas or sectors in which the Company operates, and wishing to enter into an agreement with the Company for a strategic partnership, a capital merger or a pooling of resources.* "	Maximum nominal amount* of the capital increase: Idem 7th resolution

Delegation of authority to be given to the Board of Directors to decide to increase the share capital by issuing shares and/or securities giving entitlement to the capital of the Company and/or securities giving rights to the award of debt securities, with cancellation of the preferential subscription right for the benefit of a category of persons (investment transaction) (in accordance with articles L. 225-129 et seq. of the French Commercial Code, in particular articles L. 225-129-2, L. 225-135 and L. 225-138 of said Code, and the provisions of articles L. 228-91 et seq. of said Code)	11th	18 months from the date of this meeting, i.e. until 16 January 2022	Delegation of authority to the Board of Directors, with the option of subdelegation under the conditions set by law, to decide on the issue, on one or more occasions, in France or abroad, by the issue of (i) shares (excluding preferred shares) and/or (ii) common shares giving the right to the award of other common shares or debt securities and/or (iii) securities, representative of a right of claim or not, giving entitlement by any means, immediately or in the future, to existing or future shares of the Company or giving right to the award of debt securities or a combination of both (including in particular, bonds convertible into shares with warrants), it being specified that the subscription of the shares and/or other securities may be paid either by cash or by offsetting claims, or, under the same conditions, to decide on the issue of securities giving right to the award of debt securities governed by articles L. 228-91 et seq. of the French Commercial Code, for the benefit of the category of persons meeting the following characteristics: "*(i) Any natural or legal person and any investment fund under French or foreign law investing in the pharmaceutical or biotech sector or exercising a significant proportion of its activities in this field* *(ii) Any French or foreign investment service provider, or any foreign institution with equivalent status, likely to guarantee the completion of an issue intended to be placed with persons referred to in (i) above and, in this context, to subscribe to the securities issued."*	Maximum nominal amount* of the capital increase: Idem 7th resolution
Delegation of authority to be given to the Board of Directors to decide to increase the share capital by incorporation of bonuses, reserves, profits or other (in accordance with the provisions of articles L.225-129 et seq. of the French Commercial Code)	12th	26 months from the date of this meeting, i.e. until 16 September 2022	Delegation of authority to the Board of Directors, with the option of subdelegation under the conditions set by law, to decide to increase the share capital in one or more times in the proportion and at the times that it will assess by incorporation of premiums, reserves, profits or others whose capitalisation will be legally and statutorily possible, in the form of issue of new equity securities or increase of the amount of the share capital or by the joint use of these two processes	Maximum nominal amount* of the capital increase: € 9.000.000
Delegation of authority to be given to the Board of Directors to increase the number of securities to be issued in the event of a capital increase with or without preferential subscription rights (in accordance with the provisions of Article L.225-135-1 of the French Commercial Code)	13th	26 months from the date of this meeting, i.e. until 16 September 2022	Delegation of authority to the Board of Directors, with the option of subdelegation under the conditions set by law, to decide to increase the number of securities to be issued in the event of an increase in the share capital of the Company with or without preferential subscription rights, at the same price as that used for the initial issue, within the time and limits provided for by the regulations applicable on the day of the issue (to date, within thirty days of the closing of the subscription and within the limit of 15% of the initial issue), in particular with a view to granting an over-allotment option in accordance with market practice	Maximum nominal amount* of the capital increase: Up to 15% of the initial issue

Delegation of authority to be given to the Board of Directors to decide on the increase of the share capital through the issuance of shares or securities giving entitlement to the capital reserved for members of savings plans with cancellation of the preferential subscription right in favour of the latter (in accordance with the provisions of Articles L.225-129-2, L.225-129-6 and L.225-138-1 of the French Commercial Code, and secondly with Articles L.3332-1 et seq. of the French Labour Code)	14th	18 months from the date of this meeting, i.e. until 16 January 2022	Delegation of authority to the Board of Directors to proceed, with the option of subdelegation under the conditions set by law, for the purpose of deciding to proceed, on one or more occasions, in the proportions and at the times that it will assess, to the increase of the share capital, within the limit of 3% of the share capital on the day of the Board of Directors' decision, by issuing shares (with the exception of preference shares) reserved for employees of the Company or any company within the scope of consolidation or combination of accounts pursuant to article L.3344-1 of the French Labour Code which are, where applicable, members of one or more employee savings plans (or any other plan to the members of which articles L. 3332-1 et seq. of the French Labour Code or any similar law or regulation would make it possible to reserve a capital increase under equivalent conditions) set up within the Company or any related company	Maximum nominal amount* of the capital increase: Up to 3% of the capital
Delegation of authority to be given to the Board of Directors to grant share subscription or purchase options	15th	18 months from the date of this meeting, i.e. until 16 January 2022	Delegation of authority to the Board of Directors, in accordance with the provisions of articles L. 225-177 et seq. of the French Commercial Code, to consent, on one or more occasions, to the benefit of the members of the staff that it will determine among the employees and possibly the executive officers of the Company and the companies or groups related to it under the conditions set forth in article L. 225-180 of said Code, in accordance with the provisions of articles L. 225-185 and L. 225-186-1 of said Code, options giving right to the subscription of new shares of the Company to be issued as an increase of its capital, as well as options giving right to the purchase of shares of the Company from redemptions made by the Company under the conditions provided by law	Maximum nominal amount* of the capital increase: Up to 10% of the capital
Delegation of authority to be given to the Board of Directors to grant bonus shares of existing or future shares to the benefit of the employees and corporate officers of the group or of some of them in the context of the provisions of Articles L.225-197-1 et seq. of the French Commercial Code	16th	38 months from the date of this meeting, i.e. until 16 September 2023	Delegation of authority to the Board of Directors, in accordance with the provisions of articles L. 225-197-1 et seq. of the French Commercial Code, to grant, on one or more occasions, existing or future bonus share awards (excluding preferred shares), for the benefit of the beneficiaries or categories of beneficiaries that it will determine among the salaried employees of the Company or the companies or groupings related to it under the conditions set out in article L. 225-197-2 of said Code and the executive officers of the Company or of the companies or groupings related to it which meet the conditions set forth in article L. 225-197-1, II of said Code	Up to 10% of the capital*
Authorisation to be given to the Board of Directors to reduce the capital by cancelling the shares bought back (in accordance with the provisions of articles L. 225-204, L.225-205 and L.225-209 paragraph 7 of the French Commercial Code)	17th	18 months from the date of this meeting, i.e. until 16 January 2022	Authorisation to the Board of Directors to reduce the share capital by cancelling the shares of the Company that it would be required to hold in the context of the delegation subject of the 1st resolution above, up to 10% of the capital of the Company for a period of twenty-four (24) months, in accordance with article L. 225-209 of the French Commercial Code,	N/A

(*) The nominal amount of the limit of capital increases authorised in the 7th to 16th resolutions will be allocated to the amount of the total authorised ceiling of €100,000,000.

4. TERMS OF EXERCISE OF GENERAL MANAGEMENT

In accordance with the provisions of article L. 225-37-4 paragraph 4 of the French Commercial Code, we

inform you that the Company has made the choice, when it was converted to a public limited company, of general management exercised by the Chairman of the Board of Directors.

As noted above, the Board of Directors of the Company decided, at its meeting held on 6 April 2018, to dissociate the functions of Chairman of the Board of Directors and Chief Executive Officer.

We also inform you that during the past financial year, the Chairman of the Board of Directors carried out, in close consultation with the Chief Executive Officer, the following exceptional tasks, on behalf of the Company:

- Formal and informal meetings with (i) clinical leaders/researchers in the field of cardiology internationally, (ii) specialised investors in the field of biotech in France and abroad, and (iii) manufacturers in the pharmaceutical and healthcare sectors.

FINANCIAL STATEMENTS AND APPENDICES

KPMG

Balance sheet assets

Quantum Genomics

Registered Number : 48799664700045

Assets			Period			Previous period
			Gross Amount	Depr. or Allow.	Net amount	at : 31/12/2019
Uncalled subscribed capital						
Fixed assets	Intangible fixed assets	Start up costs				
		Research and development costs				
		Franchises, patents and similar assets	6 283	6 283		
		Goodwill				
		Other intangible fixes assets				
		Intangible assets in progress	760 000		760 000	360 000
		Advance payments on intangible fixed assets				
		TOTAL	766 283	6 283	760 000	360 000
	Tangible fixed assets	Land				
		Buildings				
		Industrial fixtures and equipment	22 911	22 027	884	3 550
		Other tangible fixed assets	68 339	42 678	25 660	23 655
		Tangible fixed assets in progress				
		Advance paymments on tangible fixed assets				
		TOTAL	91 251	64 706	26 544	27 206
	Financial fixed assets	Investments measured using the equity method				
		Other investments				
		Loans to group and related companies				
		Investments held in portfolio for the long term				
		Other investments	635 155		635 155	459 202
		Loans				
		Other financial assets	32 307		32 307	37 880
		TOTAL	667 462		667 462	497 083
		Total fixed assets	1 524 997	70 989	1 454 007	884 289
Current assets	Inventories	Raw material and supplies	1 746 810		1 746 810	332 971
		Work in progress (goods)				
		Work in progress (services)				
		Finished goods and by-production				
		Merchandise				
		TOTAL	1 746 810		1 746 810	332 971
	Advances to suppliers		259 250		259 250	238 822
	Receivables	Trade accounts receivable	822 852		822 852	
		Other receivables	3 013 937		3 013 937	2 005 008
		Unpaid called capital				
		TOTAL	3 836 789		3 836 789	2 005 008
	Other	Marketable securities	5 005 002		5 005 002	5 000 000
		(of which own shares :)				
		Cash instruments				
		Available funds	22 148 304		22 148 304	6 164 404
		TOTAL	27 153 306		27 153 306	11 164 404
Prepaid expenses			491 433		491 433	480 778
		Total current assets	33 487 589		33 487 589	14 221 985
Defered charges						
Premiums on redemption of borrowings						
Exchange rate differences assets			10 663		10 663	82
		Total assets	35 023 250	70 989	34 952 261	15 106 357

KPMG

Balance sheet liabilities

Quantum Genomics

	Liabilities	Period	Previous period
Shareholder's funds	Share capital (of which paid up : 10 680 166)	10 680 166	7 222 655
	Share premiums (mergers, contributions)	27 773 653	11 849 220
	Revaluation variance		
	Equity reserve		
	Reserves		
	Legal reserve		
	Statutory reserves		
	Tax regulated reserves	218 171	177 574
	Other reserves		
	Profit and loss account brought forward		
	Previous results not yet alloted		
	Result for the financial year (profit or loss)	-11 536 701	-9 078 421
	Net worth before allocation	**27 135 290**	**10 171 029**
	Investment grants		
	Special provision for tax purposes		
	Total	**27 135 290**	**10 171 029**
Other funds	Subordinated equity		
	Advances subject to covenants	720 013	692 500
	Total	**720 013**	**692 500**
Provisions	Provisions for risks	10 663	82
	Provisions for future costs	441 592	294 152
	Total	**452 255**	**294 234**
Liabilities	Financial liabilities		
	Convertible debenture loans		
	Other debenture loans		
	Borrowing from credit institution	1 869	1 382
	Other borrowings		
	Total	**1 869**	**1 382**
	Advances received on orders		
	Trade accounts payable and related liabilities	6 035 828	3 367 053
	Taxes and social debts	600 708	571 860
	Liabilities related to fixed assets		
	Other debts	5 174	5 771
	Cash instruments		
	Total	**6 641 711**	**3 944 684**
	Income recorded in advance		
	Total liabilities and income recorded in advance	**6 643 580**	**3 946 067**
	Exchange rate differences liabilities	1 120	2 525
	TOTAL LIABILITIES	**34 952 261**	**15 106 357**
	Leasing for buildings		
	Leasing for other equipment		
	Non expired discounted notes receivable		

KPMG

Profit and loss account

Quantum Genomics

Periods 01/01/2019 31/12/2019 Length 12 months
01/01/2020 31/12/2020 12 months

			France	Export	Total	Previous period
Operating income	Sales of purchased goods					
	Sales of manufactured goods			294 388	294 388	
	Sales of services			909 000	909 000	
	Net sales			1 203 388	1 203 388	
	Changes in stock of manufactured goods and work in progress					
	Production of fixed assets capitalised					
	Partial profits on long term contracts					
	Trading incentive grants					
	Write back of depreciation, provisions and transferred charges				214 987	351 120
	Other income				843 126	10 015
		Total			2 261 502	361 135
Charges d'exploitation	Goods	Purchases				
		Change in inventory				
	Raw materials and other supplies	Purchases			2 418 627	
		Change in inventory			-1 413 839	88 936
	Other purchases and expenses				12 303 076	7 799 452
	Taxes				20 455	10 450
	Wages and salaries				1 532 137	1 730 382
	Social security charges				796 503	1 045 239
	Depreciation and Provisions	• on fixed assets	Depreciation		11 577	12 025
			Provisions			
		• on current assets: provisions				
		• for risks and future costs: provisions			313 600	294 152
	Other expenses				137 018	140 475
		Total			16 119 158	11 121 114
		Operating result	A		-13 857 655	-10 759 978
Joint venture oper.	Profit attributed or loss transferred		B			
	Loss attributed or profit transferred		C			
Financial income	From shares in group companies					
	From other investments					
	Interests and similar incomes				5 577	10 934
	Write back of provisions and transferred charges				82	67
	Exchange gain					
	Net profit on disposals of current financial investments					
		Total			5 660	11 001
Financial expenses	Increase of provisions against financial assets				10 663	82
	Interests payable and similar charges					
	Exchange loss					
	Net losses on disposals of current financial investments					
		Total			10 663	82
		Net financial result	D		-5 003	10 919
RESULT OF ORDINARY OPERATIONS BEFORE CORPORATE TAX ON PROFIT (±A+B-C±D)			E		-13 862 658	-10 749 059
Exceptional income	On operating items				3 393	260 670
	On capital items				375 531	143 335
	Write back of provisions and transferred charges					
		Total			378 924	404 005
Exceptional expenses	On operating items				930	
	On capital items				199 578	248 274
	Depreciation and provisions					32 307
		Total			200 509	280 582
		Net exceptional result	F		178 415	123 422
Employees' profit sharing plan			G			
Corporate tax on profit			H		-2 147 542	-1 547 215
PROFIT OR LOSS (± E ± F - G -H)					-11 536 701	-9 078 421

QUANTUM GENOMICS

2020 Cash Flow Statement

Cash Flow Statement K€	2020	2019
Net income	**-11 537**	**-9 078**
Non-cash adjusting entries	170	-211
Net income non-cash adjusting entries corrected	**-11 367**	**-9 289**
Stock variation	-1 414	89
Trade receivables variation	-823	-223
Other receivables and prepaid expenses variation	-297	133
Supplier variation	1 942	-1 365
Accrued taxes and employee benefits expense variation		1
Other payables and deferred revenues variation		-11
Need for working capital variation	**-591**	**-1 376**
Cash flow from operations	**-11 958**	**-10 665**
Intangible assets acquisition	-411	-100
Tangible assets acquisition		-18
Financial assets acquisition	-170	105
Cash flow from investment	**-581**	**-13**
Capital increase (net of related costs)	28 501	7 382
new loans and contributions in current account	0	0
Various (including BPI France advance)	28	-337
Cash flow from funding	**28 529**	**7 045**
Cash - start of the year	11 164	14 797
Cash - end of the year	**27 152**	**11 164**
Cash variation	**15 988**	**-3 633**

SA Quantum Genomics

Notes to the annual financial statements as at 31 December 2020

Amounts expressed in EUR

Table of contents

1 Major events

1.1 Main events of the period

Financial transactions:

In 2020, 8,647,685 new shares were issued, mainly related to the following financial transactions:

Balance of Kepler Cheuvreux financing

During the period, the warrants exercised as part of the structured equity financing line guaranteed by Kepler Cheuvreux in March 2018 generated a net capital increase of €1.9 million (including issue premium) and the issue of 645,220 new shares.

Negma financing

On 26 March 2020, the Company introduced new financing, as part of an agreement with Negma Group Ltd. Consisting of a maximum amount of €8 million and an issue of share subscription warrants, this financing was renewable twice by mutual agreement between the Company and Negma Group Ltd, and had to, if necessary, enable the Company to be financed to a total maximum amount of €24 million. The Company confirmed in November that this financing agreement would not be renewed and would end at the first tranche of €8 million.

As at 31 December 2020, the warrants exercised under this financing agreement generated a net capital increase of €7.4 million (including issue premium) and the issue of 3,243,213 new shares.
The balance with regard to Negma has been fully cleared.

Private placement

In December 2020, the Company completed a Private Placement with French and international corporate investors giving rise to the issue of 4,445,476 new shares for a net capital increase of €19.2 million (including issue premium).

Partnerships

Biolab Sanus Pharmaceutical

As a reminder, in 2019 the company entered into a collaboration agreement and an exclusive licence agreement with Biolab covering Latin America.
Under the terms of the agreement, the Company will receive an upfront payment and milestone payments amounting to US$21.2 million plus sales royalties.

As at 31 December 2020, the Company rebilled and collected from its partner Biolab €287,000 for the part of the Phase III FRESH study carried out in Latin America. This amount was recognised as operating income.
The Company also billed and received an initial payment of €909,000 in accordance with the collaboration agreement with Biolab.

Orient EuroPharma (OEP)

In September 2020, the Company and OEP entered into an exclusive licensing agreement covering South East Asia, Australia and New Zealand.
Under the terms of the agreement, the Company will receive an upfront payment and milestone payments amounting to US$21.2 million plus sales royalties.
As at 31 December 2020, the Company billed an initial payment of €826,000, recognised as licence fees. This income was collected in January 2021.

Qilu Pharmaceutical

In October 2020, the Company and Qilu entered into an exclusive licence agreement covering China, Hong Kong and Macao.
Under the terms of the agreement, the Company will receive an upfront payment and milestone payments amounting to US$50 million plus sales royalties.
The upfront payment is expected during the first half of 2021.

Xediton Pharmaceutical

In October 2020, the Company and Xediton Pharmaceuticals entered into an exclusive licence agreement covering Canada.
Under the terms of the agreement, the Company will receive an upfront payment and milestone payments amounting to US$11.35 million plus sales royalties.
The upfront payment is expected during the first half of 2021.

DongWha Pharm

In December 2020, the Company and DongWha Pharm entered into an exclusive licence agreement covering South Korea.
Under the terms of the agreement, the Company will receive an upfront payment and milestone payments amounting to US$18.5 million plus sales royalties.
The upfront payment is expected during the first half of 2021.

Faran

In December 2020, the Company and Faran entered into an exclusive licence agreement covering Greece.
Under the terms of the agreement, the Company will receive an upfront payment and milestone payments amounting to US$12.1 million plus sales royalties.
The upfront payment is expected during the first half of 2021.

Health situation

Despite the Covid-19 pandemic, discussions with potential new partners and preclinical and clinical development continue, although we cannot rule out some steps slowing down.
The Company's cash situation at 31 December 2020 of €27 million allows it to guarantee the continuation of its development programme, regardless of the long-term consequences of the current crisis, it being specified that the Company does not anticipate a significant delay at this stage.
During 2020, the Company did not make use of any short-time working measures or defer payment of social contributions. The Company did however benefit from the suspension of the BPI payments.

Management

On 28 January 2020, Benoît Gueugnon (formerly Head of Financial Control at the Company) was appointed Vice-President Finance. He succeeds Marc Karako, who stepped down from his duties.

1.2 Additional information

Supplier Scalène Partners

Scalene Partners is requesting payment of the sum of €1 million exclusive of tax in respect of commissions related to the last fund raising organised by Quantum Genomics in December 2020.
Quantum Genomics is disputing the payment of this sum and summonsed Scalene Partners, in January 2021, for the purposes of cancelling the mandate and its amendments, and returning the sums paid to Scalene Partners under the contract, representing a total of €0.4 million exclusive of tax.
After reviewing the file with its counsel, Quantum Genomics considers that Scalene Partners' application is unfounded and that the risk is not proven. Consequently, no provision has been recognised in the 2020 financial statements.

Tax audit

Since December 2020, a tax audit for 2017 to 2019 has been ongoing. As the audit is in progress at the time of closing of the accounts and as Quantum Genomics is disputing the sums claimed, no amount was recorded in the accounts or provisions.

1.3 Events after the reporting period

In February 2021, Orient EuroPharma (OEP) subscribed to a reserved capital increase of €0.9 million, at a price of €4.83 per share. The 180,124 new shares have a mandatory lock-up period of 3 years.

1.4 Accounting principles, rules and methods

The annual financial statements have been drawn up in accordance with the provisions of ANC Regulation 2014-03 of 05/06/2014 amended by ANC Regulation 2016-07 of 26/12/2016.

The general accounting conventions have been applied in accordance with the principle of prudence, in accordance with the basic assumptions:

- going-concern principle,
- consistency of accounting methods from one year to the next,
- independence of financial years, in accordance with the general rules for the preparation and presentation of annual accounts.

The reference period of the financial statements is 12 months covering the period from 1 January to 31 December 2020.

1.5 Going-concern principle

Given its activity, the company must be able to finance research until the marketing of pharmaceuticals or the transfer of rights on its work.

The cash available at 31 December 2020 (€27.2 million) allows the Company to continue its programmes beyond the first quarter of 2022.

2 Balance sheet information

2.1 Assets

2.1.1 Schedule of fixed assets

FIXED ASSETS (€)	Gross value as at 31/12/2019	Acquisitions	Transfers between line items	Disposals	Gross value as at 31/12/2020
Start-up and development costs					
Other intangible fixed assets	366,283	400,000			766,283
Intangible fixed assets	**366,283**	**400,000**			**766,283**
Land					
Buildings					
General installations, fixtures, various fittings	22,912				22,912
Other tangible fixed assets	67,320	25,916		24,897	68,339
Current tangible fixed assets					
Down payments made on tangible assets					
Tangible fixed assets	**90,232**	**25,916**		**24,897**	**91,251**
Equity interests					
Other interests					
Long-term securities	459,202	14,398,032		14,222,079	635,155
Loans and other long-term investments	37,881	370		5,943	32,308
Long-term investments	**497,083**	**14,398,402**		**14,228,022**	**667,463**
Fixed assets	**953,598**	**14,824,318**		**14,252,919**	**1,524,997**

2.1.2 Schedule of depreciations and provisions

DEPRECIATION & AMORTISATION (€)	YTD 31/12/2019	Allowances	Write-backs	YTD 31/12/2020
Start-up and development costs				
Other intangible fixed assets	6,283			6,283
Intangible fixed assets	**6,283**			**6,283**
Buildings				
General installations, fixtures, various fittings	19,361	2,666		22,027
Other tangible fixed assets	43,664	8,911	9,897	42,678
Current tangible fixed assets				
Down payments made on tangible assets				
Tangible fixed assets	**63,025**	**11,577**	**9,897**	**64,705**
Equity interests				
Other interests				
Long-term securities				
Loans and other long-term investments				
Long-term investments				
Total	**69,308**	**11,577**	**9,897**	**70,988**

2.1.3 Tangible fixed assets

Tangible fixed assets are valued at their acquisition cost, after deduction of rebates and discounts or their cost of production.

Impairment is recognised when the present value of an asset is less than the net book value.

Types of fixed assets	Method	Duration
Machinery and equipment	Straight-line	3 years
General facilities	Straight-line	10 years
Office equipment	Straight-line	3 to 5 years
Office furniture	Straight-line	10 years

2.1.4 Intangible fixed assets

Intangible fixed assets are valued at their acquisition cost, after deducting rebates and discounts or at their production cost.

Impairment is recognised when the actual value of an asset is less than its net book value.

2.1.4.1 Software

The company owns several different software packages at a purchase value of €6,283, and fully depreciated.

2.1.4.2 Licence

The company has an exclusive patent and know-how licence granted jointly by several French public institutions, including INSERM, at a global level.

The change in accounting standards led the Company to recognise as at 31 December 2019 this contract under assets in course of construction, in exchange for exceptional income. The cost of this contract will begin to be amortised on the day firibastat is placed on the market.

2.1.4.3 Research and development costs

These costs can be recognised as assets if they relate to clearly individualised projects with a high probability of technical success and commercial profitability.

The following conditions must therefore be fulfilled simultaneously:

the technical feasibility of completing the intangible fixed asset for commissioning or sale;
the intention to complete the intangible fixed asset and use or sell it;
the ability to use or sell the intangible fixed asset;

the ability of the intangible fixed asset to generate probable future economic benefits. The entity shall demonstrate, among other things, the existence of a market for the production from the intangible fixed asset or the intangible fixed asset itself, or, if it is to be used internally, its usefulness;
the availability of adequate resources (technical, financial and other) to complete the development and use or sell the intangible fixed asset;
and the ability to reliably measure the expenditure attributable to the intangible fixed asset during its development.

In light of the above conditions, Quantum Genomics' research and development expenses are not recorded under the assets, given the uncertainties over the technical feasibility and prospects for future economic benefits.

The amount recorded for clinical trial subcontracting expenses for the year totalled €10,010,000.

2.1.5 Long-term investments

2.1.5.1 Securities of subsidiaries and interests

The company has no subsidiary or equity interest.

2.1.5.2 Other non-equity securities

A liquidity agreement was put in place with Aurel BGC on 10 April 2014 and transferred to Invest Securities on 13 April 2015. On 31 December 2018, the company entered into a new liquidity contract in accordance with the AMAFI charter with Gilbert Dupont, which took effect on 1 February 2019. As a result, 59,005 shares were transferred from Invest Securities to Gilbert Dupont.

Number of shares at 31/12/2020:	74,385 shares
Purchase price:	€349,969
Valuation of the shares at 31/12/2020:	€364,487
Amount of liquidity at 31/12/2020:	€285,186

Given that the price at 31 December 2020 is higher than the purchase price, no provision for impairment was recorded.

2.1.6 Receivables

Receivables are valued at their nominal value. Impairment is applied when the inventory value is lower than the book value.

	STATEMENT OF RECEIVABLES	Gross amount	Up to 1 year	More than 1 year
FIXE	Receivables related to equity investments	-	-	-

	Loans		-	-	-
	Other long-term investments		32,307	-	32,307
CURRENT ASSETS	Doubtful or disputed trade receivables		-	-	-
	Other trade receivables		822,853	822,853	-
	Social security and other social welfare bodies		3,594	3,594	-
	State and other public authorities	Income tax	2,147,542	2,147,542	-
		Value added tax	727,808	727,808	-
		Other taxes, duties and similar payments	-	-	-
		Miscellaneous	20,550	20,550	-
	Group and partners		-	-	-
	Miscellaneous debtors		114,443	114,443	-
Prepaid expenses			491,433	491,433	-
		TOTAL	4,360,530	4,328,223	32,307

The "Corporate tax" row corresponds to the research tax credit (CIR) claim for the 2020 financial year.

2.1.7 Stock

2.1.7.1 Inventory

Stock category	Gross value	Depreciation	Net value
Raw material Finished products In progress	1,746,810	0	1,746,810

This concerns the stock of active ingredients for the conduct of preclinical and clinical trials.

2.1.7.2 *Stocks of purchased products*

Raw material stocks are valued using the FIFO method.

The purchase cost is composed of the purchase price plus the transport costs.

2.1.7.3 *Depreciation methods*

A provision for depreciation of inventories is made on a case-by-case basis where appropriate.

2.1.8 Accrual accounts

2.1.8.1 *Prepaid expenses*

Prepaid expenses consist only of ordinary expenses, the effect of which on the result is carried forward to a subsequent period.

The details as of 31 December 2020 are provided below:

Studies and products invoiced but not yet produced	€ 253,277
Contributions	€ 24,367
Publications and insertions	€ 46,250
Fees	€ 11,829
Miscellaneous	€ 3,478
Seminar	€ 99,942
Insurance	€ 52,290
Total	€ 491,433

2.1.8.2 *Unrealised foreign exchange gains*

Expenses and income in foreign currencies are recorded for their value at the date of the transaction.
Debts and receivables in foreign currency are shown in the balance sheet at their exchange rate at the end of the year.
The difference resulting from the discounting of debts and receivables in foreign currencies at the latter rate is recorded in the balance sheet as "unrealised foreign exchange gains".

Unrealised foreign exchange losses are fully subject to a provision for risks.

Descriptions	Amount in foreign currency	Valuation on the date of the transaction	Valuation at closing	Unrealised foreign exchange gains	Unrealised foreign exchange losses	Provision for Foreign Exchange Loss
Trade accounts payable	10,735 USD	€ 9,868	€ 8,748	€ 0	€ 1,120	€ 0
Trade receivables	1,000,000 USD	€ 825,593	€ 814,929	€ 10,664	€ 0	€ 10,664

				€ 10,664	€ 1,120	€ 10,664

2.1.8.3 *Accrued income*

The details as of 31 December 2020 are provided below:

Descriptions	Amount
ACCRUED INTEREST	
Marketable securities	274
OTHER INCOME	
Invoices to be drawn up	7,923
Rebates, allowances and discounts to be obtained, amounts receivable	110,439
Social security	546
State	20,550
TOTAL	139,732

2.1.9 Cash and cash equivalents

Financial investments consist of term deposits in the amount of €5,005,000.

There is no need to establish a provision for depreciation as of 31 December 2020.

2.2 Liabilities

2.2.1 Statement of changes in shareholders' equity

Descriptions (€)	31/12/2019	+	-	31/12/2020
Capital	7,222,656	3,457,511		10,680,167
Capital premiums, reserves and stock warrants	12,026,795	15,965,031		27,991,826
Carried forward				
Finance year income 31/12/2020			11,536,701	- 11,536,701

Finance year income 31/12/2019	- 9,078,421	9,078,421		
Total	10,171,030	28,500,963	11,536,701	27,135,292

The capital was composed of 26,712,489 shares at 31 December 2020.

	Number of shares	Capital increase	Issue premium	Warrants
Position at the beginning of the financial year	18,064,804	7,222,655	11,469,020	380,200
Board of Directors meeting of 28/01/2020 - Capital increase - BSA 06 2010	16,675	6,667	17,347	
Report on CEO decisions dated 31/01/2020 - Capital increase by exercising B warrants	535,220	213,991	1,480,516	
Report on CEO decisions dated 31/01/2020 - Capital increase by exercising BSA2017 warrants	825	330	3,589	
Report on CEO decisions dated 25/03/2020 - Capital increase by exercising B warrants	110,000	43,980	199,795	
Board of Directors meeting of 26/03/2020 - Capital increase - Negma Group	2,702	1,080	3,918	
Report on CEO decisions dated 30/04/2020 - Capital increase by exercising 2020-T1 warrants, Notice 1 to 3	454,441	181,694	820,176	
Board of Directors meeting of 15/05/2020 - Capital increase - BSA 06 2010	70,113	28,033	72,930	
Report on CEO decisions dated 31/05/2020 - Capital increase by exercising 2020-T1 warrants, Notice 4 to 6	466,761	186,620	961,508	
Report on CEO decisions dated 30/06/2020 - Capital increase by exercising 2020-T1 warrants, Notice 7 to 12	576,923	230,665	1,269,335	
Report on CEO decisions dated 26/03/2020 - Issue of 5,000,000 BSA2020-T1 warrants				5,000
Report on CEO decisions dated 01/07/2020 - Capital increase by exercising 2020-T1 warrants, Notice 13	128,677	51,448	298,554	
AGOA report of 16/07/2020 - Allocation of the carry forward on the share premium			- 9,078,421	
Report on CEO decisions dated 31/07/2020 - Capital increase by exercising 2020-T1 warrants, Notice 14 to 17	243,903	97,517	502,484	
Board of Directors meeting of 28/08/2020 - Capital increase - AGA 07 2019	183,828	73,498		
Report on CEO decisions dated 31/08/2020 - Capital increase by exercising 2020-T1 warrants, Notice 18 to 22	304,879	121,896	628,106	
Report on CEO decisions dated 30/09/2020 - Capital increase by exercising 2020-T1 warrants, Notice 23 to 28	430,032	171,935	778,065	
Report on CEO decisions dated 31/10/2020 - Capital increase by exercising 2020-T1 warrants, Notice 29 to 32	637,597	254,924	1,445,072	
Report on CEO decisions dated 07/12/2020 - Capital increase by "Private placement"	4,445,476	1,777,387	18,227,255	
Board of Directors meeting of 31/12/2020 - Capital increase - AGA 12 2019	39,633	15,846		
Allocation of issue costs			- 1,710,796	
Variation during the period	8,647,685	3,457,510	15,919,434	5,000
End-of-period position before grouping	26,712,489	10,680,166	27,388,454	385,200

Warrants (BSAs)

Warrants (BSAs)	Number of warrants subscribed	Number of warrants exercised since subscription	Number of warrants remaining to be exercised	Number of new shares attached to the warrants remaining to be exercised	Period of validity
BSA06-10 Award	5,766,967	5,766,967	-	-	Expired
BSA06-12 award	1,120,000	444,988	675,012	37,501	10 years
BSA11-13 Award	97,551		97,551	97,551	10 years
BSA11-13-2 Award	298,542		298,542	298,542	10 years
BSA2017 Award	2,191,698	161,292			Expired
BSA2019 award	39,877		39,877	39,877	3 years
	9,514,635	6,373,247	1,110,982	473,471	

All the warrants subscribed as at 31 December 2017 give the right to purchase 473,471 new shares.

- the BSA_{2009} warrants enabled 0.25 new shares to be purchased at a price of €0.3996 per share since 13 May 2019; the BSA_{2009} warrants have expired.
- the $BSA_{06\text{-}10}$ warrants enabled 0.055 new shares to be purchased for €1.44 per share; these have all been purchased.
- the $BSA_{06\text{-}12}$ warrants enabled the purchase of 0.055 new shares at a price of €3.24 per share,
- the $BSA_{11\text{-}2013}$ warrants allow the purchase of 1 new share for €6.12 per share,
- the BSA11-2013-2 allow the purchase of 1 new share at a price of 6.30 euros per share.
- the BSAR2016 warrants enabled 0.5 new shares to be purchased for €7.75 per share. Since 16 September 2018, the BSAR2016 warrants have expired.
- the BSA2017 warrants enabled 0.75 new shares to be for €3.75 per share; the BSA2017 warrants have expired.
- the BSA2019 warrants enable 1 new share to be purchased for €5.06 per share.

Allocations of free shares during the vesting period

Allocation of free shares	Number of bonus shares awarded as at 31/12/2020	% capital	Unavailable reserve (€)	Duration of vesting period	Deadline
AGA 07/2019-2	220,675	2.07%	88,230	24 months	19/07/2021
AGA 08/2020	45,000	0.42%	17,992	12 months	28/08/2021
AGA 09/2020	190,000	1.78%	75,966	12 months	30/09/2021
AGA 12/2020	90,000	0.84%	35,984	12 months	04/12/2021
	545,675	5.11%	218,171		

The shares awarded will be issued by the Company upon expiry of a vesting period.

The details of the definitive award and completion of the free shares are summarised in the table below.

	Actions	Date Accord / Date réalisation	Échéance
AGA 03 2016	244 850,00	02/03/2016	02/03/2017
AGA 2016 - 07 - 1	251 713,00	08/07/2016	08/03/2018
AGA 2016 - 07 - 2	251 713,00	08/07/2016	08/03/2019
AGA 05-2017-1	10 000,00	04/05/2017	04/05/2018
AGA 05-2017-2	10 000,00	04/05/2017	04/05/2019
AGA 08 2017 1	3 776,00	22/08/2017	22/08/2018
AGA 08 2017 2	3 776,00	22/08/2017	22/08/2019
AGA 04 2018	15 000,00	12/04/2018	12/04/2019
AGA 07 2019 1	183 828,00	19/07/2019	19/07/2020
AGA 07 2019 2	220 675,00	19/07/2019	19/07/2021
AGA 12 2019	39 633,00	10/12/2019	10/12/2020
AGA 08 2020	45 000,00	28/08/2020	28/08/2021
AGA 09 2020	190 000,00	30/09/2020	30/09/2021
AGA 12 2020	90 000,00	04/12/2020	04/12/2021

2.2.2 Conditional advances

The accounts show:

- A conditional advance granted by OSEO (Bpifrance) in 2008 and whose characteristics are as follows:

- Subject: "Preclinical development of a treatment for hypertension by inhibition of aminopeptidase A"
- Total amount of aid: € 740,000

  The company had already repaid a lump sum of €212,500 as at 30 June 2017. With the success having been recognised, it must repay the remaining sum, i.e. €527,500.

  At 31/12/2018, a total of €400,000 was paid in accordance with the schedule.

  During 2019, €267,500 were reimbursed.

  As of 31/12/2020, the entire advance has been repaid.

- A conditional advance granted by Bpifrance in 2014 and whose characteristics are as follows:

- Subject: "Innovation assistance for the development and testing of the clinical efficacy of several combinations of QGC001 products with hypertensive agents."
- Total amount of aid: € 260,000
- Terms of payment of the aid:
  - After signing the contract: €200,000 (September 2014)
  - Upon completion of the work: €60,000 (paid in April 2016)

- Repayment schedule:

If successful, the advance will be reimbursed in the amount of €260,000, by quarterly instalments according to the following schedule:

Année	Remboursement
2017	15 000 €
2018	35 000 €
2019	70 000 €
2020	110 000 €
2021	30 000 €
Total	**260 000 €**

At 31 December 2017, two payments of €5,000 were drawn, in other words €10,000 versus €15,000 as anticipated according to the schedule. The remaining €5,000 was drawn at the beginning of the 2018 financial year.

The payment of €35,000 scheduled for 2018 was paid in full over the last financial year. The balance of the advance on 31/12/2018 was therefore €210,000.

During 2019, the sum of €70,000 was paid, with the sum of €140,000 remaining to be paid by March 2021.

During 2020, as a result of Covid-19, the schedule was pushed back over a 6-month period. As a result, only €50,000 has been reimbursed out of the €110,000 planned.

There is therefore a sum of €90,000 to be paid as at 31/12/2020. This amount will be repaid in 2021.

In addition, the company has committed that the maximum repayment annuity will correspond to 30% of the revenue generated by the project in the previous calendar year and that the additional amounts thus paid will be deducted in priority from the last due date for Bpifrance or if necessary on the second to last date.

- A conditional advance granted by Bpifrance on 09/28/2016 and whose characteristics are as follows:

- Subject: "Innovation assistance for the clinical development of QGC001 products for heart failure and phase IIa study"
- Total amount of aid: €800,000
- Terms of payment of the aid:
  - After signing the contract: €480,000 (September 2016)
  - Upon completion of the work: €320,000

- Repayment schedule:

If successful, the advance will be reimbursed in the amount of €800,000, by quarterly instalments according to the following schedule:

Année	Remboursement
2019	120 000 €
2020	160 000 €
2021	160 000 €
2022	160 000 €
2023	160 000 €
2024	40 000 €
Total	**800 000 €**

Whatever the outcome of the study, the lump sum reimbursement will be at least €400,000 according to the same schedule that will end on Wednesday, 30 June 2021.

Quantum received the rest of the aid in 2020 in the amount of €230,013. As a result of Covid-19, the instalments were pushed back by 6 months. €80,000 was repaid over the financial year compared with the €160,000 planned.

The balance as at 31/12/2020 stands at €630,000.

2.2.3 Provisions for risks and charges

Nature of Provisions	Amount at the beginning of the year	Increase: Allowances for the year	Decrease: Resumption of the financial	Amount at the end of the financial year
Provisions for foreign exchange losses	83	10,664	83	10,664
Other provisions for charges	294,152	313,600	166,160	441,592
TOTAL	294,235	324,264	166,243	452,256

Other provisions for charges correspond to the specific employer contribution on bonus share allocations.

2.2.4 Debts

2.2.4.1 *Classification by due date*

	Gross amount	Up to 1 year	Between 1 and 5 years	More than 5 years
Loans and debts with credit institutions				
- Up to 1 year maximum originally	1,869	1,869	-	-
- More than 1 year originally	-	-	-	-
Trade accounts payable	6,035,828	6,035,828	-	-
Personnel and related accounts payable	273,365	273,365	-	-
Social security and other bodies	271,960	271,960	-	-
VAT	18,994	18,994	-	-
Other taxes and duties	36,388	36,388	-	-
Other debts	5,175	5,175	-	-
TOTAL	6,643,581	6,643,581	-	-

2.2.4.2 *Financial debts*

None

2.2.4.3 *Charges to pay*

Descriptions	Amount
VACATION/LEAVE TO PAY	
Provisional leave	44,145
Provisioned social charges	20,446
ACCRUED INTEREST	
Banks	1,869
OTHER CHARGES	
Invoices to be received	2,206,620
Staff	229,220
Social security	107,427
Other tax charges	10,109
TOTAL	2,619,836

2.2.5 Accruals

2.2.5.1 *Prepaid income*

There is no prepaid income as at 31 December 2020.

2.2.5.2 *Exchange rate differences reported as liabilities*

The exchange rate differences reported as liabilities reflect the impact of the conversion of debts into foreign currencies (see 2.1.8.2).

3 Information on the income statement

3.1 Operating subsidies

Subsidies are recognised in the income statement according to the actual progress of the projects for which they are granted.

The actual progress of the projects is assessed taking into account, on the one hand, the time spent by the employees and on the other hand the subcontracting costs assigned to the projects and covered by the grant.

No new operating subsidies were collected by the company during the period.

3.2 Operating income

Biolab Sanus Pharmaceutical

As a reminder, in 2019 the company entered into a collaboration agreement and an exclusive licence agreement with Biolab covering Latin America.

Under the terms of the agreement, the Company will receive an upfront payment and milestone payments amounting to US$21.2 million plus sales royalties.

As at 31 December 2020, the Company rebilled and collected from its partner Biolab €287,000 for the part of the Phase III FRESH study carried out in Latin America. This amount was recognised as operating income.

The Company also billed and received an initial payment of €909,000 in accordance with the collaboration agreement with Biolab.

Orient EuroPharma (OEP)

In September 2020, the Company and OEP entered into an exclusive licensing agreement covering South East Asia, Australia and New Zealand.

Under the terms of the agreement, the Company will receive an upfront payment and milestone payments amounting to US$21.2 million plus sales royalties.

As at 31 December 2020, the Company billed an initial payment of €826,000, recognised as licence fees. This income was collected in January 2021.

3.3 Research tax credit

The research tax credit generated for the financial year 2020 is €2,147,542.

It has been calculated taking into account the following elements:

- Compensation and corresponding compulsory social security contributions allocated to employees assigned to research taking into account the time actually spent on research activities. For the employee with the status of "young doctor", this remuneration has been retained according to the text,
- Operating costs, the amount of which is set at a flat rate of 43 % of staff costs (200% for "young doctors") plus 75% of depreciation expenses related to fixed assets allocated to research activities,
- Subcontracting expenses billed as of 31 December 2020 by the approved "Research Tax Credit" organisations. For public bodies, the amounts have been doubled. For the 2020 financial year, subcontracting expenses (€7.4m) exceeded the authorised ceiling. The capped amount retained is €5.4 million.
- Patent expenses billed as of 31 December 2020,
- Any subsidies paid have been deducted.

3.4 Relief of future tax debt

After taking into account the result at 31 December 2020, the company has € 74,871,697 in allowable tax carry-forwards.

3.5 Leasing contracts

There is no current lease contract.

3.6 Attendance fees

The expenditure as at 31 December 2020 related to attendance fees is €123,000, excluding social security plans.

4 Other information

4.1 Commitments received

None

4.2 Commitments given

None

4.3 Transactions with related parties

No information is given in respect of transactions between related parties to the extent that such transactions were entered into under normal market conditions.

4.4 Workforce as at 31 December 2020

	Salaried personnel
Executives	7
Total	7

4.5 End-of-career benefits

Given the size of the company and its seniority, the end-of-career benefits were not evaluated because they were deemed to be insignificant.

1. REPORT OF THE STATUTORY AUDITOR ON THE ANNUAL FINANCIAL STATEMENTS

QUANTUM GENOMICS

Société Anonyme

33 rue Marbeuf
75008 Paris

Statutory auditor's report on the financial statements

For the year ended December 31, 2020

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by 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.

QUANTUM GENOMICS

Société Anonyme

33 rue Marbeuf
75008 Paris

Statutory auditor's report on the financial statements

For the year ended December 31, 2020

To annual general meeting of Quantum Genomics,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying financial statements of Quantum Genomics for the year ended December 31, 2020.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2020 and of the results of its operations for the year then ended in accordance with French accounting principles.

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 Auditor's Responsibilities for the Audit of the Financial Statements" section of our report.

Quantum Genomics

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors, for the period from January 1st, 2020 to the date of our report.

Justification of Assessments

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, 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 that the assessments which, in our professional judgment, were of most significance in our audit of the financial statements addressed the appropriateness of the accounting principles used and the reasonableness of the significant estimates made and the overall presentation of the financial statements.

These matters were addressed in the context of our audit of the financial statements as a whole, approved in the conditions mentioned above, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Quantum Genomics

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

Information given in the management report and in the other documents provided to Shareholders with respect to the financial position and the financial statements.

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 and in the other documents provided to Shareholders with respect to the financial position and 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.

Information relating to corporate governance

We attest that the Chairman's Board of Directors report on corporate governance, sets out the information required by Article L. 225-37-4 of the French Commercial Code

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.

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.

Quantum Genomics

In preparing the 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 financial statements were approved by the Board of Directors.

Statutory Auditor's Responsibilities for the Audit of the Financial Statements

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 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 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.

Quantum Genomics

- 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 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.

Paris-La Défense, March 24, 2021

The Statutory Auditor

Deloitte et Associés

Pierre-François ALLIOUX

2. REPORT OF THE STATUTORY AUDITOR ON THE AGREEMENTS REFERRED TO IN ARTICLE L.225-38 OF THE FRENCH COMMERCIAL CODE

QUANTUM GENOMICS

Société Anonyme

33 rue Marbeuf
75008 Paris

Statutory auditor's special report on regulated agreements

Shareholders' Meeting held to approve the financial statements for the year ended 31 December 2020

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This report on regulated agreements should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

It should be understood that the agreements reported on are only those provided by the French Commercial Code and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

QUANTUM GENOMICS

Société Anonyme

33 rue Marbeuf
75008 Paris

Statutory auditor's special report on regulated agreements

Shareholders' Meeting held to approve the financial statements for the year ended 31 December 2020

To the Shareholders,

In our capacity as Statutory Auditor of your Company, we hereby report to you on regulated agreements.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements brought to our attention or which we may have discovered during the course of our audit, as well as the reasons justifying that such agreements are in the Company's interest, without expressing an opinion on their usefulness and appropriateness or identifying other such agreements, if any. It is your responsibility, pursuant to Article R. 225-31 of the French Commercial Code (*Code de commerce*), to assess the interest involved in respect of the conclusion of these agreements for the purpose of approving them.

Our role is also to provide you with the information stipulated in Article R. 225-31 of the French Commercial Code relating to the implementation during the past year of agreements previously approved by the Shareholders' Meeting, if any.

We conducted the procedures that we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement. These procedures consisted in agreeing the information provided to us with the relevant source documents.

AGREEMENTS SUBMITTED TO THE APPROVAL OF THE SHAREHOLDERS' MEETING

Agreements authorised and concluded during the year

Pursuant to Article R. 225-38 of the French Commercial Code, we have not been informed of any agreement authorised and concluded during the year to be submitted to the approval of the General Meeting.

AGREEMENTS PREVIOUSLY APPROVED BY THE SHAREHOLDERS' MEETING

Agreements approved in prior years with continuing effect during the year

Pursuant to Article R. 225-30 of the French Commercial Code, we have been informed that the following agreement, approved in prior years, has remained in force during the year.

- Employment insurance

Person involved: Lionel Ségard, Chairman of Quantum Genomics

Nature and purpose:

On 1 April 2014, the Board of Directors authorised the renewal of the loss of employment insurance initially subscribed in 2009 by the Company for the Chairman, with an extension of the compensation period from 12 to 24 months.

Terms and conditions: the amount accounted in expenses for the year is €18 225

- Employment insurance

Person involved: Jean-Philippe Milon, Chief Executive Officer (CEO) of Quantum Genomics

Nature and purpose: A loss of employment guarantee of an additional duration of 12 months (in addition to that initially subscribed by the company in 2018) has been granted by the company in 2019 for the new CEO, Jean-Philippe Milon and authorized by the Board of Directors on February 20, 2019. This additional guarantee allows to Mr. Milon to benefit from guarantees in relation to his new functions as CEO.

Terms and conditions: the amount accounted in expenses for the year is €8 950,40.

- Service agreement

Person involved: Carole Wassermann, Chairman of Wassermann Consulting and director of de Quantum Genomics.

Nature and purpose :
Service agreement concluded on September 1st, 2019 between Quantum Genomics and Wassermann Consulting, a company specializing in strategic support for companies including marketing and communication studies consulting, innovation and development assistance and the development of new marketing strategies for markets and healthcare industries.

The service agreement has been authorized by your Board of Directors on July 19, 2019.

Terms and conditions: the amount accounted in expenses for the year is €52 000.

Paris-La Défense, March 24, 2021

The Statutory Auditor

Deloitte et Associés

Pierre-François ALLIOUX