



– Press release –

CARBIOS: 2015 ANNUAL RESULTS

- ✓ Major achievements paving the way for the first industrialisation of CARBIOS processes
- ✓ Solid financial footing with a net cash position of € 9m as of December 31, 2015

Clermont-Ferrand, March 23, 2016 – CARBIOS (NYSE Alternext Paris : ALCRB/ Eligible PEA-PME), an innovative green chemistry company specializing in breakthrough technologies dedicated to the recovery of plastic waste, today announced its annual results for the year ending December 31, 2015, which were approved by the Board of Directors on March 22, 2016.

- **INCOME STATEMENT: Increased development efforts**

(in thousand euros)	December 31, 2014 (12 months)	December 31, 2015 (12 months)
Operating revenues	664	837
Operating expenses	4,028	4,899
Including research & development expenses	2,869	3,261
Including general and administrative expenses	1,159	1,638
Operating income	(3,364)	(4,062)
Financial income	48	78
Operating income before tax	(3,316)	(3,984)
Extraordinary profit (loss)	15	(23)
Income tax (research tax credit)	(1,091)	(936)
Net income (loss)	(2,210)	(3,071)

As of December 31, 2015, the operating income stood at €837,000 versus €664,000 for the previous financial year. To date, with CARBIOS' activity focused on developing innovative bioprocesses that aim to optimize the life-cycle of polymers, most of the operating income comes from public subsidies.

Thus, CARBIOS received a €550,000 grant from BPI France (program ISI), corresponding to the completion of key stage three (€271,000) and the launch of key stage four (€279,000) of the THANAPLAST™ research and development project. The Company also received a €130,000 grant from the AUVERGNE REGION (FIAD) mainly for hiring staff within the THANAPLAST™ project.

The company also invoiced €144,000 for support services to a partner in 2015.

Due to sustained development policy supporting the ongoing R&D results, operating expenses stood at €4,899,000 for 2015, of which 67% were dedicated to R&D, as opposed to €4,028,000 in 2014.

This 22% rise compared to the previous year is primarily due to an expanded workforce, which rose from 12 to 17 employees in 2015, and the expenses related to external R&D collaborations and services, which increased by 13% compared to 2014, in particular due to the research contract established with the CRITT/TWB (see April 20, 2015 press release). This rise in operating expenses reflects the company's efforts to initiate the industrial demonstration-scale of its bioprocesses in 2017.

As a result, the operating loss in 2015 settles at €4,062,000 and the net loss at €3,071,000, after taking into account the research tax credit of €936,000.

The net loss of €3,071,000 increased noticeably compared to 2014 but remains well under control.

- **BALANCE SHEET : Launching of a preindustrial production plant**

ASSETS (in thousand euros)	2014	2015
Intangible assets	130	231
Tangible assets	783	1,258
Financial assets	178	176
Fixed Assets	1 091	1 664
Inventory	20	12
Receivables	1,403	1,224
Cash and marketable securities	11,099	9,011
Prepaid expenses	119	131
Current Assets	12,642	10,378
TOTAL ASSETS	13,733	12,042

LIABILITIES (in thousand euros)	2014	2015
Share Capital	2,627	2,645
Additional paid-in-capital	13,654	13,698
Retained earnings	(2,959)	(5,168)
Investment subsidies	3	22
Current year profit (loss)	(2,210)	(3,071)
Shareholders' equity	11 116	8 125
Conditional advances	1 947	3 008
Loans	152	222
Trade payables and related accounts	196	337
Other liabilities	322	350
Payables	670	909
TOTAL LIABILITIES	13,733	12,042

The Company's accounts are representative of the rise in operating expenses, which are in line with the continued development of activities and increased pre-industrial investments.

The strong 61% increase in tangible assets is primarily due to the acquisition and launch of a plastic production pilot plant during the first semester 2015.

The addition of 5 new patents applications to the portfolio has led to the intangible assets growth.

CARBIOS' equity totalled €8,125,000 at year-end 2015 against €11,116,000 at year-end 2014, mainly due to the impact of the 2015 loss.

The evolution of conditional advances is related to the € 1,061,000 of refundable advance granted to CARBIOS in 2015 by Bpifrance (program ISI) for the completion of key stage three of the THANAPLAST™ project.

Payables are rising by 36% due primarily to:

- An increase in “Loans” as CARBIOS contracted a zero-rate loan from the FMR 63 for expanding its workforce
- An increase in “Trade payables and related accounts” in line with the rise of operating expenses
- An increase in “Other debts” mainly due to the expanded workforce and related charges.

- **CASH FLOW : A cash-burn under control**

Cash flow (in thousand euros)	2014	2015
Cash at start of year	14,598	11,099
Net cash generated by operations	(3,498)	(2,517)
Net cash from investments	(867)	(786)
Net cash from financing operations	866	1,215
Change in cash	(3,499)	(2,088)
Cash at year-end	11,099	9,011

Benefiting from payments made by BpiFrance following the completion of key stages of the THANAPLAST™ project and from the €13.1m funds raised during the December 2013 IPO, CARBIOS closed out 2015 with a solid financial structure and a strong cash position of €9m.

In addition, the expenses and investments made by CARBIOS do not induce any difficulties for the Company’s financial strength, as the budget and treasury remains well under control.

- **2015 Facts**

Appointment of three key scientists to the Scientific Advisory Board

The research of Henri Cramail (Director of the Chemistry Laboratory of Organic Polymers in Bordeaux), Philippe Dubois (Scientific Director at Materia Nova ASBL Research Center in Mons) and Rolf Schmid (Director of Bio4Business) falls perfectly in line with CARBIOS’ efforts. Their work and experience reinforce the company’s strategy and development. (Feb. 2015)

Signature of a strategic partnership with TWB/INRA

This agreement strengthens CARBIOS’ collaboration with CRITT Bio-Industries, the Toulouse teams of TWB (INRA) and the INSA who will work jointly at the pre-industrial site in Toulouse to optimize the enzymatic processes, the common bioprocess platform developed by CARBIOS via the THANAPLAST™ project. This collaboration will allow for the production and the purification of enzymes. It will also allow for the purification of the monomers generated by the de-polymerization (bio-recycling process) in order to use them in the regeneration of the initial monomer. At the conclusion of this pilot work (300L), CARBIOS will be in a position to prove the effectiveness of its bioprocesses on the industrial demonstration scale. (May 2015)

Appointment of Professor Alain Marty as Scientific Director

Doctor and Engineer in Biochemical Engineering from INSA in Toulouse, Professor Alain Marty defines the company’s scientific strategy, oversees the research & development teams, and increases CARBIOS’ profile and visibility among the scientific community. Professor Alain Marty has been working with CARBIOS since the launch of the THANAPLAST™ project within the framework of CARBIOS’ partnership with the INRA/TWB (French National Institute for Agricultural Research, and the associated Toulouse White Biotechnology, pre-industrial demonstrator at the Public/Private interface), a close and essential partnership which he will continue to lead and strengthen. He coordinated and directed the LISBP research teams (Laboratory for the Engineering of Biological Systems and Processes) that are attached to the INRA and the INSA (France’s National

Institute of Applied Sciences). Professor Marty is also a member of CARBIOS' Scientific Advisory Board. He has thus actively contributed to the development of CARBIOS' enzymatic processes. (June 2015)

PLA biodegradation technology validated on a pre-industrial scale

CARBIOS expands the breadth of application for PLA with its enzyme-based technology, which entails embedding an enzyme in plastic at the time of production, by rendering it fully biodegradable at ambient temperature on a pre-industrial scale. (June 2015)

Launch of a pilot plant for the production of biodegradable plastics

This new production platform, based at the company's headquarters in Saint-Beauzire, France, enables the pilot-scale reproduction of all steps required to produce plastic film. The pilot plant encompasses several production modules, from the extrusion of the plastic materials to their transformation into flexible films or solid objects, as well as the characterization of all properties of the materials produced. (Sept. 2015)

Completion of the third development stage of the THANAPLAST™ project

CARBIOS receives a €1.6m grant from Bpifrance for having achieved the targets initially set under the THANAPLAST™ project for the bioprocesses developed at a pre-pilot stage, including biodegradation, bio-recycling and bioproduction of PLA. (Nov. 2015)

Depolymerization at 100% of PET-based plastic waste

This process, property of CARBIOS, enabled for the first time the depolymerization of 100% amorphous PET-based commercial products into their original monomers, TPA (terephthalic acid) and EG (ethylene glycol). Applying this selective depolymerization to PET enables the regeneration of monomers while maintaining the same quality and physicochemical properties as their petroleum-based counterparts. After separation and purification, the monomers extracted from the enzymatic recycling process developed by CARBIOS could then be used for the synthesis of virgin PET, therefore avoiding any loss in value of the recycled material. (Dec 2015)

Reinforcement of intellectual property rights

In 2015, CARBIOS' intellectual property portfolio gained four new patent applications and one acquisition of patent family. At year-end 2015, this portfolio included 17 patents families (including two with world-exclusive licences), representing more than 50 granted patents and pending applications covering the three development areas of the company: biodegradation, biorecycling, and bioproduction. CARBIOS is now able to ensure its future industrial partners a strategic and competitive advantage on expansive markets.

Jean-Claude Lumaret, CEO of CARBIOS, said, "In 2015, we were able to demonstrate the relevance of our solutions and implement the necessary operating tools internally as well as externally, through strategic partnerships enabling the acceleration of our development and the bolstering of the industrial vocation and feasibility of our processes. We maintain solid financial visibility while keeping cash burn under control. We are moving forward with confidence to the next step of full-scale industrial demonstration, for which we are already in discussion with several leading market players."

About CARBIOS:

[CARBIOS](#) is a young, innovative green chemistry company, whose mission is to find biological solutions to the environmental and sustainable development issues faced by industrial businesses today. CARBIOS acquired the rights to research that was conducted over a number of years by various public and private sector laboratories. By leveraging the unique properties of biological catalysts (enzymes), it has used this research as the foundation for developing innovative industrial bioprocesses that optimize the technical, economic and environmental performance of polymers (thermoplastic materials and synthetic or food-based fibers). The company has focused its efforts on a strategic application sector: plastics. CARBIOS' growth strategy is based on a clear business model of industrial value creation that targets attractive markets, develops innovative and competitive bioprocesses and licenses them to major industrial stakeholders for commercialization. CARBIOS benefits from the financial support of the leading European venture capital firm [Truffle Capital](#). CARBIOS was founded in 2011 and has been managed, since its inception, by the *Holding Incubatrice Chimie Verte* fund.

CARBIOS was granted the label “Young Innovative Company” by Bpifrance (former OSEO) and is eligible for investments by private equity mutual funds (FCPIs).

For more information, please visit: www.carbios.fr

CARBIOS is eligible for the PEA-PME, a government program allowing French residents investing in SMEs to benefit from income tax rebates.



Contacts :

CARBIOS

Benjamin Audebert
Investor Relations
+33 (0)4 73 86 51 76
contact@carbios.fr

ALIZE RP

Caroline Carmagnol / Wendy Rigal
Press Relations
+33 (0)1 44 54 36 66 / +33 (0)6 48 82 18 94
carbios@alizerp.com