



– Press Release –

First-half 2017 Operating and Financial Results

- Significant achievements in Research and Development
 - Contract with TechnipFMC for the recycling of PET
- CARBIOLICE: ongoing approval of an innovative range of biodegradable and biosourced pellets
 - Cash position of €4.7 million as of June 30, 2017
 - Successful share placement of €4.2 million in July 2017

Clermont-Ferrand, France, September 29, 2017 (06:45 AM CEST) – CARBIOS (Euronext Growth Paris: ALCRB), pioneer company in the field of bioplasturgy, today announces its operating and financial results for the first half of 2017. The financial statements as of June 30th, 2017 were approved by the company's Board of Directors at their meeting of September 19th, 2017.

Jean-Claude Lumaret, CEO of CARBIOS, said: *“This first half of 2017 marks an important transition in the development of CARBIOS. We have just completed the fifth and final key stage of the THANAPLAST™ project launched in 2012 and in which more than 60 scientists from academic and private institutions have been involved. This strategic project has yielded excellent results confirming that we made the right choices. Our technology of enzymatic biodegradation applied to plastics, which has been licensed to CARBIOLICE, is on track for approval and everything is also ready for us to initiate the pre-industrialization of our biorecycling process dedicated to PET plastics.”*

Highlights of the first half of 2017

During the first half of 2017, CARBIOS made significant scientific progress enabling to initiate the transposition of its PET biorecycling process from the pre-pilot to the pilot scale. The highlights of the first half of 2017 were the following:

Research & Development

- In January 2017, CARBIOS announced that its research enabled to demonstrate the **depolymerization at 100% of household packaging in opaque PET** such as the new milk bottles. Since 2012, CARBIOS carried out extensive research on the development of an enzymatic recycling process for PET. This work successfully demonstrated the depolymerization at 100% of PET based commercial products (bottles, packaging, films...) into their original monomers: TPA (terephthalic acid) and MEG (mono ethylene glycol). This proprietary innovation is an answer to one of the strategic challenges faced by operators of the plastic waste value chain by offering a technological solution to the recycling of all PET

products (transparent, multi-layer, opaque, complex). Moreover, it fits a general context where the increase in quantities of opaque PET packaging on the market is causing mayhem in recycling plants. An issue which should encourage the emergence of new solutions, such as developed by CARBIOS, for the treatment of this type of plastic waste, today mostly sent to landfill or incineration.

- In June 2017, CARBIOS has taken a new step forward with the **production of PET oligomers made out of terephthalic acid coming from its biorecycling process of PET plastic bottles**. The synthesis of PET is carried out in two major steps. The first, considered to be the most critical, consists in the synthesis of PET oligomers from monomers of terephthalic acid and mono ethylene glycol. The second allows the synthesis of PET by polycondensation of the oligomers previously obtained. By succeeding in this first step, CARBIOS demonstrates that it is now possible to use PET plastic waste rather than fossil resources for the synthesis of PET oligomers.
- The first half of 2017 saw the ongoing activities of the **THANAPLAST™ collaborative research and development project**, as outlined in the consortium agreement between the CNRS, Poitiers University, the INRA (National Institute for Agricultural Research), Deinove, Limagrain Céréales Ingrédients and the group Barbier, one of the largest plastic producers in Europe. This strategic project which started in 2012 for a five-year period came to an end in June 2017.

CARBOLICE

- During the first half of 2017, CARBIOLICE, a subsidiary of CARBIOS held at 61,29%, continued the industrial and commercial development of its range of products (Biolice®) in compliance with the requirements of the French Energy Transition Law. In line with the expectations, the structuration of the teams and the confidence of its commercial partners have enabled the company to restore its operating margins. Through a service research agreement which started on February 15, 2017, CARBIOS also assists CARBIOLICE in the development of new formulas of biosourced and biodegradable pellets to address global markets for a variety of applications including bags, mulch films, industrial films and even mailing films. As of June 30, 2017, the operating income of this contract corresponds to €473,000. The close collaboration which has been set up with CARBIOS has already enabled CARBIOLICE to take the necessary steps to grant labels and authorizations, notably for food contact, of its future range of biodegradable and biosourced enzymated plastics.

Partnerships and industrial developments

- In May 2017, CARBIOS has joined **PETCORE Europe**, the Brussels-based association representing the complete PET value chain in Europe, from brand owners to manufacturers, converters, collectors and recyclers. This membership enables CARBIOS to pursue the promotion of its sustainable PET biorecycling process alongside with key leaders involved in this industry.
- In June 2017, CARBIOS has signed a **contract with TechnipFMC**, world-leading Company in the fields of energy, chemistry and bio-sourced industries. This agreement will enable to transpose CARBIOS' process from the laboratory to the pilot scale. It will further aim at supporting the development of the project and define the basis of the industrial process. Through this contract, CARBIOS will benefit from TechnipFMC industrial know-how in bioprocess engineering and from the expertise of its German affiliate Technip Zimmer, in PET polymerization technologies.

Financing

- In June 2017, CARBIOS has accounted for nearly €1 million in cumulative payments from the *equity line financing* set with Kepler Cheuvreux in March 29, 2017. This financing facility provides additional resources to the Company for the industrialization of its processes and offers increased visibility on its mid-term financing plan.
- After the first half of 2017, CARBIOS also announced in July the completion of a share placement of €4.2 million with qualified French and International investors, by capital increase for €3.6 million and by placement of existing shares held by historical shareholders for €0.6 million. The €3.6 million proceeds of the capital increase will be used in particular to initiate the industrial pilot stage of the Company's PET biorecycling process, an innovation enabling to produce virgin PET from plastic waste.

Board of Directors and Executive Committee

- Ian Hudson and Jacques Breuil have been appointed as new members of the Company's Board of Directors. Graduated from Oxford University, Ian Hudson held during a period of 17 years, several leading positions at DuPont and served in particular as President Europe Middle East & Africa. Jacques Breuil joined the Barbier Group in 1987 where he served in particular as General Secretary. He graduated from CNAM (Conservatoire National des Arts et Métiers) and from Sorbonne University with an *Executive MBA*. Their strong industrial and international experience is a major asset on which CARBIOS can rely to fully comply with the strategic stakes of the industrial deployment of its technologies.
- Martin Stephan has been appointed Deputy Chief Executive Officer of the Company. He joined CARBIOS in February 2017 as Chief Operating Officer to supervise strategy, development and investor relations. Graduated from HEC in Paris (Ecole des Hautes Etudes Commerciales), Martin spent his entire career in the chemical industry, first in the chemical branch of Elf/Total and then with DuPont at financial positions as well as head of business units in France, Germany, Italy and Switzerland. His arrival in the management team reinforces the means available to set industrial agreements at the highest level and accelerate the roll-out of CARBIOS technologies.

Income Statement – First-half 2017

(in thousand euros)	June 30, 2016 (6 months)	June 30, 2017 (6 months)
Operating revenues	556	632
Operating expenses	2,987	2,383
Operating income/loss	(2,431)	(1,751)
Financial income	41	33
Pre-tax profit	(2,390)	(1,718)
Extraordinary profit/loss	(6)	(6)
Income tax (Research Tax Credit)	(860)	(371)
Net income/loss	(1,536)	(1,353)

As of June 30th, 2017, year-to-date operating income stood at €632,000 versus €556,000 for the first half of 2016. Most of this income comes from service revenues, when for the first half of 2016 it was mostly public subsidies granted by Bpifrance after the accomplishment of each key milestone of the

THANAPLAST™ collaborative project. In keeping with its timeframe, CARBIOS finalized the fifth and final key stage of the project and thus strengthened the maturity and industrial potential of its bioprocesses.

During the first half of 2017, CARBIOS' operating expenses stood at €2.383 million. The R&D expenses during the period were mostly used for the THANAPLAST™ project's progress. External R&D expenses stood at €337,000 compared to €1.235 million in 2016, mainly due to the internalization of analytic services that were previously outsourced and to contracts reaching their termination on the THANAPLAST™ project.

As a result, the net loss for the first half of 2017 settles at €1.353 million versus €1.536 million for the first half of 2016, after taking into account the research tax credit of €371,000.

Cash available increased by €0.7 million during the first half of 2017

CARBIOS shows a solid cash position of €4.7 million at June 30th, 2017, compared to €4 million at year-end 2016. The net cash available during the six-month period increased by €0.7 million (compared to a decrease of €1.8 million during the first half of 2016). Considering the cash position as of June 30th, 2017 and the successful capital increase dated July 2017, CARBIOS should be able to cover its financing needs until the end of the half-year 2019.

All information concerning the risks to which CARBIOS is exposed is available in the "Principal Risk Factors" section of the Half-Year 2017 Report, available in French on the Company's website (www.carbios.fr) under the "Investors" tab.

About CARBIOS

CARBIOS is a green chemistry company whose innovations are designed to meet environmental and sustainable development issues faced by global industrial players. Since its creation in 2011, CARBIOS has developed two industrial bioprocesses dedicated to the biodegradation and the biorecycling of polymers. These breakthrough innovations, which are a worldwide premiere, leverage the highly specific properties of enzymes to optimize the performances and the life cycle of plastic and textile materials. CARBIOS' economic development model is based on the industrialization and commercialization of its products, enzymes, technologies, and bioprocesses via the concession of licenses, directly or via joint ventures to major industrial players in the sectors that can make use of the Company's innovative technologies. For instance, CARBIOS created in September 2016, the joint-venture CARBIOLICE, in partnership with Limagrain Céréales Ingrédients and the SPI investment fund run by Bpifrance. This company, controlled by CARBIOS, will operate the first patented enzymatic biodegradation technology licensed by CARBIOS by producing enzymated pellets to be used for the production of a new generation of bio-sourced and biodegradable plastics. Since inception, CARBIOS benefits from the financial support of the leading European venture capital firm [Truffle Capital](#). CARBIOS was granted the label "Young Innovative Company" by Bpifrance (former OSEO) and is eligible for investments by private equity mutual funds (FCPIs).

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

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



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