

Global Bioenergies: Establishment of flexible bond financing by the reserved issue of OCABSAs for an €11.25 million bond loan on condition of shareholder approval

Evry (France) and Dubai (United Arab Emirates), 23 September 2016 – Global Bioenergies (Alternext Paris: ALGBE) announced the signing yesterday of a debt issue agreement with Bracknor Investment to put in place a flexible bond financing line by issuing 300 convertible bonds (*obligations convertibles en actions*) with a par value of €37,500 each (the "OCAs"), breaking down into a first tranche of 20 OCAs and fourteen tranches of 20 OCAs each, that will be accompanied by share subscription warrants (*bons de souscription d'actions* - the "BSAs") (the OCAs and the BSAs are together referred to as the "OCABSA") for a total nominal amount of €11.25 million, combined with the suspension of the PACEO agreement, on condition of shareholder approval.

Transaction objectives

The objective of this transaction is to finance:

- The development and scaling up of the isobutene procedure and procedures related to the biological production of other molecules, such as butadiene or propylene,
- The diversification of carbon-based resources used in the procedure. The Company intends to adapt the procedure to second-generation resources (waste biomass) and third generation resources (industrial gas discharges, in particular CO₂),
- The intensification of its commercial activity, aiming for the emergence of new factory construction projects.

François-Henri Reynaud, CFO of Global Bioenergies, explained: "This new financing will provide security to the Company for the next industrial phase of the Isobutene process, and will also make it possible to increase the liquidity of the Company's shares."

Marc Delcourt, CEO of Global Bioenergies, declared: "This new financing will allow us to intensify our industrialisation work, increase our commercial efforts, and fully implement our programme for the diversification of resources, which will allow us to reduce production costs and further increase the environmental advantages of our procedures."

Aboudi Gassam, Chairman and President of the Investment Committee of Bracknor and Vice-President in charge of Business Development of MS Group declared: "This transaction with Global Bioenergies renews our faith in the renewable energy and biotechnology sector. This action to support the innovative Global Bioenergies project places us alongside other major international groups and aims to take part in the efforts required by COP21."

Pierre Vannineuse, CEO of Bracknor Investment, observed: "Beyond our firm commitment to finance Global Bioenergies with more than €11 million, for Bracknor this is a long-term partnership with the European leader in bio sourced petrochemical compounds that is fully within our investment strategy aiming to support innovative projects working for the future of humanity. We are convinced of the technological effectiveness of Global Bioenergies and we have full confidence in the management's ability to successfully carry out this project."

The issue of the first tranche of 20 OCABSAs for the Investor, representing a bond loan with a par value of €750,000, was carried out yesterday on the basis of the 8th resolution of the Combined General Shareholders Meeting held on 3 June 2015.

The following OCABSAs will be issued in 14 tranches, each in the amount of €750,000, without preferential subscription rights for Bracknor Investment (the "Investor"), on the exercise of warrants issued free of charge to the Investor, and the said warrants shall obligate this latter to subscribe for a tranche of 20 OCSBSAs, on condition of adherence to certain conditions specified below in Note 1.

The issue of these 14 additional tranches is subject to shareholder approval at the Extraordinary General Meeting of the Company to be held on Friday, 28 October 2016, in accordance with the notice of meeting serving as the official notice published today in the French official bulletin of legal notices (*Bulletin des Annonces Légales Obligatoires* - BALO), to authorise the issue of the 14 OCABSA warrants for the Investor.

It is specified that the drawdown of each tranche shall be carried out automatically upon expiration of a period of 20 trading days starting from the drawdown of the previous tranche, and it is further specified that the Company will control the frequency of the financial assistance offered by the Investor since it will be able to suspend (or resume) the frequency of the drawdowns at any time.

It has moreover been agreed that in compensation of the payment of a fixed-rate commitment fee, the Company will issue an OCA with a par value of €37,500 (without attached BSAs) to the Investor when each tranche is drawn down.

The transaction could thus result in an equity contribution of €18,000,000: €11,250,000 corresponding to the subscription for the totality of the OCAs (other than by compensation with the amount of the fixed-rate commitment fee due at the time each tranche is drawn down) and €6,750,000 corresponding to the exercise of the totality of the BSAs. It should be noted that the issue agreement entered into with the Investor can, when requested by the Company, be renewed.

The Company indicates that this transaction could create a dilution, whose future theoretical impact is shown in the table below.

The impact of the issue of the OCABSAs (if the maximum ceiling is reached) on the investment of a shareholder holding 1% of the capital of the Company prior to the issue and not subscribing thereto, calculated on the basis of the number of shares composing the capital at 21 September 2016, would be as follows:

<u>Theoretical investment in the capital of the Company</u>	On the basis of shares outstanding to date (3,200,128)	Diluted base of diluting instruments issued prior to 22 September 2016
Prior to the issue of new ordinary shares of the Company from the conversion of the totality of the OCAs and upon the exercise of the totality of the BSAs	1.00%	0.90%
<i>ESTABLISHMENT OF FINANCING BY ISSUE OF OCABSA:</i>		
Following the issue of 32,456 new ordinary shares of the Company issued only from the conversion of the tranche 1 OCAs	0.99%	0.90%
Following the issue of 14,683 additional new ordinary shares from the exercise of the BSAs attached to the OCAs of tranche 1	0.99%	0.89%
Following the issue of 454,390 additional new ordinary shares of the Company from the conversion of the OCAs of tranches 2 to 15	0.86%	0.79%
Following the issue of 205,557 additional new ordinary shares from the exercise of the BSAs attached to the OSAs of tranches 2 to 15	0.82%	0.75%

The average weighted price used to calculate the dilution is the volume-weighted average price of the session of 21 September 2016, i.e. €25.5403. This dilution does not prejudice neither the final number of shares to issue nor their issue price, which will be set according to the market price listed in accordance with the procedures described below.

It should be noted that this transaction will not lead to the establishment of a prospectus subject to AMF approval.

The Company will duly inform the shareholders as and when the 14 OCABSA warrants are issued and exercised.

As a reminder, in October 2015 the Company had put in place an equity financing line (PACEO) with Société Générale, for a maximum of 250,000 BSAs, each convertible to one share and exercisable over 36 months. To date, 125,000 BSAs have been exercised for a total amount raised of €3,272,300. Société Générale's execution of the PACEO agreement is suspended as of this day.

Procedures and legal framework of the issue

Main characteristics of the OCABSAs

The OCABSAs will be issued in several tranches, upon the exercise of the warrants issued free of charge that will subsequently oblige their bearers to subscribe for an OCABSA tranche (the "**Warrants**"), for 24 months, subject to meeting certain conditions detailed below in Note 1. The Warrants cannot be transferred by the bearer without prior approval by the Company, and shall not be subject to a request for admission for trading on Alternext and therefore not be listed.

A first Warrant was issued yesterday for the Investor on the basis of the 8th resolution of the Combined General Meeting of 3 June 2015 (private investment).

The 14 additional Warrants can be issued for the Investor on condition of the approval of the principal by the General Meeting of Shareholders, which will be convened on 28 October 2016 at the Company's registered office.

Main characteristics of the OCAs

The OCAs will be issued at par value, i.e. €37,500, and will not carry interest and will mature after 12 months of their issue.

At maturity, any outstanding OCAs must be converted into shares by the Investor. However, should a default occur, any outstanding OCAs at that date must be repaid by the Company at par value.

The OCAs, which will be transferable under certain conditions, shall not be subject to a request for admission for trading on Alternext and shall therefore not be listed.

The OCAs may be converted to shares when requested by their bearer, at any time, according to the conversion parity determined by this formula:

$$N = V_n / P$$

Where:

"N": corresponds to the number of new ordinary shares of the Company to be issued on conversion of an OCA;

"V_n": corresponds to the bond represented by the OCA (par value of an OCA);

"P": corresponds to 95% of the lowest volume-weighted average price of the Company's share at closing (as published by Bloomberg) over the ten (10) trading days immediately preceding the date a notice of conversion is sent.

Main characteristics of the BSAs

The number of BSAs to be issued at the time of the issue of each OCABSA tranche will be such that, multiplied by the exercise price of the BSAs (determined according to the conditions defined here below), the amount thus obtained is equal to 60% of the par value of the tranche.

The BSAs will be immediately detached from the OCAs starting from their issue. The OCAs, that will be transferable under certain conditions, shall not be subject to a request for admission for trading on Alternext and shall therefore not be listed.

The BSAs may be exercised for a period of five (5) years starting from their issue (the "**Exercise Period**").

Each BSA will give its bearer the right, during its Exercise Period, to subscribe for one new share of the Company (on condition of any adjustments).

The exercise price of the BSAs will be equal to 120% of the lowest daily volume-weighted average price of the share of the Company at closing over the five (5) trading days immediately preceding the exercise of the Warrants giving rise to the issue of the OCABSAs from which the BSAs are detached, it being specified that, as these are BSAs from the first tranche, the exercise price is €30.30.

Depending on the share volatility assumption used (48.60%) and on the basis of the closing price of the Company's share on 21 September 2016 (i.e. €25.53), the theoretical value of one BSA is equal to €9.6496.

New shares resulting from the conversion of the OCAs or the exercise of the BSAs

The new shares issued on conversion of the OCAs or on the exercise of the BSAs will bear immediate dividend rights. They will have the same rights as those attached to existing ordinary shares of the Company and will be subject to admission for trading on Alternext on the same listing line (ISIN 00011052257).

The Company will maintain an up-to-date table on its website summarising the Warrants, the OCAs, the BSAs and the number of shares outstanding.

Note 1: Conditions for subscription for the OCABSAs by the Investor:

- No significant unfavourable change (material adverse change) has occurred;
- No authority (including the AMF) opposes the issue of the OCAs (or their conversion) or of the BSAs (or their exercise);
- No case of default exists on the day of the drawdown;
- The Company's shares are still listed and the listing of the Company's shares has not been suspended (and there is no identified risk of such a suspension);
- The closing price of the Global Bioenergies share must have been greater than 115% of the par value of the share during the 60 preceding trading days;
- The Company has an adequate number of authorised and available shares to meet the conversions of the OCAs that must be issued as part of the drawdown (and, as necessary, the OCAs still outstanding), i.e. at least a number of shares corresponding to the par value of this bond divided by the volume-weighted average price of the Global Bioenergy share at closing on the day of the drawdown.

About GLOBAL BIOENERGIES

Global Bioenergies is one of the few companies worldwide, and the only one in Europe, that is developing a process to convert renewable resources into hydrocarbons through fermentation. The Company initially focused its efforts on the production of isobutene, one of the most important petrochemical building blocks that can be converted into fuels, plastics, organic glass and elastomers. Global Bioenergies continues to improve the performances of its process, operates its industrial pilot, has begun the construction of its demo plant in Germany, and prepares the first full-scale plant through a Joint-Venture with Cristal Union, named IBN-One. The company also replicated its achievement to propylene and butadiene, two members of the gaseous olefins family, key molecules at the heart of petrochemical industry. Global Bioenergies is listed on Alternext, Euronext Paris (FR0011052257 – ALGBE).

Should you like to be kept informed, subscribe to our news feed on www.global-bioenergies.com

About Bracknor

Bracknor Capital Ltd is the Investment Manager platform of Bracknor Investment (A Dubai UAE incorporated investment vehicle). Bracknor's mandate is to invest globally in SMEs that bears unique competitive advantages and true potential, providing them with paramount working capital or growth capital needed to foster and ignite their growth.

Bracknor, through its Chairman, Mr Aboudi Gassam, is backed up by the Saudi Group MS Group (Jeddah) - <http://mscc.com.sa> and aim to activate intra portfolio synergies to bring relevant opportunities and cooperative developments to Bracknor's portfolio companies particularly in the GCC (Gulf Cooperation Council) Region.

www.bracknor.com

Contacts

GLOBAL BIOENERGIES

François-Henri Reynaud

Chief Financial Officer

Phone: +33 (0)1 64 98 20 50

Email: invest@global-bioenergies.com

BRACKNOR

Pierre Vannineuse

CEO

Email: info@bracknor.com

