

GLOBAL BIOENERGIES: 2018 FINANCIAL FIGURES

Net loss for the Group of €13.6m in 2018, of which €2.9m in amortisation of the demo plant

Cash position of €10.3m at 31 December 2018

Evry (France), 1 March 2019 – Global Bioenergies (Euronext Growth: ALGBE) released its 2018 financial statements, audited, certified and approved by the Board of Directors Meeting held yesterday¹. These yearly figures report a net loss of €13.6m for the 2018 financial year, a slight improvement over 2017, and a cash position of €10.3m as at 31 December 2018.

Samuel Dubruque, Chief Financial Officer of Global Bioenergies, explained: "For the first time in the Group's history, the net loss is slightly improved over the previous year. This trend will continue in 2019, and points to profitability within four years. The hardest part is behind us, particularly in terms of capital expenditures. Now, the Group's number one objective is the emerging of its first commercial plant, IBN-One, a joint-venture with Cristal Union."

Marc Delcourt, Chief Executive Officer of Global Bioenergies, added, "Significant progresses have been made in the performances of the Isobutene process and its scaling-up. Along with this technology push, there is a very clear market pull: for regulatory reasons, the cosmetics industry is facing the progressive phase-out of volatile silicones, for which isobutene derivatives are substitutes. Several letters of intent have been received from major players in the cosmetics industry, representing up to 10,000 tons of product annually, with a guideline price of €4 to €10/kg.

Beyond the cosmetics market, the Isobutene process has the potential to shift the lines of the energy and environmental transition, which is now clearly one of the primary concerns of today's societies. Western consumption patterns cannot be generalised to a human population of 10 billion individuals, and we all know that radical changes will happen. Letters of intent totalling up to 55,000 tons per year of renewable gasoline and jet fuel have already been received from industrial leaders in these energy markets, the equivalent of more than 1% of French fuels, and in excess of the maximum capacity of the future first plant."

¹ The annual financial report will be included in the Registration Document to be filed with the AMF right after this publication of annual result.

- Group Profit and Loss Statement as of 31 December 2018**

€ thousands	from 01/01/18 to 31/12/18	from 01/01/17 to 31/12/17	from 01/01/16 to 31/12/16
Operating income	2,412	2,369	3,292
Operating expenses	18,088	18,002	15,216
<i>Average headcount (Group)</i>	<i>69.3</i>	<i>66.4</i>	<i>61.3</i>
Operating profit (loss)	-15,676	-15,634	-11,924
EBITDA	-12,059	-12,664	-10,723
Financial profit (loss)	-570	-708	-530
Exceptional profit (loss)	64	89	-50
Income tax	-2,546	-1,999	-1,896
Net profit (loss)	-13,637	-14,253	-10,607

The net loss was €13.6m, to be compared to €14.3m last year. The EBITDA also improved, from -€12.7m in 2017 to -€12.1m in 2018.

Operating expenses were severely impacted by amortisation expenses and particularly those corresponding to the Leuna demo plant, initiated on 1 April 2017, for a period of 4 years; 2018 was the first full year and the Group's amortisation expenses (€3.6m) alone represented 20% of total operating expenses, without however having any impact on cash flow.

Operating revenues are made up of European subsidies related to diversification projects for resources usable in the Isobutene process, and revenues from partnerships with the car manufacturer Audi after the achievement of a number of new technical milestones.

- The Group's Balance Sheet on 31 December 2018**

Assets (€ thousands)	31/12/18	31/12/17	31/12/16
Intangible assets	1,228	1,267	69
Assets	7,778	11,075	12,182
Financial assets	1,061	365	146
NON-CURRENT ASSETS	10,067	12,707	12,397
Inventories – Receivables – Prepayments	4,614	4,504	5,074
Cash and equivalents	10,756	13,639	8,066
CURRENT ASSETS	15,370	18,143	13,140
TOTAL ASSETS	25,436	30,850	25,537

Liabilities (€ thousands)	31/12/18	31/12/17	31/12/16
Capital	254	224	168
Share premium	74,207	67,867	49,409
Retained earnings	-54,926	-40,673	-30,066
Profit (loss)	-13,637	-14,253	-10,607
Equipment subsidies	383	553	391
EQUITY	6,280	13,718	9,295
PROVISIONS	66	57	42
Conditional advances and loans	9,356	10,213	11,483
Trade payables and related accounts	3,356	4,622	4,120
Other payables & deferred income	6,379	2,240	597
PAYABLES & DEFERRED INCOME	19,090	17,075	16,200
TOTAL LIABILITIES	25,436	30,850	25,537

The balance sheet reflects a certain number of changes from 2017 to 2018, particularly due to the granting of European subsidies given during the year:

- deferred income has significantly increased due to the receipt of pre-payments, with about half of the subsidies coming under pre-financing at the launch of the projects;
- we logged €0.7m in surety bonds on financial assets;
- cash is at €10.3m as at 1st January, 2019, compared to €13.3m a year earlier.

Tangible Assets slipped by €3.3m due to physical investments limited to only €0.3m in 2018, while depreciation was booked at €3.6m, including €2.9m alone for the Leuna Demo plant.

Although the Group had otherwise received a new repayable advance of €1.1m as part of the ISOPROD project financed by the ADEME; reimbursements of loans and repayable advances for €2m made it possible to reduce this debt heading.

CASH FLOW (€ thousands)	2018	2017	2016
Operating cash-flow	-7,418	-9,066	-9,279
Net profit (loss)	-13,637	-14,253	-10,607
Amortisation (+)	3,457	2,857	1,213
Change in Working Capital Requirement	2,762	2,330	115
Investing cash-flow	-974	-2,022	-6,120
Financing cash-flow	5,259	16,143	12,676

Cash as at 31 December 2018 was €10.3m The cash-flow chart shows a significant reduction in cash flow relating to operating activities (-€9.3m in 2015, -€9.1m in 2017 and -€7.4m in 2018).

Moreover, it illustrates the net reduction in physical investments: €6.1m in 2016, €2m in 2017 and €1m in 2018 (including €0.7m of financial assets).

Cash flow pertaining to funding business activity was dominated by a capital increase of €6.2m in September.

- **2018 Highlights and Recent Events**

Validation of the principal market applications for isobutene

Product batches at Leuna were used to test market applications in very diverse fields, such as automotive fuels, cosmetics, materials, aviation fuels and even household gas. These tests were conducted in collaboration with key industrial players, such as Audi, Butagaz, or Clariant, with which Global Bioenergies has established partnerships. The appeal of these different markets materialised at the end of the year with the receipt of intentions to buy exceeding the production capacity of the first plant (IBN-One), a significant portion of which concerns high value-added markets (cosmetics and special fuels).

Measuring the related ecological benefits

The ecological benefits of Global Bioenergies processes can be measured on two scales: globally through a reduction in CO₂ emissions, and then on a local and specifically urban scale through a reduction in fine particle emissions from petrol engines. In the case of ETBE, a well-known petrol additive produced from isobutene and ethanol, measurements indicate that savings in CO₂ emissions should reach 70% with IBN-One. Validation of the reduction in emission levels of fine particles was also obtained: incorporation of isobutene derivatives in traditional petrol would reduce emissions more than proportionately.

Support from French and European public authorities

The Global Bioenergies Group as of now counts 5 projects that have received European subsidies, 4 of which having been granted during the first half-year of 2018, providing the Company with a total of more than 12 million euros. It continues to benefit from the support of the French government through the *Investissements d'Avenir* program (1.1 million euros received during the first half-year after reaching a key milestone). On top of that, the derivatives of renewable isobutene were officially added to the list of biofuels eligible for tax incentive schemes.

About GLOBAL BIOENERGIES

Global Bioenergies is the only company in the world to have developed a conversion process for renewable resources (residual sugars, agricultural and forestry waste) into isobutene, one of the petrochemical building blocks that can be converted into ingredients for cosmetics, petrol, kerosene, plastics and elastomers. Global Bioenergies continues to improve the performance of its process, conducts trials on its demo plant in Germany and is preparing the first full-sized plant in a Joint - Venture with Cristal Union. Global Bioenergies is listed on Euronext Growth in Paris (FR0011052257 – ALGBE).

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