

GLOBAL BIOENERGIES: ANNUAL RESULTS

Net loss for the Group of €11.1 million in 2020, an improvement of €1.6 million compared to 2019. Gross cash position of €15.2 million as of 15 March 2021.

Paris, 15 March 2021 - The Board of Directors of Global Bioenergies (Euronext Growth: ALGBE), at its meeting today, approved the annual financial statements for 2020, which were audited by the Statutory Auditor.¹ The consolidated annual results show a net loss of €11.1 million for 2020, with a cash flow of €15.2 million to date, which provides good visibility for the Company.

Samuel Dubruque, Chief Financial Officer of Global Bioenergies, commented: “2020 continued to follow the loss-reduction track that began several years ago: -€14.3 million in 2017, -€13.6 million in 2018 and -€12.7 million in 2019. In 2020, we were able to achieve the results improvement target while incurring new expenses as part of our development, with a particular focus on preparing for market access from 2021.

Our announcements in recent months initially indicated the creation of a team bringing together the expertise inherent in the various cosmetics business lines. Then, we announced the success of the toxicological evaluation and registration phases in the European regulatory system enabling the production, storage, transportation and use of our isododecane in a first area, that of cosmetics. Ultimately, we presented our bold initiative to launch, in upcoming months, our own long-lasting makeup range, based on this ingredient”.

Marc Delcourt, Chief Executive Officer of Global Bioenergies, added: “Our isododecane gives us the unique opportunity to bring natural ingredients to long-lasting makeup, which alone represents a global market of around €10 billion. The production capacity of our demo plant is sufficient to generate finished products in this segment representing significant market value. We have decided to make an intense effort to move down the value chain to maximise our innovation, and also to make our own contribution to the major quest for natural ingredients in the cosmetics industry.

We are also actively working to accelerate the increase in our production, which requires a fundamental adaptation of our process. The aim is to draw on the capacities of existing fermenters, rather than use specific fermenters that need to be made on demand. This development will enable us to accelerate the availability of products without waiting for the construction of new plants. The first pilot validations are very promising, and will result in a new industrial trajectory, details of which will be presented shortly. Our own brand will be able to capture part of this growing production. The rest will be made available to the major market players, in an orderly and progressive manner.

2020 was rough, but we have made unprecedented progress”.

¹ The annual financial report will be published in April and the financial statements will be certified at the same time.

- **Group profit & loss account as at 31 December 2020**

€ thousands	from 01/01/20 to 31/12/20	from 01/01/19 to 31/12/19	from 01/01/18 to 31/12/18
Consolidated financial statements			
Operating income	3,276	3,494	2,412
Operating expenses	16,332	17,517	18,088
<i>Average number of employees (Group)</i>	<i>50.7</i>	<i>59.6</i>	<i>69.3</i>
Operating profit (loss)	-13,056	-14,024	-15,676
EBITDA	-9,777	-10,527	-12,059
Financial profit (loss)	-184	-291	-570
Exceptional profit (loss)	-172	166	64
Income tax (research tax credit)	-2,264	-1,407	-2,546
Net profit (loss)	-11,148	-12,741	-13,637

Operating income mainly consists of the five European grants obtained in 2017 and 2018 associated with the diversification of feedstock usable by the process. These five projects were all subject to payments in 2020 following the validation of key milestones.

€ thousands - Group	2020	2019	2018
Detail of operating expenses			
Personnel costs	-4,057	-4,973	-5,120
Industrialisation	-5,989	-3,879	-3,713
Change in Isobutene & derivative inventories	1,314	-	-
Laboratory	-929	-1,234	-1,386
Rent and maintenance	-1,027	-1,259	-1,106
Intellectual property	-693	-736	-900
Depreciation/Amortisation	-3,279	-3,496	-3,617
Other	-1,672	-1,939	-2,246
Total	-16,332	-17,517	-18,088

Operating expenses experienced significant changes in 2020. All expenditure items decreased significantly, with the notable exception of “**Industrialisation**”, which now includes new expenses related to the development of our own brand.

From now on, these commercial prospects mean that we record the inventories of isobutene (IBN) produced, its derivatives - primarily cosmetic-grade isododecane - and long-lasting makeup products.

Details of the “Industrialisation” item showed the following changes from 2018 to 2020:

€ thousands - Group	2020	2019	2018
Detail of the “Industrialisation” item			
Leuna demonstrator runs	-2,620	-2,527	-2,337
Pomacle pilot runs	-583	-731	-522
Engineering studies	-712	-620	-853
Conversion of IBN to cosmetic-grade isododecane	-1,313	-	-
Regulatory studies and product tests	-146	-	-
Own brand development	-615	-	-
Total	-5,989	-3,879	-3,713

Operating expenses for the demo plant and the pilot plant and engineering studies were little changed. Nearly €2.1 million was recorded in new expenses, firstly for the fine-tuning and development of the conversion of the isobutene produced at Pomacle and Leuna into cosmetic-grade isododecane, but also for conducting and carrying out studies and tests for marketing, as well as the development of our own brand.

Operating expenses are still heavily impacted by depreciation costs, in particular those of the Leuna demo plant (€2.9 million) first recognised on 1 April 2017 for a period of four years. The end of the depreciation of the demo plant at the end of the first quarter of 2021 will lead to a natural improvement in operating income for 2021.

• **Group balance sheet as at 31 December 2020**

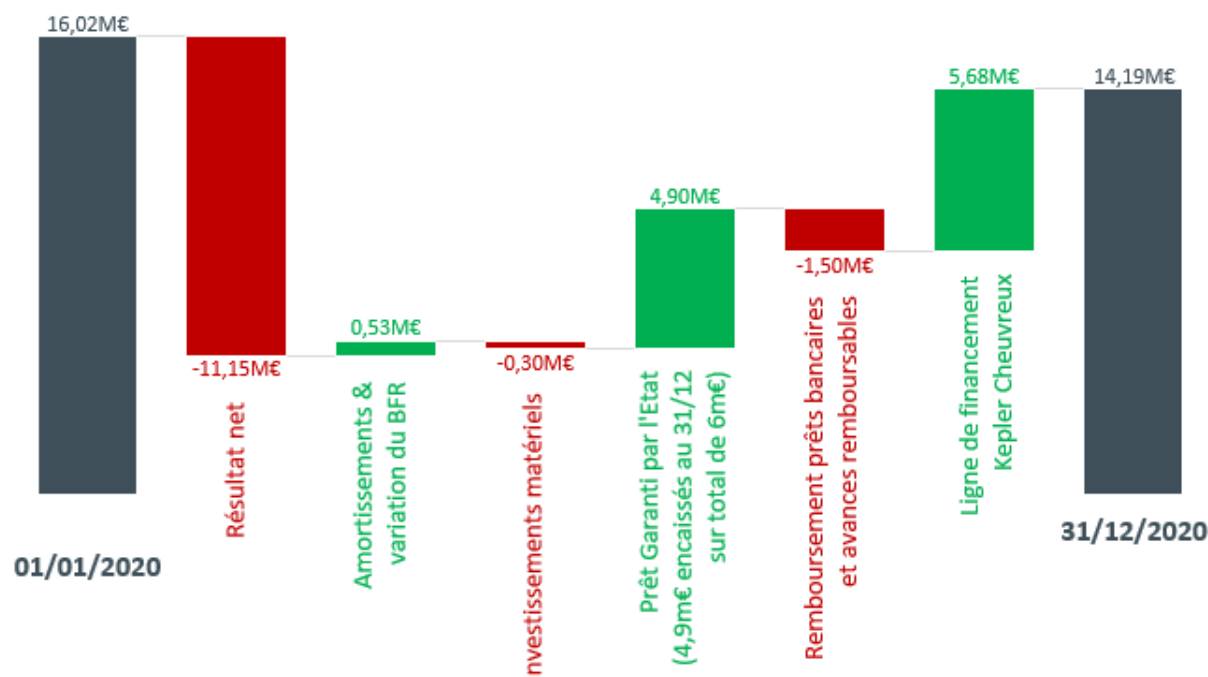
Assets (€ thousands)	31/12/20	31/12/19	31/12/18
Intangible assets	980	1,226	1,228
Tangible assets	1,565	4,452	7,778
Assets under construction	129	76	-
Financial assets	1,211	1,065	1,061
NON-CURRENT ASSETS	3,885	6,820	10,067
IBN and derivative inventories	1,314	-	-
R&D consumable inventories	653	632	598
Receivables	4,812	3,280	3,665
Cash	14,491	16,553	10,343
Marketable securities	360	320	412
Prepaid expenses	283	342	352
CURRENT ASSETS	21,913	21,128	15,370
TOTAL ASSETS	25,798	27,948	25,436

Liabilities (€ thousands)	31/12/20	31/12/19	31/12/18
Capital	507	436	254
Share premium	96,022	90,351	74,207
Balance carried forward	-81,292	-68,550	-54,926
Profit (loss)	-11,148	-12,741	-13,637
Equipment subsidies	43	213	383
EQUITY	4,132	9,708	6,280
PROVISIONS	183	192	66
Conditional advances and loans	13,172	9,646	9,356
Trade payables and related accounts	2,698	2,640	3,356
Tax and social security liabilities	1,360	1,088	932
Other debts and deferred income	4,253	4,674	5,446
PAYABLES and DEFERRED INCOME	21,483	18,048	19,090
TOTAL LIABILITIES	25,798	27,948	25,436

Fixed assets decreased due to limited material investments of less than €0.3 million in 2020 and depreciation recorded in the amount of €3.3 million. The receipt, in December, of the first part of the State-guaranteed loan (€4.9 million out of total €6 million obtained) affected “Conditional advances and loans”. There was little change in “Other debts and deferred income” because the

€2.2 million of inflows in 2020 for the five projects benefiting from European funding offset the expenses incurred on said projects.

• **Group cash flows* at 31 December 2020**



* as a rule, the amounts included are net of accrued interest not yet due, of €0.8 million at 01/01/2020 and €0.6 million at 31/12/2020 respectively.

16,02M€	€16.02m
-11,15M€	-€11.15m
0,53M€	€0.53m
-0,30M€	-€0.30m
4,90M€	€4.90m
-1,50M€	-€1.50m
5,68M€	€5.68m
14,19M€	€14.19m
01/01/2020	01/01/2020
Résultat net	Net profit (loss)
Amortissements & variation du BFR	Depreciation/Amortisation & change in WCR
Investissements matériels	Material investments
Prêt Garanti par l'Etat (4,9m€ encaissés au 31/12 sur total de 6m€)	State-guaranteed loan (€4.9m received at 31/12 out of a total of €6m)
Remboursement prêts bancaires et avances remboursables	Repayment of bank loans and repayable advances
Ligne de financement Kepler Cheuvreux	Kepler Cheuvreux line of financing
31/12/2020	31/12/2020

Cash flows from operating activities (-€10.6 million) were offset by the receipt of part of the State-guaranteed loan and by the Kepler Cheuvreux line of financing (+€10.6 million). The balance of the change is reflected in material investments (-€0.3 million) and debt repayment (-€0.5 million).

- **Highlights of 2020 and recent events**

2020, will be marked, on a global scale, by the emergence of the Covid-19 health crisis and its various repercussions on societies and economies. The Group's activity was no exception. The Pomacle and Leuna pilot and demo plant sites did not suffer any reduction in activity, but the Company was obliged to use the partial activity scheme between 16 March and 10 April 2020 for the employees of the laboratory in Evry whose protection could not be ensured under usual working conditions, and for which remote work was not possible. The number of hours not worked over this four-week period was finally limited to 2,800 hours, corresponding to a level of activity of around 60%. Business was able to resume at a normal pace on 14 April 2020, after the measures to ensure employee safety were defined, adopted and applied in consultation with employee representatives.

As a result of uncertainties related to the deterioration of the macroeconomic situation, On 30 April 2020, the Company announced that it was considering a collective dismissal for economic reasons, which resulted ultimately, in early June 2020, in the dismissal of seven employees.

Despite the challenging periods experienced as a result of the events and decisions described above, the year saw considerable progress in the understanding of the cosmetics market and the role played by isobutene derivatives. Secondly, the Company focused on defining the best strategy to apply to make the most of the opportunities identified, in particular to enable the long-lasting makeup segment to be natural without losing performance, after acknowledging that isododecane was the key molecule in this segment. The Company began by adding new members from the cosmetics industry to its Board of Directors, first welcoming Corinne Granger, Director of R&D and Medical Director of ISDIN, then Nicolas Cordier, former Chairman and CEO of the brand Make Up For Ever. In September 2020, Corinne Granger became Chairperson of Global Bioenergies.

In the course of 2020, the decision to enter into this market through our own brand became the best way to ensure, on the one hand, the highest retention of the added value provided by our innovation and, on the other hand, to communicate, through the launch of the world's first brand of long-lasting makeup formulated with natural ingredients, on the new possibilities now available to this segment representing 25% of the global makeup market. If this solution were to become the new standard for long-lasting makeup, it would significantly contribute to enhance natural ingredients in the cosmetics industry, and would serve as a stepping stone for Global Bioenergies to penetrate other industries.

The Company has also strengthened its financial position by obtaining a State-guaranteed loan for a total amount of €6 million, of which €4.9 million were paid before 31 December 2020. In addition, a line of equity financing signed with Kepler Cheuvreux enabled to raise an additional €5.9 million between September and December 2020.

About GLOBAL BIOENERGIES

Global Bioenergies has developed a process to convert plant-derived resources into a key family of ingredients used in the cosmetics industry. The process was first developed in a laboratory, where the Company is further enhancing performance. It now operates as a pilot and a demo plant, with sufficient capacity to enable the Company to access the market by first creating a long-lasting makeup home brand. The Company is gradually increasing its production capacities and is looking to improve the environmental footprint of not only the cosmetics industry but also that of other areas such as transportation and materials. Global Bioenergies is listed on Euronext Growth Paris (FR0011052257 – ALGBE)

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Contact

GLOBAL BIOENERGIES

Samuel Dubruque
Chief Financial Officer
Phone: +33 (0)1 64 98 20 50
invest@global-bioenergies.com

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