

PRESS RELEASE

Global Bioenergies: strong progress in first half 2023

First half revenue of €3.1 million

Reduction of net loss

ASTM certification obtained for Sustainable Aviation Fuel technology

Upsizing of plant project

Evry, 19 September 2023 – 05:45 p.m.: Global Bioenergies' Board of Directors held on 15 September approved the H1 2023 financial statements, which have been audited by the Statutory Auditor and show revenue of €3.1 million.

Samuel Dubruque, Chief Financial Officer of Global Bioenergies, said: "This record revenue since the creation of the Company, has enabled us to significantly reduce our net loss: (€4.1) million in H1 2023 compared to (€5.8) million in H1 2022 and (€7.6) million in H1 2021. Isonaturane™ 12 sales illustrate both the market appetite for our products and our ability to produce in compliance with the most stringent regulatory standards."

Marc Delcourt, co-founder and CEO of Global Bioenergies, added: "The first half of 2023 was also marked by the achievement of the ASTM certification for our sustainable aviation fuel technology. This certification, an essential gateway reserved for a limited range of technologies, gives us access to the market for Sustainable Aviation Fuel, which is the main decarbonisation option for air transport. Thanks to the larger scale of operation of our process and the reduction in production costs, we plan to start operating in the European SAF market by 2030, when the mandatory minimum share of sustainable aviation fuels are raised from 2% to 6% in the European Union."

Group Profit & Loss Account

€ thousands	from 01/01/23 to 30/06/23 6 months	from 01/01/22 to 30/06/22 6 months	from 01/01/21 to 30/06/21 6 months
Operating income	7,326	1,059	1,903
Operating expenses	11,264	6,632	9,455
Operating profit (loss)	-3,938	-5,573	-7,552
EBITDA	-3,026	-5,014	-6,515
Financial profit (loss)	23	-61	-79
Exceptional profit (loss)	-169	-124	10
Income tax	-	-	-
Net profit (loss)	-4,084	-5,759	-7,621

€ thousands	from 01/01/23 to 30/06/23	from 01/01/22 to 30/06/22	from 01/01/21 to 30/06/21
Operating income	7,326	1,059	1,903
<i>Revenue</i>	3,102	144	33
<i>Operating subsidies</i>	1,184	894	1,331
<i>Change in inventory of finished products</i>	1,917	-34	527
<i>Other income</i>	1,123	55	12

Operating income mainly consists of revenue from the first sale of several tonnes of Isonaturane™ 12.

€ thousands	from 01/01/23 to 30/06/23	from 01/01/22 to 30/06/22	from 01/01/21 to 30/06/21
Operating expenses	11,264	6,632	9,455
<i>Staff costs</i>	2,194	2,309	2,079
<i>Average number of employees (No.)</i>	47.6	47.3	41.2
<i>Industrialisation expenses</i>	2,687	2,597	4,886
<i>Change in IBN & derivatives inventories</i>	2,461	-584	- 520
<i>Laboratory costs</i>	192	185	322
<i>Rent, servicing & maintenance</i>	518	423	413
<i>Intellectual property</i>	186	137	326
<i>Depreciation, amortisation and provisions</i>	2,028	559	1,038
<i>Other structural costs</i>	997	1,006	911

Total isobutene and derivatives inventory entries, which impact both operating income and operating expenses, result in a total expense of €0.7 million in H1 2023.

Excluding these inventory entries, operating expenses increased €0.6 million versus H1 2022, mainly due to the increase in depreciation charges resulting from the commissioning of the Pomacle production unit on 1 November 2022. Other expense items remained stable.

Group Balance Sheet

Assets (€ thousands)	30/06/23	31/12/22	31/12/21	Passif (k€)	30/06/23	31/12/22	31/12/21
Intangible assets	411	539	800	Capital	905	749	743
Tangible assets	3,060	3,612	637	Share premium	10,452	16,029	29,289
Assets under construction	129	401	1,897	Balance carried forward	-2,769	-2,708	-4,697
Financial assets	829	1,546	1,544	Profit (loss)	-4,084	-11,986	-11,773
				Equipment subsidy	379	463	-
NON CURRENT ASSETS	4,428	6,097	4,879	EQUITY	4,883	2,547	13,562
IBN and derivatives inventories	1,604	2,342	1,793	PROVISIONS	58	110	61
Consumables inventories	298	250	250	Conditional advances and loans	10,985	11,486	12,454
Receivables	4,847	3,647	3,524	Trade payables	4,229	5,580	3,520
Cash	9,855	8,768	20,931	Tax and social security liabilities	725	502	1,185
Marketable securities	176	173	147	Other debts and deferred income	713	1,352	1,003
Prepaid expenses	387	300	261	PAYABLES	16,653	18,921	18,163
CURRENT ASSETS	17,167	15,480	26,907	TOTAL LIABILITIES	21,595	21,577	31,785
TOTAL ASSETS	21,595	21,577	31,785				

The reduction in fixed assets is due to (i) the depreciation of the Pomacle-Bazancourt production unit commissioned at the end of 2022, (ii) the repayment of the guarantee at the end of one of the subsidy projects and (iii) the impairment of capitalised expenses specifically related to the 2,000 ton plant project.

Inventories decreased and receivables increased following delivery and invoicing of the first tonnes of Isonaturane™ 12 at the end of the first half.

The cash balance increased by €1.1 million in the first half. Capital increases generated a net inflow of €6.5 million, supplemented by the receipt of subsidies and trade receivables (€2.7 million). Cash flows from operating activities accounted for most of the cash outflows over the period (€7.7 million) and were heavily impacted by Isonaturane™ 12 production costs.

Highlights of the first half of 2023, recent events and outlook

- **Successful delivery of the first tons of Isonaturane™ 12**

To meet orders placed by major cosmetics companies including L'Oréal, Global Bioenergies has set up a dedicated value chain, partly subcontracted, and delivered several tonnes of Isonaturane™ 12 in H1 2023. Although the associated revenue is substantial, the corresponding production costs remain considerably high and this business activity, which will not generate a significant margin for the Company, is now no longer a priority. The Company is currently focusing all its efforts on building a larger plant.

- **ASTM certification for sustainable aviation fuel from Global Bioenergies technology**

The aviation industry requires all of its fuels to be certified by ASTM. Sustainable aviation fuels (SAF) are certified worldwide in accordance with the ASTM D7566 standard, which sets out the fuel specification requirements and maximum blending percentage with conventional fuels. The standard allows SAFs to be considered as "drop-in" fuels, meaning that they can be blended up to 50% with fossil kerosene and can be safely used in airliners and existing infrastructure worldwide.

Global Bioenergies obtained certification for its process in June 2023 marking the starting point for the roll-out of its sustainable aviation fuel technology. In order to become a major player in this field, production costs still need to be reduced significantly in order to be compatible with market prices. The Company aims for a share of the European SAF market in 2030, when the mandatory minimum share of sustainable aviation fuels will be raised to 6% in Europe.

- **Focus on the larger scale plant project**

Global Bioenergies has decided to adjust its roadmap to focus as of now on building a large-scale plant capable of producing up to 10,000 tonnes of isobutene and derivatives per year. This increase in production volume coupled with a reduction in selling prices will enable the Company to meet the needs of the cosmetics market more broadly and then gradually penetrate the Sustainable Aviation Fuel market. The plant would start operations at the end of 2027. Global Bioenergies will release design and construction schedules by the end of 2023.

About GLOBAL BIOENERGIES

Global Bioenergies substitutes products of fossil origin with products of natural origin. In their quest for naturalness without compromising on performance, the cosmetics players are the Company's first customers. By 2027, the Company will be operating its innovative process in a large-scale plant. By 2030, the Company plans to become a leader in the huge emerging market for sustainable aviation fuels, in order to fight against global warming. Global Bioenergies is listed on Euronext Growth in Paris (FR0011052257 - ALGBE). L'Oréal is its largest shareholder, with a 13.5% stake.

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