

Global Bioenergies: First significant sales in 2022

Start of commercial production and sales of €0.7m

Gross cash position of €8.8m at 31 December 2022

CSR maturity score of 56/100 on the Gaïa index, above the national average

Paris, 14 February 2023: The Board of Directors of Global Bioenergies yesterday approved the annual financial statements for 2022, which show a controlled loss of €12m.¹

Samuel Dubruque, Chief Financial Officer of Global Bioenergies, said: “2022 was marked by the construction and commissioning of the Pomacle unit and the organisation of the entire chain of tollers for the production of Isonaturane®. 2022 also saw revenue rise from €100,000 to €700,000, even without taking into account the delivery of the first batch of Isonaturane® – to L’Oréal, among other clients – scheduled for H1 2023. The net loss is similar to that of 2021, with an expense structure more focused on production activities. The development of our projects and the growth of our production capacity are being monitored by several oil companies, particularly Shell, with which we have signed a partnership agreement.”

Marc Delcourt, co-founder and CEO of Global Bioenergies, explained: “Developing such an innovative value chain is an extraordinarily ambitious challenge. We are proud of our achievements in 2022. The latest campaign at Pomacle enabled us to produce around 1.5 tonnes of isobutene in just a week, representing 75% of maximum capacity. These improvements are fundamental because they reduce our production costs, which remain high, and strengthen the technical documentation necessary for the financing of the next plant which will have much higher capacity and be run by ViaViridia, the subsidiary specially created for this purpose in December.”

¹ The accounts were audited by the Statutory Auditor. The annual financial report will be published by April and the accounts will be certified at the same time.

- **Group Profit & Loss Account**

Consolidated financial statements (€ thousands)	2022	2021	2020
Operating income	1,715	3,881	3,276
<i>of which sales</i>	698	101	64
<i>of which subsidies</i>	895	3,024	3,072
<i>of which change in inventory</i>	-118	731	-
<i>other</i>	240	25	140
Operating expenses	14,907	17,229	16,332
Operating profit (loss)	-13,192	-13,348	-13,056
EBITDA	-11,367	-11,093	-9,777
Financial profit (loss)	-95	-131	-184
Non-recurring items	-147	-2	-172
Income tax (research tax credit)	-1,447	-1,708	-2,264
Net income (loss)	-11,986	-11,773	-11,148

2022 revenue breaks down into €98,000 in sales of LAST® make-up products and €600,000 in sales split between (i) the sale of Isonaturane® samples for referencing and pilot formulation with several cosmetics companies including L'Oréal, (ii) the delivery of isobutene derivatives to several oil companies including Shell and Repsol, and (iii) various services including a research agreement signed with Shell at the end of the year. Subsidies were down due to the phasing out of the five projects obtained between 2017 and 2018 that received European funding.

Breakdown of operating expenses (€ thousands)	2022	2021	2020
Personnel costs	4,291	4,091	4,057
Industrialisation/Commercialisation	6,713	8,117	4,675
Laboratory	343	680	929
Rent and maintenance	850	834	1,027
Intellectual Property	323	562	693
Depreciation and amortisation	699	1,474	3,279
Other	1,688	1,471	1,672
Total	14,907	17,229	16,332

Operating expenses dropped by over €2 million between 2021 and 2022. The production of the Pomacle unit has enabled us to increase the value of our inventory, thereby reducing industrialisation and commercialisation costs by €1.4 million. The other expenditure items were also down year-on-year, while the average headcount increased from 45.8 in 2021 to 48.8 in 2022.

Breakdown of "Industrialisation/Commercialisation" (€ thousands)	2022	2021	2020
<u>INDUSTRIAL PRODUCTION</u>			
Industrial scale-up – Horizon 2	2,506	1,034	712
Isobutene production	2,058	2,746	3,203
<i>Direct pathway</i>	-	2,262	3,203
<i>2-steps process</i>	2,058	484	-
Conversion of isobutene into derivatives	529	1,023	1,313
Change in inventories (including impairment)*	-365	183	-1,314
Product development and commercialisation	548	-	-
Industrial scale-up – Horizon 3	1,105		
<u>LAST® BRAND ACTIVITY</u>			
Testing and production	-	924	146
Brand development	333	2,207	615
Total	6,713	8,117	4,675

* a negative sign “-” indicates a rise in inventory value

As a reminder, the Company first developed a “direct pathway” process requiring the use of specific fermenters. The demonstrator that operated for four years in Leuna, Germany, used this process. In 2021, the decision was taken to create a production unit on the Pomacle-Bazancourt site using an “2-steps process”. This variation allows the use of conventional fermenters for a large part of the process. Ultimately, the “2-steps process” allows Global Bioenergies to produce on an industrial and commercial scale without having to make the considerable investments required to finance the specific fermenters for the “direct pathway”.

Expenditure on the downstream production chain – corresponding to the conversion of isobutene into derivatives – is lower than in previous years as it is now confined to commercial production purposes, whereas in previous years it largely reflected the prevailing R&D challenges.

Work on scaling up the process to ever-higher levels is intensifying: in 2022, over €1.1 million was allocated to studies relating to the prospective new plant run by the ViaViridia subsidiary.

Finally, a significant investment was made in 2021 for the launch of the LAST® brand, producing finished goods, compliance testing – particularly for Isonaturane® 12 – addressing regulatory issues and marketing and communications. Expenses were contained in 2022 thanks to efforts to insource the various functions; by contrast, the business line’s revenue increased from €41,000 in 2021 to €98,000 in 2022.

- **Group Balance Sheet**

Assets (€ thousands)	31/12/2022	31/12/2021	Liabilities (€ thousands)	31/12/2022	31/12/2021
Intangible assets	539	800	Capital	749	743
Tangible assets	3,611	637	Share premium	16,029	29,289
Assets under construction	401	1,897	Balance carried forward	-2,708	-4,697
Financial assets	1,546	1,544	Profit (loss)	-11,986	-11,773
			Equipment subsidies	463	-
NON-CURRENT ASSETS	6,097	4,879	EQUITY	2,547	13,562
IBN, derivatives and finished products inventories	2,342	1,820	PROVISIONS	110	61
R&D consumables inventories	250	223	Conditional advances and loans	11,486	12,454
Receivables	3,647	3,524	Trade payables	5,580	3,520
Cash	8,768	20,931	Tax and social security liabilities	886	1,185
Marketable securities	173	147	Other debts and deferred income	968	1,003
Prepaid expenses	300	261			
CURRENT ASSETS	15,480	26,907	PAYABLES and DEFERRED INCOME	18,921	18,163
TOTAL ASSETS	21,577	31,785	TOTAL LIABILITIES	21,577	31,785

Fixed assets increased due to the commissioning of the Pomacle unit. Inventories of isobutene and derivatives increased due to the start of production of the first batch of Isonaturane®, to be delivered during the first half, notably to L'Oréal, which has ordered most of it. The gross cash position was €8.8 million.

The negative retained earnings balance was allocated to the share premium by resolution of the General Meeting of Shareholders on 2 June 2022. This accounting manoeuvre, which has no impact on equity, clarifies the presentation of the accounts and facilitates access to public financing. Trade payables increased as a result of the negotiation of more favourable payment terms for the Company in connection with the initiation of production activities.

- **Highlights of 2022 and recent events**

Commissioning of a commercial Isonaturane® production line

2022 saw production start on the first batch of Isonaturane® 12 during the summer, following orders placed by several major cosmetics companies, including L'Oréal, in June.

For the first time since the Company's creation, a commercial production process has been implemented. This production was made possible by the roll-out of an entirely French chain, coordinated by Global Bioenergies. The process is broken down into five steps carried out by five tollers, with Global Bioenergies teams involved in the second – and most decisive – step, during which isobutene is produced. This step is carried out at the Pomacle unit, the construction and commissioning of which were two of the major objectives achieved by Global Bioenergies in 2022. The Grand Est regional authority participated in the financing of this unit by granting Global Bioenergies a €500,000 subsidy as part of the France Relance plan.

Global Bioenergies' Isonaturane® 12 stands out in the world of cosmetic ingredients for its particularly high selling price. The fact that it is the first cosmetic grade isododecane of natural origin gives it a very high added value. This molecule, traditionally derived from oil, is essential for longwear, water-resistant and low transfer make-up. When incorporated to achieve these characteristics, it is the main ingredient, representing between 25% and 50% of the formulation.

Isonaturane® 12 thus opens the way to naturalness in the so-called "longwear" make-up segment, which represents a quarter of the global make-up market. The selling price of Isonaturane® 12 benefits from the specific characteristics of the make-up sector:

- Limited volumes compared to other cosmetic applications - a make-up product represents only a few grams of formulated ingredients. A single tonne of Isonaturane® 12 can switch the equivalent of 500,000 units of lipstick or mascara to natural ingredients. This limits the Company's exposure to feedstock and energy price fluctuations.
- Very small proportion (less than 1%) of the cost of ingredients in the selling price of a finished make-up product.

Recognition of Global Bioenergies' cosmetic products

The LAST® brand was first honoured by the prestigious judges of Marie Claire magazine, which awarded it the Prix d'Excellence France prize in the "Research and Innovation" category early in the year. LAST® is the world's first make-up brand to incorporate Isonaturane® 12 and as such to combine naturalness and long-lasting performance.

Then, in November, Isonaturane® 12 was rewarded at the 2022 In-Cosmetics™ Asia event in Bangkok. An independent panel of international cosmetics industry experts met to award the best innovations in cosmetic ingredients. Isonaturane® 12 received the Silver Award at the event. As a reminder, In-Cosmetics™ Asia is the Asian version of the world's largest cosmetic ingredients trade show, welcoming exhibitors and visitors from over 70 countries and bringing the latest developments in the field to the heart of Asia.

Interest in Global Bioenergies' solutions among oil companies

In June, Global Bioenergies announced that it had received its first order for isobutene derivatives from major oil company Shell, for performance testing. Following the success of these tests, the two companies formalised the start of a collaboration to develop low-carbon, high-octane road fuels in November. In September, Spanish oil company Repsol placed an order with Global Bioenergies for a batch of ETBE, a compound widely used in petrol formulations, combining isobutene and ethanol to produce a high-octane molecule. The ETBE supplied by Global Bioenergies was produced by converting wood residue into isobutene, combined with renewable ethanol, resulting in the formulation of the first fully renewable ETBE.

As a reminder, from its early stages, Global Bioenergies has been looking to increase the number of resources that can be used in its process. Successfully converting wood residue into isobutene is a major innovation, which was developed by the European consortium REWOFUEL, which began four years' work in 2018 and wound it up in 2022. Global Bioenergies coordinated this European project, which received a total of €13.8 million in funding from the European *Horizon 2020* research and innovation programme. Project partners included Repsol, as well as Sekab, Fibenol, SkyNRG, Neste, Peab, IPSB, Technip FMC, Metex NoovistaGo and Energie Institut JKU.

During the REWOFUEL project, batches of renewable aviation fuels were produced and transferred to SkyNRG, a leading player in the field. These batches advanced Global Bioenergies'

efforts to certify the process for the eventual production of aviation fuels, subject to the improvement of the process to bring the costs to a level compatible with commercial operation in this area. After several years of work, the Company hopes to soon be recognised as the developer of the eighth technology in the world to receive ASTM certification.

Strengthened commitment in favor of sustainable development

Several actions have been undertaken to support Global Bioenergies' CSR ambitions, whether in favor of the Environment, Social/Societal, Governance or relations with External Stakeholders. In particular, a carbon assesment covering scopes 1 and 2 of the Evry laboratory's activities has been carried out, even as the laboratory's energy consumption has been reduced by 20% between 2021 and 2022 due to various actions. This first action anticipates the deployment of a similar approach for existing and future production units. A CSR Project Manager position has been created and filled to formalize efforts in a sustainable development strategy. The Ethifinance agency has recognized these efforts by increasing by 16 points the Gaïa rating, the ESG performance benchmark for small and medium sized companies listed in Europe. With a rating of 56/100, Global Bioenergies now exceeds the national average of 53/100 encompassing 391 companies.

About GLOBAL BIOENERGIES

Global Bioenergies converts plant-derived resources into compounds used in the cosmetics industry, as well as the energy and materials sectors. After launching the first long-lasting and natural make-up brand LAST® in 2021, Global Bioenergies is now marketing Isonaturane® 12, its key ingredient, to major cosmetics companies to improve the naturalness of their formulas whilst improving their carbon footprint. In the long run, Global Bioenergies is also aiming at cutting CO₂ emissions in the aviation and road sector and thereby curb global warming. Global Bioenergies is listed on Euronext Growth Paris (FR0011052257 - ALGBE).

Receive information about Global Bioenergies directly by subscribing to our news feed on www.global-bioenergies.com

Follow us on LinkedIn: [Global Bioenergies](#)

Contacts

GLOBAL BIOENERGIES

invest@global-bioenergies.com

PRESS RELATIONS

Iva Baytcheva

ibaytcheva@ulyse-communication.com

Nicolas Daniels

ndaniels@ulyse-communication.com