

GLOBAL BIOENERGIES PUBLISHES ANNUAL FINANCIAL RESULTS

Group net loss of €11.8m in 2021

Gross cash position of €20.9m at 31 December 2021

Paris, 2 March 2022: The Board of Directors of Global Bioenergies, at its meeting today, approved the annual financial statements for 2021, which were audited by the Statutory Auditor¹.

Samuel Dubruque, Chief Financial Officer of Global Bioenergies, said: "This year's loss is very similar to last year's. However, the detail of the account items shows some major evolutions between the two years: for the first time in the Company's history, we booked revenue for the sale of products formulated with ingredients made by the Global Bioenergies process. Sales so far are still modest, but this move down the value chain to the final consumer is a practical way of showing the world the value of our innovation. Our ingredients will soon be available to other cosmetics firms, starting with make-up companies. Note too that costs of industrialisation and commercialisation of the process now make up 43% of the Group's total spending, compared to 29% in 2020 and 22% in 2019. The Company is reconfiguring itself to meet the challenge of large-scale production and marketing."

Marc Delcourt, co-founder and CEO of Global Bioenergies, added: "Our vision of producing renewable hydrocarbons and our strategy of conquering markets progressively, first in cosmetics and then in chemicals and fuels, match the environmental and strategic concerns of Europe and the world."

- Group Profit & Loss Account**

€ thousands	from 01/01/21 to 31/12/21	from 01/01/20 to 31/12/20	from 01/01/19 to 31/12/19
Consolidated financial statements			
Operating income	3,881	3,276	3,494
Operating expenses	17,229	16,332	17,517
Operating profit (loss)	-13,348	-13,056	-14,024
EBITDA	-11,093	-9,777	-10,527
Financial profit (loss)	-131	-184	-291
Exceptional profit (loss)	-2	-172	166
Income tax (research tax credit)	-1,708	-2,264	-1,407
Net profit (loss)	-11,773	-11,148	-12,741

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

Operating income mainly consists of:

- revenues from the five ongoing projects that receive European grants (€3,024k);
- change in finished product inventories, notably LAST® products (€731k);
- first revenues from sales of the LAST® brand, launched on 14 June 2021 (€41k). Sales began in summer 2021 at a modest pace and have grown steadily since.

Operating expenses reflect (i) the growing weight of “**Industrialisation/Commercialisation**”, which has more than doubled since 2019 (taking into account the rise in inventories of isobutene IBN and its derivative isododecane IDD) and (ii) a fall of 15% in other expenditure items, already apparent between 2019 and 2020 and continuing between 2020 and 2021.

€ thousands – Group	2021	2020	2019
Detail of operating expenses			
Staff costs	4,091	4,057	4,973
Industrialisation/Commercialisation	7,934	5,989	3,879
Change in IBN & derivatives inventories*	-597	-1,314	-
Laboratory	680	929	1,234
Rent and maintenance	834	1,027	1,259
Intellectual Property	562	693	736
Depreciation/Amortisation & Impairment	2,254	3,279	3,496
Other	1,471	1,672	1,939
Total	17,229	16,332	17,517

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

€ thousands – Group	2021	2020	2019
Detail of “Industrialisation/Commercialisation” item			
Fermentation runs	2,746	3,203	3,258
1-step process – Pomacle IBN	495	583	731
1-step process – Leuna IBN	1,767	2,620	2,527
2-step process – Prenic acid	484	-	-
Conversion of isobutene into cosmetic-grade IDD	1,023	1,313	-
Scale-up development	1,034	712	620
Testing and production of cosmetics finished products	924	146	-
LAST® brand development	2,207	615	-
Total	7,934	5,989	3,879

The Leuna demonstrator was dismantled when the operating agreement ended in July 2021 after just over 4 years in service. The key component units were reinstalled at the Pomacle-Bazancourt site in France to create a single integrated production plant with the fermenters of the ARD platform. The new unit will be able to scale up the “2-step process” (see below, “Changes and progress in the isododecane production process”). This 2-step process has three advantages. It can: (i) produce around 10 times more isobutene than the Leuna demonstrator (ii) at a lower cost and (iii) generate value from the intermediate (prenic acid) produced by the first step of the process (see press release of 9 February 2022).

Costs of the downstream production process – which converts isobutene into cosmetics-grade isododecane – are less than in 2020 due to improvements to the process and the end of isobutene production at Leuna following dismantling of its demonstrator.

Work is intensifying to scale up the process to ever greater volumes, with a view to producing by the end of 2024 at the scale of 1,000 tonnes annually in a large-scale plant.

Finally, a significant investment was made in 2021 for the launch of the LAST® brand, producing finished goods, compliance testing – particularly for biobased isododecane – addressing regulatory issues, marketing and communication.

- **Group Balance Sheet**

Assets (€ thousands)	31/12/21	31/12/20	Liabilities (€ thousands)	31/12/21	31/12/20
Intangible assets	800	980	Capital	743	507
Tangible assets	637	1,565	Share premium	29,289	96,022
Assets under construction	1,897	129	Balance carried forward	-4,697	-81,292
Financial assets	1,544	1,211	Profit (loss)	-11,773	-11,148
			Equipment subsidies	-	43
NON-CURRENT ASSETS	4,879	3,885	EQUITY	13,562	4,132
IBN, derivatives and finished products inventories	1,793	1,314	PROVISIONS	61	183
R&D consumables inventories	250	653			
Receivables	3,524	4,812	Conditional advances and loans	12,454	13,169
Cash	20,931	14,491	Trade payables	3,520	2,698
Marketable securities	147	360	Tax and social security liabilities	1,185	1,360
Prepaid expenses	261	283	Other debts and deferred income	1,003	4,255
CURRENT ASSETS	26,907	21,913	PAYABLES and DEFERRED INCOME	18,163	21,483
TOTAL ASSETS	31,785	25,798	TOTAL LIABILITIES	31,785	25,798

Assets: assets under construction increased due to the decision announced in spring 2021 to transfer the Leuna demonstrator's main units to the Pomacle site. Inventory of finished products rose due to the launch of the LAST® brand on 14 June 2021. Gross cash increased by €6.4 million between 31/12/2020 and 31/12/2021.

Liabilities: the negative retained earnings balance has been allocated to additional paid-in capital by resolution of the General Meeting of Shareholders on 18 June 2021. This accounting manoeuvre, which has no impact on equity, clarifies the presentation of the accounts and facilitates access to public financing. Other payables and deferred income were reduced by the transfer of intercompany payables (between Global Bioenergies SA and Global Bioenergies GmbH) to Global Bioenergies GmbH's current account and the recognition of income from grants, which reduced the amount of deferred income.

- **Highlights of 2021 and recent events**

Release of the first batch of cosmetic-grade isododecane

2021 kicked off with the release of the very first batch of cosmetic-grade and from natural origin isododecane produced using the process developed by Global Bioenergies. Isododecane is a derivative of isobutene. The molecule is no stranger to the cosmetics industry; it is valued for its emollient properties and technical characteristics, in particular (i) its excellent ability to dissolve the ingredients of a given formulation and (ii) its volatility, which offers an ideal ratio between application and drying times.

Widely used for skincare and haircare products, isododecane is also the flagship molecule for “longwear” make-up. This make-up segment combines waterproof effect, longwear and low-transfer performance. The corresponding market is around one billion units sold per year, i.e. a quarter of the global make-up market. Isododecane can represent up to 50% of the total volume of ingredients used in these products.

The prospect of replacing synthetic isododecane with natural origin isododecane is an unexpected opportunity for the cosmetics industry, which is more deeply committed than ever to seeking naturalness in its products.

Launch of home make-up brand: LAST®

To illustrate its innovative offer, the Company has decided to focus on this “longwear” make-up specificity and its special dependence on isododecane. The fact that isododecane is the main ingredient in longwear formulations had until now prevented the segment from achieving a high naturalness. Global Bioenergies’ natural origin isododecane makes it possible, for the first time, to create and market the first make-up brand to combine longwear that matches the best in the market with over 90% naturalness.

The Company has put together an experienced team with the skills to successfully launch the new brand, including expertise in marketing and communication, formulation, regulations, packaging, production and logistics, e-commerce, etc., all designed to minimise the carbon footprint of products, which are manufactured in France. A range of 32 mascara, eyebrow mascara, eye shadow and lipstick products has been developed in record time, spurred by the ambition to achieve “*naturalness without sacrificing performance*”, an ambition that was successfully achieved as shown by intensive blind consumer trials.

The LAST® brand was launched in summer 2021 with its own website (www.colors-that-last.com), and quickly won widespread recognition from the industry, taking two prestigious awards (CosmétiqueMag and Marie Claire).

The brand is a shop window for the Company: following this proof of technological and marketing potential, the Company plans to launch a campaign to convert the big names in the cosmetics business to natural origin isododecane. In other words, Global Bioenergies could use its home brand to drive the industry toward a new standard. LAST® is therefore not an end but a beginning: the aim now is to spread the technology to the sector’s other players.

Changes and progress in the isododecane production process

The Company has changed its process to boost its short-term production capacity. Splitting it into two steps means it can use existing fermentation capacity for the first step and therefore run generic fermenters at very large-scale fermentation volumes. This improvement makes the industrial process more flexible. Only the second step now requires one of the two fermenters specially designed by Global Bioenergies and as this step is highly productive, the reaction volumes required are far lower than at the first step.

An initial first-step trial on a full-scale fermenter – 180 m³, i.e. 36 times bigger than the 5 m³ Leuna demonstrator – was run in May 2021 at the Pomacle ARD facility. This represented a historical turning point: until now, it was assumed only a new plant built around specific fermenters could be used for large-scale production. This latest development means we can use tollers for the first step of fermentation. The second step was validated at the scale of the Company's pilot plant.

In the course of implementing the two-step process, the Company also identified an inhibition mechanism that had previously hampered performance. New strains that no longer produce the unwanted inhibitor have been produced and productivity has improved. Other work to improve the process also successfully reduced the production cost of isobutene and its derivatives.

First commercial unit built at Pomacle

The Company has embarked on the construction of its first commercial unit, which will produce 100 tonnes/year of isobutene for the make-up ingredients market. This is a special market: isododecane is an essential ingredient of all longwear products and the isododecane produced by the Company is the only one on the market to be made from renewable resources. The LAST® brand is the first formula to combine longwear with high naturalness. The Company dismantled its Leuna demonstrator in summer 2021, reusing part of the equipment to build the unit on the Pomacle site, which is scheduled to come onstream in the first quarter 2022 and should reach full capacity in 18 months. This unit is expected to be profitable and pave the way for a larger scale industrial unit in 2024 that would target the bigger skincare and haircare markets.

First international flight by an aircraft powered by over 97% renewable fuel

One of the Company's ambitions is to give the world an additional solution in the area of biofuels. Badly hit by the COVID-19 crisis, the aviation sector must now meet another major challenge: limiting its carbon footprint. As the solutions implemented in the automotive industry (EVs, bio-ethanol and bio-diesel) are not suitable for air transport, innovation is the only way forward. Global Bioenergies has achieved in June 2021 a world first by fuelling a piston-engine aircraft that flew from Sarrebruck, Germany, to Reims, France, with over 97% renewable fuel prepared from isobutene produced by Global Bioenergies using its innovative process.

The aviation biofuel process is currently undergoing certification and could receive its licence by the end of 2022.

€14.5 million fund-raising

The Company held a capital increase in December through an accelerated book building. The offer was open to retail investors - only the second time this has been done in France in this type of operation - thanks to the PrimaryBid platform. A total of €14.5 million was raised, including €1 million from retail investors. The new funds will help:

- continue the commercial development, complete the construction, start the industrial production and finance the working capital requirements of the new Pomacle-Bazancourt unit producing biosourced isododecane for the niche make-up market;
- conduct the engineering work and roll out the projected plant, which in 2024 will produce at the scale of 1,000 tonnes to supply the bigger skincare and haircare markets;
- pursue R&D efforts aimed at reducing the operating cost of the process with a view to use for commodity and aviation biofuel applications within five years, and diversify commercial outlets.

€500,000 subsidy under the France Relance programme

At the start of 2022, the Grand-Est region granted €500,000 in public finance as part of the France Relance programme. This financing will help fund construction of the Pomacle unit.

About GLOBAL BIOENERGIES

Global Bioenergies has developed a process to convert plant-derived resources into a family of compounds used in the cosmetics industry as well as the energy and materials sectors. In 2021, the Group entered the market with the launch of LAST®, its own make-up brand with formulas based on a key ingredient produced via its technology. The Company is constantly seeking to enhance the performance of its process while gradually ramping up production capacities in order to supply ingredients to major cosmetics manufacturers, thereby promoting naturalness in the industry whilst improving its carbon footprint. Some of these compounds can also be used to produce renewable plastics, rubbers and paints. Lastly, Global Bioenergies is also aiming to reduce CO₂ emissions in the aviation sector and thereby curb global warming. Global Bioenergies is listed on Euronext Growth Paris (FR0011052257 – ALGBE).

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