



CARBIOS announces half-year 2024 financial results and presents its industrial and commercial progress

- **Construction progress of world's first PET enzymatic biorecycling plant in France: in line with production targets in 2026**
- **Commercial development: several Letters of Intent signed in view of licensing agreements**
- **Consolidated cash position of €120.7 million on 30 June 2024, plus €23.4 million in term deposits classified as financial assets. In addition, €42.5 million in public funding is expected.**

Clermont-Ferrand (France), Wednesday 02 October 2024 (6:45am CEST). CARBIOS, (Euronext Growth Paris : ALCRB), a pioneer in the development and industrialization of biological technologies to reinvent the life cycle of plastic and textiles, today reported its operating and financial results for the first half of 2024. The financial statements as of 30 June 2024 were approved by CARBIOS' Board of Directors.

Emmanuel Ladent, CEO of CARBIOS: *"In the first half of 2024, we initiated construction of our 50kt plant in Longlaville. We have secured several feedstock supply agreements for the most part of production and signed strategic partnerships (LOIs) for licensing. We are now working on contractualizing the sale of the plant's output."*

A WEBCAST AND A CONFERENCE CALL WILL TAKE PLACE TODAY AT 3:00 PM (CEST)

Emmanuel LADENT - CEO / Pascal BRICOUT - Chief of Strategy and Financial Officer

Access to the event: <https://edge.media-server.com/mmc/p/jscljus4t>

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• Consolidated Income statement H1 2024 (in thousand euros)

	6/30/2024	6/30/2023
	6 months	6 months
Revenue	73	20
R&D expenses, net	(8,201)	(5,719)
<i>R&D expenses</i>	(11,771)	(9,438)
<i>Subsidies and other business income</i>	1,952	2,517
<i>Capitalized development expenses</i>	1,618	1,202
Sales and marketing expenses	(4,301)	(2,280)
General & administrative expenses	(7,578)	(5,290)
Other operating income and expenses	-	-
Operating income (loss)	(20,008)	(13,269)
Financial income	2,801	910
Financial expenses	(878)	(1,301)
Net financial income	1,923	(391)
Contribution of companies reported using the equity method	-	-
Income before taxes	(18,085)	(13,660)
Income tax	-	-
Net income or loss for the period	(18,085)	(13,660)

Current operating expenses

Operational expenses in the first half of 2024 stood at €20,080 thousand (H1 2023: €13,289 thousand).

R&D expenses, net, totaled €8,201 thousand in the first half of 2024 (H1 2023: €5,719 thousand). The Group has continued its research and development efforts in all its innovative areas, notably the biorecycling of PET plastic and fibers. Net research and development costs amounted to €8,201 thousand in the first half of 2024, compared with €5,719 thousand in the first half of 2023.

In the first six months of 2024:

- The Group incurred €11,771 thousand in *R&D expenses*. The rise in R&D costs is mainly due to increased staff costs in line with the development of the Group's various activities.
- The Group reported €1,952 thousand of *Subsidies and other business income*, which partially offset these R&D expenses. This item mainly consists of €1,379 thousand in tax credit for first-half 2024, of which €1,043 thousand relates to CARBIOS and €336 thousand to Carbiolice.

Finally, the Group continued to capitalize the *Development expenses* of its PET biorecycling project, booking a total €1,618 thousand in the first half of 2024, in accordance with IAS 38 capitalization criteria.

Sales and marketing expenses totaled €4,301 thousand in the first half of 2024 (H1 2023: €2,280 thousand). This increase of €2,021 thousand mainly reflects the Group's efforts to address international markets and sell licenses in the near future.

General and administrative expenses totaled €7,578 thousand in the first half of 2024 (H1 2023: €5,290 thousand). The €2,288 thousand increase is mainly attributed to the cost associated with implementing the ERP project, which has been accounted as an expense in accordance with IFRS, and increased staff costs.

Financial results

The improvement in the financial results is mainly due to the increase in the Company's financial income from interest on money market investments and term deposits of its cash and cash equivalents. Cash is systematically invested in risk-free, highly liquid money market products.

The decrease in financial expenses is mainly due to the capitalization of borrowing costs for the Longlaville plant.

Net result and financial position

The Group's operating income (loss) shows a loss of €18.1 million at 30 June 2024 (€13.7 million loss at 30 June 2023).

The Group's cash position stands at €120.7 million at 30 June 2024, plus €23.4 million in term deposits classified as financial assets (for a total cash of €144 million after incorporation of term deposits) (€192 million at 31 December 2023).

On the basis of cashflow position to date, and the Company's forecast operating expenses, CARBIOS considers to be able to cover its needs beyond the next 12 months. In addition, €42.5 million euros in public funding is expected.

H1 2024 and post-closing highlights

1. Sourcing for the Longlaville plant: multiple agreements secured

To support the industrial and commercial roll-out of its activities, CARBIOS has already secured most of the feedstock required to reach a processing capacity of 50kt/year when its industrial and commercial plant in Longlaville, France, will be operating at full capacity.

- In February 2024, CARBIOS and **Landbell Group** (Germany) signed a non-binding Memorandum of Understanding (MOU) to supply 15kt/year of post-consumer PET waste to CARBIOS' first commercial plant in Longlaville starting 2026.
- In April 2024, CARBIOS and **Hündgen** (Germany) signed a non-binding Memorandum of Understanding relating to the sourcing, preparation and recycling of 15kt/year of post-consumer PET waste from end 2026.
- In June 2024, CARBIOS and **TOMRA Textiles** (Norway) signed an agreement to collaborate on establishing an efficient stream in Northern Europe for textile waste collection, sorting and preparation.
- In July 2024, CARBIOS and **Nouvelles Fibres Textiles** (France) signed a non-binding Memorandum of Understanding relating to the sourcing of polyester textile for the Longlaville plant.

These agreements come in addition to the supply source secured from the French non-profit CITEO tender offer won by CARBIOS in 2023.

2. Construction progress of the Longlaville plant: in line with production targets in 2026

During this first period of 2024, CARBIOS signed a collaboration agreement with **De Smet Engineers & Contractors** (DSEC) to spearhead the construction of the world's first PET biorecycling plant. Under the agreement, De Smet has been entrusted with the project management and detailed engineering, including procurement assistance and CARBIOS partners' management, to ensure the execution of the plant's construction in Longlaville, France. After acquiring the land from Indorama Ventures in February 2024, CARBIOS celebrated the groundbreaking ceremony of its PET biorecycling plant in the presence of representatives of local authorities, partner brands and industrial partners.

On site, engineering studies and construction-related work (adaptation to the specificities of the site, value engineering to optimize costs, etc.), as well as budgeted Process equipment purchasing activities continued according on schedule. Land preparation (earthworks) and soil decontamination activities have been finalized and the water retention reservoir has been completed. CARBIOS also signed an EPC contract with Dalkia for the utilities' units and with Saur for the treatment of water waste.

The future operating team is growing with the ongoing recruitment of managers (process engineering, automation, QHSE and HR). Recruitment has also begun for production middle management (day shift supervisors, team leaders, shift technicians).

CARBIOS continues its discussions with Indorama Ventures with a view to reaching an agreement on the financing of the CARBIOS 54 entity. In parallel, CARBIOS has initiated discussions with financial institutions for alternative financing, notably debt financing, to ensure the construction of the plant and the proper execution of the schedule.

3. Commercial developments: signing of several Letters of Intent in view of licensing agreements

During this first period of the 2024 financial year, CARBIOS forged several international strategic partnerships with a view to deploying its licensing model for its technology and know-how in the field of PET plastic and textile enzymatic biorecycling.

- In June 2024, CARBIOS and **Zhink Group**, one of China's Top 500 Private Enterprises, specializing in two global industries, PET and textiles, announced the signing of a joint Letter of Intent for the implementation of a China-based plant using CARBIOS' PET biorecycling licensed technology. This licensing agreement would allow Zhink Group to construct and operate an enzymatic depolymerization plant in China, with a minimum capacity of 50,000 tons per year of prepared PET waste. China, as the leading producer of PET in the world, is a key market for CARBIOS, and this agreement would establish a presence in this dominant market.
- In August 2024, CARBIOS and **SASA**, one of the world's leading manufacturers of polyester, announced the signing of a Letter of Intent to cooperate through SASA's potential acquisition of a license for CARBIOS' unique PET biorecycling technology. This licensing agreement would allow SASA to construct and operate an enzymatic depolymerization plant in Adana, Turkey, with a capacity of 100,000 tons per year of prepared PET waste. With CARBIOS' biorecycling technology, SASA aims to diversify its offering to meet the growing global demand for sustainable materials in the textile industry, primarily catering to the European market.

- In August 2024, CARBIOS and **FCC Environment UK** (“FCC”), one of the UK’s leading recycling and waste management companies, announce the signing of a Letter of Intent to jointly study the implementation of a UK-based plant using CARBIOS’ PET biorecycling licensed technology. For CARBIOS, this LOI confirms interest from the waste management sector, in addition to plastic producers, and would mean a foothold for its technology in the UK.

Each of these projects is currently being examined with a view to concluding licensing agreements. The partners involved are keen to make rapid progress, given their respective strategies and the growing market demand in their regions.

4. Strategic partnership with SELENIS in the production of PETG

In September 2024, CARBIOS and **SELENIS**, a leading supplier of high-quality specialty polyester solutions, have signed a Letter of Intent (LOI) to cooperate in the production of PETG. By leveraging CARBIOS’ unique enzymatic depolymerization technology and Selenis’ expertise in polymerization, the companies aim to develop a premium, sustainable PETG material made from PET waste for the Cosmetic and Healthcare packaging sectors across Europe and the U.S. This partnership follows a two-year collaboration between the two companies and represents a significant advancement in the plastic recycling industry.

Other highlights of the period

L’Occitane en Provence

In May 2024, CARBIOS and **L’Occitane en Provence** presented a bottle in transparent PET made entirely from enzymatic recycling for a shower oil from the Amande range. In collaboration with converter Pinard Beauty Pack, this bottle exemplifies a shared desire to build an efficient European recycling sector to accelerate the transition to a circular economy for plastic and meet brands’ commitments for more sustainable packaging solutions.

Publication of a second article in NATURE

In July 2024, CARBIOS published a new article entitled “**An engineered enzyme embedded into PLA to make self-biodegradable plastic**” in Nature, widely regarded as the most influential scientific journal, and co-authored with its longstanding collaborator, the Toulouse Biotechnology Institute (TBI). Enzyme-embedded PLA plastic can fully and rapidly degrade in home-compost or methanization conditions. The article describes the optimization process used to achieve an engineered enzyme able to withstand the 170°C temperature required to introduce it in molten state PLA during the plastic production process. The new enzyme-embedded material is proven to fully disintegrate and biodegrade at a much faster rate than the 26-week home-compost certification requirement.

FDA agreement and BPI certification granted to the CARBIOS Active solution

In March 2024, CARBIOS announced that its enzymatic solution for the biodegradation of PLA (CARBIOS Active) is included in the U.S. **Food and Drug Administration** (FDA) Inventory of Effective Food Contact Substances (FCS). With this milestone, CARBIOS Active can be used to make packaging materials that are sold in the United States and come into contact with food, including rigid and flexible packaging, and other applications. CARBIOS Active has also been certified by the **Biodegradable Products Institute** (BPI), North America’s leading authority on compostable products and packaging.

Partnership with Sleever®: signing of master supply agreement of CARBIOS Active

In September 2024, CARBIOS and **Sleever®**, a French family-owned group International SME and innovative leader in heat-shrinkable label-sleeve technology, announced the signing of an exclusive, long-term contract to jointly develop Home Compost biodegradable mono-oriented transverse shrink films. This partnership includes a master supply agreement of CARBIOS Active, the enzymatic solution developed by CARBIOS for PLA biodegradation. As part of this partnership, CARBIOS and Sleever® unveiled **SEELCAP® ONEGO**, the world's first Home Compost biodegradable tamper evident seal. Thanks to the inclusion of CARBIOS Active in the material, SEELCAP® ONEGO disintegrates completely in composting conditions, even at room temperature, in less than 6 months¹.

These achievements are speeding up the commercialization of CARBIOS Active, particularly within the food market, which accounts for a significant share of the PLA market. Several partners and prospects are in the final stages of industrial testing, with the aim of starting commercial activity in 2025 in the United States.

Employee share scheme

In April 2024, CARBIOS announced the **success of its first employee share scheme** for all employees of the Group who are members of the savings plan in France. Launched on 12 February 2024, 123 employees subscribed, representing 88.49% of the eligible workforce, thereby enabling employees to participate in the Group's growth and performance.

Paris Good Fashion

In March 2024, **CARBIOS became a member of Paris Good Fashion**, the association that unites over 100 French players in the sector - brands, designers and experts - around their commitment to sustainable fashion. CARBIOS is the first recycling technology supplier to join, demonstrating the importance given to recycling to achieve textile circularity.

Changes in the Board of Directors

In June 2024, the CARBIOS' Annual General Meeting ratified the **appointment of Jennifer SAENZ**, Executive Vice-President at Albertsons Companies, as an independent member of CARBIOS' Board of Directors.

To date, the Company has eight independent Directors representing 2/3 of the total number of Directors. 42% are women (5 out of 12).

Changes in the Executive Committee

In September 2024, CARBIOS appointed **Tommy MAUSSIN** as its Chief Marketing Officer, with the mission to develop and oversee CARBIOS' global marketing and sales activities with brands across various industries, including packaging, textiles, luxury, automotive, cosmetics, healthcare, and industrial goods.

Awards

- 1st prize in the "So French So Innovative" Award at InnoEX 2024 in Hong Kong. (April 2024)

¹ Pending TÜV Austria « OK Compost HOME » certification for the SEELCAP® ONEGO

Outlook: Production of first volumes in 2026

Given the significant progress made by the Group during this first period of 2024, CARBIOS confirms its operating targets and the provisional calendar of the industrial and commercial deployment of its PET biorecycling technology².

2nd semester 2024:

- Construction of the Longlaville plant to continue according to schedule
- Recruitment of plant operations team to continue and training at Demonstration facility

End of 2025: Commissioning and start-up of the units

2026: Production of first volumes in 2026

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About CARBIOS:

CARBIOS is a biotech company developing and industrializing biological solutions to reinvent the life cycle of plastic and textiles. Inspired by nature, CARBIOS develops enzyme-based processes to break down plastic with a mission to avoid plastic and textile pollution, and accelerate the transition to a circular economy. Its two disruptive technologies for the biorecycling of PET and the biodegradation of PLA are reaching industrial and commercial scale. Its biorecycling demonstration plant has been operational since 2021 and a first industrial plant, in partnership with Indorama Ventures, is currently under construction. CARBIOS, founded in 2011 by Truffle Capital, has received scientific recognition, notably with the cover of Nature, and is supported by prestigious brands in the cosmetics, Food & Beverage and apparel industries to enhance their products' recyclability and circularity. Nestlé Waters, PepsiCo and Suntory Beverage & Food Europe are members of a packaging consortium founded by CARBIOS and L'Oréal. On, Patagonia, PUMA, PVH Corp. and Salomon collaborate with CARBIOS in a textile consortium.

Visit www.carbios.com/en to find out more about biotechnology powering plastic and textile circularity.

For latest news and media assets, visit our newsroom: www.carbios.com/newsroom/en/

LinkedIn: [CARBIOS](#) / Instagram: [insidecarbios](#)

Information on CARBIOS shares:

ISIN Code:	FR0011648716
Ticker Code:	Euronext Growth: ALCRB
LEI:	969500M2RCIWO4NO5F08

CARBIOS is eligible for the PEA-PME, a government program allowing French residents investing in SMEs to benefit from income tax rebates.



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This press release contains forward-looking statements, not historical data, and should not be construed as a guarantee that the facts and data stated will occur. These forward-looking statements are based on data, assumptions and estimates considered reasonable by CARBIOS. CARBIOS operates in a competitive and rapidly evolving environment. It is therefore not in a position to anticipate all risks, uncertainties or other factors that may affect its business, their potential impact on its business or the extent to which the materialization of a risk or combination of risks could lead to results that differ significantly from those mentioned in any forward-looking statement. CARBIOS draws your attention to the fact that forward-looking statements are in no way a guarantee of its future performance and that its actual financial position, results and cash flows and the development of the sector in which CARBIOS operates may differ significantly from those proposed or suggested by the forward-looking statements contained in this document. In addition, even if CARBIOS' financial position, results, cash flows and developments in the industry in which it operates are consistent with the forward-looking information contained in this document, such results or developments may not be a reliable indication of CARBIOS' future results or developments. Readers are advised to carefully consider the

² Estimated dates

risk factors described in the Universal registration document filed with the French Market Authority (“AMF”), as well as in the half-year financial report available free of charge on the Company’s website. Should all or any part of these risk factors materialize or others, in no case whatsoever will CARBIOS be liable to anyone for any decision made or action taken in conjunction with the information and/or statements in this press release or for any related damages. This information is given only as of the date of this press release. CARBIOS makes no commitment to publish updates to this information or on the assumptions on which it is based, except in accordance with any legal or regulatory obligation applicable to it.

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