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- PRESS RELEASE -

## **Carbios announces the launch of c. €105 million capital increase to finance its industrial development plans representing a major innovation in the end of life of plastics and textiles**

**Clermont-Ferrand, France, May 3<sup>rd</sup>, 2021 (06:30am CEST)** - Carbios (Euronext Growth Paris: ALCRB), the company pioneering new enzymatic solutions to reinvent the lifecycle of plastic and textile polymers (the “**Company**”), today announces the launch of a capital increase without shareholders’ preferential subscription rights by way of a public offering and with a priority subscription period, on an irreducible basis (*à titre irréductible*) only, to its existing shareholders and a global offering (the “**Offering**”), for an initial amount of €105 million. The Offering may be increased up to a maximum of €120.75 million in the event of the full exercise of the increase option (*clause d’extension*).

### **Key terms of the transaction**

- Capital increase by way of a public offering and with a priority subscription period on an irreducible basis to shareholders of four trading days
- Two strategic shareholders of Carbios, L’Oréal (through its venture arm BOLD) and Michelin Ventures, have irrevocably undertaken to subscribe to the capital increase as of their current stake totalling 10.36% of Carbios’ share capital
- Initial amount of €105 million which may be increased up to €120.75 million in the event of a full exercise of the increase option
- Maximum subscription price: €41 per new share
- Priority subscription period and public offering: from May 3, 2021 to May 6, 2021 included
- Private placement: from May 3, 2021 to May 10, 2021
- Eligible for PEA & PEA-PME

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## **Rationale of the transaction**

The Company is planning to use the funds to be raised mainly to finance:

- the construction of a reference unit using its enzymatic technology for recycling 100% of PET, the production capacity of which is estimated at 40,000 tons per year and for which the investment is estimated at around €100 million (approx. 65% of the net proceeds of the issue); in this regard, it is specified that the part of the investment in the reference unit not financed through the net proceeds of the issue will be financed, when the time comes, through other sources of financing;
- the operational expenses of the Company (approx. 5% of the net proceeds of the issue);
- operational expenses related to the demonstration plant under construction on the Cataroux industrial site of which €10 to 15 million still have to be financed by the Company (approx. 5% of the net proceeds of the issue); in this regard, it is specified that the part of the investment in the demonstration plant not financed through the net proceeds of the issue will be financed, when the time comes, through other sources of financing;
- expenses related to its R&D activities specific to PET and PLA, and the deployment of its research activities for other polymers and/or other applications of its technologies (approx. 10% of the net proceeds of the issue); and
- the rationalization of its portfolio in order to develop its biodegradation technologies beyond PLA (approx. 15% of the net proceeds of the issue).

Based on cash flow items to date and forecasted Company's expenses, the net proceeds from the issue should enable the Company to achieve its strategic objectives and cover its working capital requirements until the end of 2023.

BNP Paribas, Bryan, Garnier & Co Limited, Bryan Garnier Securities, J.P. Morgan, Natixis and ODDO BHF SCA are acting as global coordinators and joint bookrunners in connection with the Offering (together, the “**Managers**”).

*“Plastic pollution is one of the major challenges of our time! Plastic is present in our daily lives in many forms and in many areas, but only a small amount of this plastic is currently recycled. Our research and development teams have developed a technology that is unique in the world based on the use of enzymes to deconstruct any type of PET waste (bottles, packaging, polyester fibers...) into its basic constituents (monomers) which can then be reused to produce new PET products endlessly recyclable and with the same quality as the original ones. This is a major turning point in the plastics industry and Carbios is at the heart of this revolution. By September, we will have built an operational industrial demonstrator that will allow us to generate enough technical data to project the operation of future industrial units. And we recently announced that we are going to build our own benchmark unit that will use our 100% PET recycling technology, whose construction is expected to start at the end of 2022, with first revenues from this unit expected in 2025. To finance these new ambitions, we are today launching a capital increase. Open to all, shareholders and non-shareholders, it allows you to acquire shares in our company and to participate with us to establish a lasting circular plastic economy that will benefit future generations and our planet”* **comments Jean-Claude Lumaret, CEO of Carbios.**

## **TERMS OF THE OFFERING**

The Company's existing shareholders, registered as of April 30, will be granted a 4-trading day priority subscription period on an irreducible basis from May 3, 2021 to May 6, 2021 (inclusive) on the initial

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amount of the Offering (excluding the exercise, if any, of the increase option). The shares not subscribed for in connection with the priority period and the new shares that may be issued pursuant to the exercise of the increase option will be subject to a global offering (the "**Global Offering**") comprised of (a) a public offering in France (the "**Public Offering**") primarily intended for retail investors and (b) an international private placement (the "**International Private Placement**") (i) in the European Union (including France) and in certain other countries (excluding the United States, Canada, Australia and Japan); and (ii) in the United States to a limited number of "qualified institutional buyers" ("**QIBs**") within the meaning of Rule 144A ("**Rule 144A**") under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and/or institutional "accredited investors" within the meaning of Rule 501(a)(1), (2), (3), (7), (8), (12) or (13) of Regulation D of the Securities Act ("**IAIs**") pursuant to an exemption from registration under Section 4(a)(2) of the Securities Act.

Orders placed in the Global Offering will be subject to clawback depending on the results of the subscriptions on an irreducible basis within the priority period.

The maximum subscription price of the new shares will be €41 per new share. This maximum price does not predetermine under any circumstances the subscription price that may be set.

The maximum number of new shares that may be issued in connection with the capital increase is 3,000,000 new shares (in the event of the full exercise of the increase option), in accordance with the 5th resolution of the Company's general meeting held on January 8, 2021 (the "**AGM**").

The definitive number of shares to be issued as well as the final price of the Offering will be determined at the end of the International Private Placement, on May 10, 2021 (see section "Offering structure and indicative timetable" below).

### **Subscription commitments**

BOLD (Business Opportunities for L'Oréal Development), a shareholder holding 482,834 shares in the Company (i.e. 5.91% of the share capital), has irrevocably undertaken (i) to subscribe on an irreducible basis in the context of the priority subscription right for new shares up to its share in the Company's share capital and (ii) to place a subscription order in the context of the International Private Placement for new shares in order to maintain its share in the Company's share capital in the event of the exercise of the increase option in whole or in part.

Michelin Ventures, a shareholder holding 363,410 shares in the Company (i.e. 4.45% of the share capital), has irrevocably undertaken to subscribe on an irreducible basis in the context of the priority subscription right for new shares for a maximum amount in euros equivalent to the product of the initial amount of the capital increase (excluding increase option) and its share in the Company's share capital.

The Company is not aware of the intentions of its other shareholders [or any other potential investors] in relation to the capital increase.

### **Abstention and lock-up undertakings**

The Company has agreed on a lock-up period expiring 120 calendar days following the date of settlement of the new shares, subject to certain customary exceptions set out in the *note d'opération* and to a possible waiver by the Managers.

Certain shareholders with a significant stake in the Company (BOLD and Michelin Ventures), together holding 10.36% of the Company's share capital, and directors have also signed lock-up commitments taking effect on the date these commitments were signed and continuing for 90 days from the date of settlement of the new shares, subject to certain customary exceptions.

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## **Underwriting**

The Offering will be subject to an underwriting agreement between the Company and the Managers (the "**Underwriting Agreement**") which may be terminated by the Managers at any time up to (and including) the settlement date, subject to certain customary conditions for this type of agreement.

The Underwriting Agreement does not constitute a firm underwriting (*garantie de bonne fin*) within the meaning of Article L. 225-145 of the French *Code de commerce*.

Furthermore, if the Underwriting Agreement is not signed, the Offering will be cancelled. In the event of non-signature or termination of the Underwriting Agreement, this information will be communicated through a press release issued by the Company and a notice from Euronext Growth. In the event of insufficient demand, the Offering may be cancelled or reduced to the subscription orders actually received as long as they represent at least 75% of the initial amount of the Offering, the Offering being cancelled below this threshold. If the Offering was to be cancelled, all subscription orders received would then become null and void and would be cancelled retroactively.

## **Key terms of the capital increase**

### Issue amount and number of new shares to be issued

The initial amount of the capital increase (including the issue premium) is €105 million, which can be increased to a maximum amount of €120.75 million in the event of the full exercise of the increase option, representing a maximum of 15% of the initial amount. Pursuant to the 5<sup>th</sup> resolution of the AGM, the maximum number of new shares that may be issued in connection with the capital increase is 3,000,000.

### Offering structure and indicative timetable

#### **Priority subscription period**

The capital increase will be carried out without shareholders' preferential subscription rights but with an irreducible priority subscription period for the shareholders (only on the initial amount of the capital increase) of [4] consecutive trading days from May 3, 2021 to May 6, 2021 (inclusive) at 5:00 pm (Paris time), granted to the shareholders registered as of April 30, 2021.

Within the priority subscription period, shareholders of the Company may subscribe on an irreducible basis, on the prorata of their participation in the Company's share capital, for the initial amount of the Offering (excluding the exercise of the increase option).

In practical terms, each shareholder may place a priority subscription order in Euro for a maximum amount equal to (i) Euro 105m multiplied by (ii) the number of shares of the Company held (and which have been blocked) by such shareholder as at April 30, 2021 divided by (iii) 8,164,472 (i.e. the number of outstanding shares as of today).

For illustration purposes, a shareholder holding 816 shares, i.e. 0.01% of the Company's outstanding share capital, may subscribe on an irreducible basis for a maximum amount equal to 0.01% of the initial amount of the Offering (excluding the exercise of the increase option), i.e. up to 10,494 euros, with the certainty of being served in full, whether the actual size of the Offering is 100%, 75%, or 115% of the initial amount.

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### **International Private Placement and Public Offering**

The new shares not subscribed for within the priority period, as well as the new shares to be issued, if applicable, in the event of exercise in whole or in part of the increase option, will be subject to a Global Offering, comprised of:

- a Public Offering in France, primarily intended for individuals, open from May 3, 2021 to May 6, 2021 (inclusive) at 5:00 pm (Paris time) for subscriptions made in person (*souscriptions aux guichets*) and at 8:00 pm (Paris time) for subscriptions made online (if this possibility is offered to them by their financial intermediary), and
- an International Private Placement intended for institutional investors open from May 3, 2021 to May 10, 2021 (inclusive), at [12]:00 pm (Paris time), comprised of:
  - an offering in the European Union (including France) intended for qualified investors; and
  - a placement in the United States to a limited number of QIBs within the meaning of Rule 144A under the Securities Act and/or IAIs within the meaning of Rule 501(a)(1), (2), (3), (7), (8), (12) or (13) of Regulation D of the Securities Act pursuant to an exemption from registration under Section 4(a)(2) of the Securities Act.

Shareholders who wish to subscribe for more than the number of shares they can claim under the exercise of the priority period must place an order in the context of the Global Offering, it being specified that the existing shareholders do not benefit from any priority in such case.

Orders placed in the Public Offering and the International Private Placement will be subject to clawback depending on the results of the subscriptions on an irreducible basis during the priority period.

The subscription price of the new shares offered under the priority period and the Public Offering will be equal to the subscription price of the new shares offered under the International Private Placement (the "**Offering Price**"). The final number of shares to be issued as well as the final price of the Offering will be determined at the end of the International Private Placement, scheduled for May 10, 2021, it being specified that pursuant to the 5<sup>th</sup> resolution of the AGM, the Offering Price will be at least equal to the volume weighted average price of the last five trading days preceding the day on which the price for the new shares will be fixed, with a maximum discount of 20%. The final number of shares to be issued as well as the final price of the Offering will be the subject of a subsequent press release.

### **Indicative timetable**

05/03/2021	Launch of the priority period, the Public Offering and the International Private Placement
05/06/2021	Closing of the priority period and the Public Offering at 5pm (Paris time) for subscriptions at the counter and at 8pm (Paris time) for online subscriptions (if this is enabled by the financial intermediary)
05/10/2021	Closing of the International Private Placement at [12]pm (Paris time)  Centralization  Determination of the final terms of the capital increase (including the exercise of the increase option, if applicable)

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Execution of the Underwriting Agreement

Company's press release announcing the results of the capital increase

Euronext notice on the results of the Offering

05/12/2021 Issuance and settlement and delivery of the new shares to be issued in the context of the Offering

Admission to trading of such new shares on Euronext Growth Paris

### Availability of the prospectus

Carbios informs it has filed with the AMF (i) its 2020 Universal Registration Document on April 14, 2021 under number D.21-0306 (the "**URD**") and (ii) an amendment to the URD on April 30, 2021 under number D.21-0306-A01 (the "**URD Amendment**").

The URD and the URD Amendment are available free of charge on the Company's website ([www.carbios.com/en](http://www.carbios.com/en)) and the AMF's website ([www.amf-france.org](http://www.amf-france.org)).

The prospectus, which received the AMF approval n°21-126 on April 30, 2021 (the "**Prospectus**"), consists of (i) the URD, (ii) the URD Amendment, (iii) a *note d'opération* (the "**Note d'Opération**") and (iii) a summary included in the Note d'Opération.

The Prospectus is available on the Company's website ([www.carbios.com/en](http://www.carbios.com/en)) and the AMF's website ([www.amf-france.org](http://www.amf-france.org)).

Investors are advised to carefully consider the risk factors described in section 3 of the URD, as well as in section 2 of the Note d'Opération before deciding whether to invest in the new shares. Should all or any part of these risk factors materialize, Carbios' businesses, financials, results, development or prospects may be negatively affected.

If the existing shareholders do not subscribe for shares within the priority period reserved for them, their percentage of participation in the capital and voting rights of the Company will be significantly reduced (and even more if the extension clause is exercised in whole or in part), without this dilution being able to be estimated at the date of the Prospectus, the price and the number of new shares being fixed at the end of the subscription period without being able to be determined on the date of the Prospectus. The priority period reserved for shareholders is neither negotiable nor transferable.

### **About Carbios:**

[Carbios](#), a green chemistry company, develops biological and innovative processes representing a major innovation in the end of life of plastics and textiles. Through its unique approach of combining enzymes and plastics, Carbios aims to address new consumer expectations and the challenges of a broader energy transition by taking up a major challenge of our time: plastic and textile pollution.

Established in 2011 by [Truffle Capital](#), the mission of Carbios is to provide an industrial solution to the recycling of PET plastics and textiles (the dominant polymer in bottles, trays, textiles made of polyester). The enzymatic recycling technology developed by Carbios deconstructs any type of PET plastic waste into its basic components which can then be reused to produce new PET plastics of a quality equivalent to virgin ones. This PET innovation, the first of its kind in the world, was recently recognized in a scientific paper published in the prestigious journal [Nature](#). Additionally, Carbios is working hand in hand with multinational brands — like L'Oréal, Nestlé Waters, PepsiCo and Suntory Beverage & Food Europe — to implement its technology, and to lead the transition toward a truly circular economy.

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The Company has also developed an enzymatic biodegradation technology for PLA (a bio sourced polymer) based single use plastics. This technology can create a new generation of plastics that are 100% compostable in domestic conditions, integrating enzymes at the heart of the plastic product. This disruptive innovation has been licensed to [Carbiolice](#), a joint venture created in 2016, in which Carbios now holds a majority stake alongside the SPI fund operated by Bpifrance.

For more information, please visit [www.carbios.com/en](http://www.carbios.com/en)

Twitter: [Carbios](#) LinkedIn: [Carbios](#) Instagram : [carbioshq](#)



Carbios (ISIN FR0011648716/ALCRB) is eligible for the PEA-PME, a government program allowing French residents investing in SMEs to benefit from income tax rebates.

**CARBIOS**

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