

GLOBAL BIOENERGIES: 2017 FINANCIAL RESULTS

Net loss for the Group of €14.25m in 2017, including a €2.2m amortisation of the demo plant, i.e. a burn rate of around €12m

€13.3m in cash as at 31 December 2017

End of major capital investments with the start up of the Leuna demo plant

Evry, 18 April 2018 – Global Bioenergies (Euronext Growth: ALGBE) publishes its 2017 financial statements as drawn up by the Board of Directors yesterday 17 April 2018¹.

- Group Profit & Loss Account as at 31 December 2017**

€ thousands	01/01/17 to 31/12/17 12 months	01/1/16 to 31/12/16 12 months	01/01/15 to 31/12/15 12 months
GROUP CONSOLIDATED ACCOUNTS			
Operating income	2,369	3,292	2,228
Operating expenses	18,002	15,216	14,240
Operating profit (loss)	-15,634	-11,924	-12,013
Financial profit (loss)	-708	-530	-258
Exceptional profit (loss)	89	-50	-109
Income tax (CIR)	-1,999	-1,896	-1,985
Net profit (loss)	-14,253	-10,607	-10,395

The net loss rose by €3.6m compared to 2016. A €2.2m share of this higher loss, recognised in operating expenses but with no cash impact, is attributable to the beginning of amortisation of the Leuna demonstrator. The construction of this demo plant, commissioned in 2017, cost €11.4 million, which will be amortised over 48 months. The increase in the net loss also reflects the increase in the Group's headcount over the financial year, with 69 employees as at 31 December 2017 compared with 60 a year earlier.

As in previous years, operating income continues to be dominated by the receipt of German and European subsidies, associated with the operation of the Leuna demo plant, the formulation of high-performance fuels and the valorization of wheat straw in the Isobutene process.

¹ The annual financial report will be included in the reference document which will be published by 30 April 2018

- **The Group's Balance Sheet as at 31 December 2017**

Assets (€ thousands)	31/12/17	31/12/16	Losses (€ thousands)	31/12/17	31/12/16
Intangible assets	1,267	69	Capital	224	168
Assets	11,075	12,182	Share premium	67,867	49,409
Financial assets	365	146	Retained earnings	-40,673	-30,066
			Profit (loss)	-14,253	-10,607
			Equipment subsidies	553	391
NON-CURRENT ASSETS	12,707	12,397	EQUITY	13,718	9,295
			PROVISIONS	57	42
Inventories - Receivables - Prepaid Expenses	4,504	5,074	Conditional advances and loans	10,213	11,483
Cash and marketable securities	13,639	8,066	Trade payables and related accounts	4,622	4,120
			Other payables	2,240	597
CURRENT ASSETS	18,143	13,140	PAYABLES	17,075	16,200
TOTAL ASSETS	30,850	25,537	TOTAL LIABILITIES	30,850	25,537

The start up of the Leuna demo plant in the spring of 2017 marked the end of the major capital investments written into the Group's roadmap. Indeed, future commercial plants will be financed by industrial partners, infrastructure funds and bank loans, and not by Global Bioenergies, whose business model is to license its technologies and receive payment through licence fees and upfront payments. As a result, the amount of assets recorded on the balance sheet is, for the first time in the history of the Group, lower than the previous year.

CASH-FLOW (€ thousands)	2017	2016	2015
Operating cash-flow	-9,066	-9,279	-8,840
Net profit (loss)	-14,253	-10,607	-10,395
Amortisation (+)	2,857	1,213	979
Change in Working Capital Requirement	2,330	115	576
Investing cash-flow	-2,022	-6,120	-4,488
Financing cash-flow	16,143	12,676	7,873

Cash as at 31 December 2017 amounted to €13.3m. The cash-flow statement is a reminder of the stability of flows from operating activities (€-8.8m in 2015, €-9.3m in 2016 and €-9.1m in 2017).

It also illustrates the sharp decrease in capital investments made: €4.5m in 2015, €6.1m in 2016 and €2m in 2017 (the €2m investment in 2017 mainly relates to the recording of the final invoices relating to the Leuna demo plant).

Flows relating to the financing of its activities were dominated by capital increases, in particular the €10.2m raised through a private placement in June and the €6.9m from the Bracknor contract (suspended in July 2017). Audi also exercised its options (€0.75m) and became a shareholder of Global Bioenergies.

Samuel Dubruque, Chief Financial Officer of Global Bioenergies, declared: *"The teams are firmly in place, the main capital investments are behind us, the units are operational. Our partners are telling us, now more than ever, about the expectations they have of our technology. So all the components to achieve success are well in place. We have sufficient cash to finance our activities until the first quarter of 2019 and we count on obtaining significant non-dilutive financing that would further increase our financial visibility."*

Marc Delcourt, co-founder and CEO at Global Bioenergies, concludes: *"We have long imagined and waited for our demo plant. Producing isobutene at tonne scale was a very important milestone. Our new frontier is now commercial deployment: it involves financing and launching the construction of the first commercial plant, IBN-One, as well as building a portfolio of new factory projects with major industrialists."*

- **2017 highlights and recent events**

Start of production at the Leuna demo plant

The construction of the Leuna demo plant was completed in November 2016. It was commissioned in the course of 2017. The demo plant is now in a position to produce isobutene at the tonne scale, which is used to formulate high value-added fuels for the automotive and aviation markets, to integrate a portion of renewable energy into domestic gas bottles or to formulate ingredients for the cosmetic industry.

Development of industrial and commercial agreements

The Global Bioenergies Group has set up a European consortium assembling European leaders in the chemical industry, Clariant and Ineos; the four-year project aims to produce isobutene derivatives from wheat straw. This consortium obtained a €9.8m subsidy from Europe, of which €4.4m intended for Global Bioenergies.

Moreover, the recent progress made with isobutene derivatives (isooctane and fully renewable ETBE for the gasoline market, renewable kerosene, cosmetic ingredients, etc.) reaffirms the links that Global Bioenergies enjoys with its industrial partners and clearly indicates the market opportunities associated with the first commercial plant.

Acquisition of Syngip B.V.

In February 2017, Global Bioenergies finalised the acquisition of Syngip B.V., a Dutch start-up specialising in the conversion of third-generation resources (including gases emitted by steel mills) into fuels and materials. This work, which is still at the R&D stage, focuses on converting environmentally harmful discharges into products of value for key markets.

Scaling up the C3 process

At the very end of the year, Global Bioenergies announced its first success in the scaling up of the C3 process aimed at the renewable production of acetone and isopropanol, three-carbon molecules that can be converted secondarily into propylene. This is a second process, after the Isobutene process, which is entering the industrial development phase with the end perspective of many factories.

About Global Bioenergies

Global Bioenergies is one of the few companies worldwide, and the only one in Europe, that is developing a process to convert renewable resources into hydrocarbons through fermentation. The Company initially focused its efforts on the production of isobutene, one of the most important petrochemical building blocks that can be converted into fuels, plastics, organic glass and elastomers. Global Bioenergies continues to improve the performance of its process, to operate its demo plant in Germany, and to prepare the first full-scale plant through a joint venture with Cristal Union, named IBN-One. Global Bioenergies is listed on Euronext Growth Paris (FR0011052257 – ALGBE)

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