



– Press release –

## Operational launch of the joint venture CARBIOLICE between Carbios, Limagrain Céréales Ingrédients and BpiFrance (SPI)

✓ **CARBIOS and CARBIOLICE sign a licencing agreement that includes an 8 million euro upfront payment and turnover royalties**

**Clermont-Ferrand, September 1, 2016** – CARBIOS (NYSE Alternext Paris: ALCRB/ Eligible PEA-PME), an innovative Green Chemistry company specialized in enzymatic bioprocesses applied to plastic and textile polymers, today announced the operational launch of the joint venture CARBIOLICE between CARBIOS, Limagrain Céréales Ingrédients (LCI) and BpiFrance (SPI). With the launch of operations CARBIOS enters into a licencing agreement with CARBIOLICE. The deal includes an 8 million euro upfront payment to CARBIOS, receivables converted in shares of the joint venture in order to ensure its control, and royalties on sales of products using CARBIOS' patented enzymatic biodegradation technology. An agreement to provide R&D over a 5 year period will support the industrial development and be an additional source of income for CARBIOS.

CARBIOLICE will operate CARBIOS' patented enzymatic biodegradation technology by producing enzymated pellets to be used for the production of a new generation of bio-sourced and biodegradable plastics. CARBIOLICE will target the markets of flexible films (mulch films, bags and sacks, industrial films...) and rigid plastics (in the field of agriculture and for disposable tableware). In addition to the transfer of assets from LCI and the licensing from CARBIOS, the three partners of the project will invest 18 million euros to be released in three phases over four years and upon completion of technical and commercial objectives. The first round of financing, to the order of four million euros, will be distributed at the start of operations.

Jean-Claude Lumaret, CEO of CARBIOS, says, *"We are very pleased about this industrial partnership with Limagrain Céréales Ingrédients and Bpifrance, which will strengthen CARBIOLICE and establish it as a future leader in the field of plastics processing. This operation confirms CARBIOS' capacity to bring a 100% French innovation to an industrial stage in less than five years and offer a concrete solution to a major environmental and regulatory issue: create zero-waste plastics."*

The process licenced to CARBIOLICE consists of the incorporation of enzymes at the heart of the plastic material to ensure its biodegradation. After use, enzymes degrade the plastic into base-molecules that can be assimilated by the micro-organisms of the environment. Biodegradation is complete within a few months (compared to 200 to 400 years for an ordinary plastic). The incorporation of enzymed pellets maintains unchanged the performance and the use properties of polymers and requires no modifications to plastic-production facilities.

In the field of mulching films, the involvement of the Group LIMAGRAIN in CARBIOLICE, through its affiliate LCI, is a key support factor in the company's development on the market, a market estimated

at 2 million tons in 2013<sup>1</sup> and with an average growth valued at 10% in Europe on the segment of biodegradable films<sup>2</sup>.

The other strategic market targeted by CARBIOLICE is plastic bags and soft packaging for which the estimated global consumption reached 500 000 billion to 1 000 000 billion units<sup>3</sup> in 2012, representing 15 to 20 million tons.

This market is the subject of multiple regulations in France with the Energy Transition and Green Growth Law, as well as in Europe with the “Circular Economy” Package adopted by the EU Commission. The new positioning and consumers’ changing expectations will enable CARBIOLICE to gain a strong hold on the markets of bio-sourced and biodegradable plastics.

**About CARBIOS:** is a young, innovative green chemistry company, whose mission is to find biological solutions to the environmental and sustainable development issues faced by industrial businesses today. CARBIOS acquired the rights to research that was conducted over a number of years by various public and private sector laboratories. By leveraging the unique properties of biological catalysts (enzymes), it has used this research as the foundation for developing innovative industrial bioprocesses that optimize the technical, economic and environmental performance of polymers (thermoplastic materials and synthetic or food-based fibers). The company has focused its efforts on a strategic application sector: plastics. CARBIOS’ growth strategy is based on a clear business model of industrial value creation that targets attractive markets, develops innovative and competitive bioprocesses and licenses them to major industrial stakeholders for commercialization. CARBIOS benefits from the financial support of the leading European venture capital firm [Truffle Capital](#). CARBIOS was founded in 2011 and has been managed, since its inception, by the *Holding Incubatrice Chimie Verte* fund. CARBIOS was granted the label “Young Innovative Company” by Bpifrance (former OSEO) and is eligible for investments by private equity mutual funds (FCPIs). For more information, please visit: [www.carbios.fr](http://www.carbios.fr)

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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<sup>1</sup> Source : Grand View Research in 2014 and Transparency Market Research in 2014

<sup>2</sup> Source : AMI Plastics in 2014

<sup>3</sup> Source : Consoglobe and Florida Sierra Club