-Press release-

2019 annual results for Carbios, the world leader in enzyme-based technologies for recycling and biodegrading plastics

- **Highlights include strategic partnerships with Nestlé Waters, PepsiCo and Suntory Beverage & Food Europe, which have joined the PET Consortium founded with L'Oréal**
- **Signature of two exclusive agreements with Novozymes, the world leader in enzyme production**
- **First PET bottles made with 100% Purified Terephthalic Acid coming from enzymatically recycled plastic waste**
- **Grant of major patents in the U.S., Europe and Japan**
- **Carbiolice: commercial launch of the technology EVANESTO® expected in 2020**
- **Successful capital increase of 14.5 million euros supported by new reference shareholders including Copernicus AM, L'Oréal via its venture-capital fund BOLD and Michelin Ventures**

Clermont-Ferrand, France, March 16, 2020 (06:45 AM CET) – CARBIOS (Euronext Growth Paris: ALCRB), a company pioneering new bio-industrial solutions to reinvent the lifecycle of plastic and textile polymers, today announced its operating and financial results for the year 2019. The financial statements as of December 31st, 2019 were approved by the Company' Board of Directors at their meeting on March 12th, 2020.

Jean-Claude Lumaret, CEO of Carbios, said: "*2019 was a remarkable year for Carbios during which major milestones have been achieved, notably through the strategic partnership set with Nestlé Waters, PepsiCo and Suntory Beverage & Food Europe, which have joined the PET Consortium founded with L'Oréal. These collaborations not only validate our innovative science but accelerate the transition of our PET recycling technology to the industrial scale. Also, the co-development agreements signed with Novozymes in 2019 on PLA biodegradation, and early 2020 on the recycling of PET, demonstrate the trust that the world' largest enzyme producer has placed in Carbios. The successful 14.5 million euros capital increase also secured financial resources to launch the construction of our demonstration plant in the French Chemical Valley, near Lyon. This considerably strengthened the international visibility of Carbios with, on the one hand, the trust place in us by our new shareholders including* ***Copernicus AM, L'Oréal*** *via its venture-capital fund* ***BOLD Business Opportunities for L'Oréal Development and Michelin Ventures*** *and on the other hand the renewed support of our historical shareholders, including* ***Truffle Capital****. Building on these successes and as we look ahead, we are committed to executing our strategy and operations to create long-term value for our shareholders while helping the entire plastic industry to engage its transition to a sustainable economy."*

2019 Income Statement:

(in thousand euros)	December 31, 2018 (12 months)	December 31, 2019 (12 months)
Operating revenues	1 083	1 450
Operating expenses	5 323	5 986
Operating income	**(4 240)**	**(4 535)**
Financial Income	(25)	(29)
Current Income before tax	**(4 265)**	**(4 564)**
Extraordinary profit	(37)	15
Income tax (Tax research credit)	(1 191)	(800)
Net income (loss)	**(3 110)**	**(3 749)**

For full-year 2019, the operating revenues stood at €1,450,000 versus €1,083,000 for the previous financial year. As the Company's business is still focused on the industrial development of its innovative processes, most of its operating income comes from subsidies and services.

During 2019, Carbios received €379,000 in grants from ADEME for the success of the first key stage of the CE-PET research project and as a provision related to expenses incurred for the second key stage.

As part of the research service agreement signed on February 15, 2017 with Carbiolice and extended by an amendment until 2021, €526,000 has also been invoiced by the Company to its subsidiary in 2019.

Due to sustained development policy supporting operational activities and the ongoing improvement of the Company's PET plastic and polyester fibers recycling technology, operating expenses stood at €5.986 million for 2019, of which 51% was dedicated to R&D, as opposed to €5.323 million in 2018.

The difference in the consumption rate of resources allocated to R&D is mainly due to a decrease in external R&D charges and notably the termination of services provided by INRA, which are now part of the CE-PET[1] project that aims to accelerate the industrialisation of the Company's PET plastics and fibers enzymatic recycling technology.

As a result, the operating loss in 2019 settles at €4,535,000 and the net loss at €3,749,000, after considering the research tax credit of €800,000.

[1] Circular Economy PET

Balance Sheet:

Assets (in thousand euros)	2018	2019
Intangible assets	691	858
Tangible assets	971	2 415
Financial assets	10 802	12 027
Fixed assets	**12 464**	**15 300**
Inventory	15	21
Receivables	1 478	1 065
Cash and marketable securities	5 149	15 915
Prepaid expenses	38	75
Current assets	**6 680**	**17 076**
Deferred financial costs	6	11
TOTAL ASSETS	**19 149**	**32 386**

Liabilities (in thousand euros)	2018	2019
Share Capital	3 260	4 833
Additional paid-in-capital	19 129	31 275
Retained earnings	(7 256)	(10 366)
Investment subsidies	15	13
Current year profit (loss)	(3 110)	(3 749)
Shareholder's equity	**12 038**	**22 005**
Conditional advances	**3 707**	**4 250**
Loans	1 866	3 818
Trade payables and related accounts	1 061	1 387
Other liabilities	477	750
Deferred revenues	0	176
Payables	**3 404**	**6 131**
TOTAL LIABILITIES	**19 149**	**32 386**

The increase in fixed assets mainly results from the subscription to a capital increase of Carbiolice for an amount of €1.100 million paid in July 2019, in accordance with the initial commitments.

As part of its policy to secure Intellectual property, the Company continued to enrich its portfolio by filling 8 new patent applications in 2019.

Carbios' equity totalled €22.005 million at year-end 2019 compared to €12.038 million at year-end 2018. This situation reflects the impact of the successful €14.486 million capital increase dated June 2019[2].

Under the CE-PET research project, the Company received a funding agreement on April 8th, 2019 from ADEME consisting of a redeemable loan for an amount of €3.102 million and a grant of €1.034 million spread over 48 months between 2018 and 2022. As part of this aid, the Company received in 2019 an amount of €1.085 million in redeemable loan and another €361,000 in grants.

[2] Cf. January 25th, 2019 press release

CASH FLOW:

Cash flow (in thousand euros)	2018	2019
Cash at start of year	**7 547**	**5 149**
Net cash generated by operations	(3 078)	(2 429)
Net cash from investments	(1 441)	(3 013)
Net cash from financing operations	2 122	16 209
Change in cash	***(2 398)***	***10 766***
Cash at year-end	**5 149**	**15 915**

Benefiting from the funding of ADEME and from €14.486 million raised during the exercise, Carbios closed out with a cash position of €15.915 million at year-end 2019, enabling it to pursue current developments beyond the next 12 months.

2019 and post-closing Highlights:

Funding:

In January 2019[3], Carbios and Toulouse White Biotechnology (TWB) obtained **€7.5 million in funding** from the SGPI under the PIA (Future Investment Program) run by the ADEME to support, over a period of 39 months, the scaling-up of the CARBIOS' industrial and commercial project for the recycling of PET plastic and fibers.

In June 2019[4], Carbios announced the success of a capital increase for a category of beneficiaries, made by the accelerated construction of a book of orders. The Company has placed 2,245,886 new shares with a par value of €0.70, at the unit price of €6.45, including the issue premium, for a total amount of €14,485,964.70, representing 48.22% of the Company's capital before the transaction on a non-diluted basis, for a dilution of 32.53%. **Truffle Capital, Copernicus AM, L'Oréal via its capital-investment fund BOLD Business Opportunities for L'Oréal Development and Michelin Ventures** contributed to this capital increase, in accordance with the commitments they had made, for a total of €10,499,980.80, representing 1,627,904 ordinary new shares, equivalent to 72.48% of the total number of shares newly issued for this capital increase. These supports are strong markers of the Company's established legitimacy and its management team.

Intellectual Property:

In March 2019[5], Carbios announced the grant, by the US Patent and Trademark Office (USPTO), of two patents for its proprietary enzymatic process of recycling PET plastic waste. These are the two first patents granted in the U.S. for this innovative enzymatic recycling method applicable to mixtures of plastic waste or complex plastics, including colored, opaque and multilayer materials.

In October 2019[6], Carbios also announced the grant of new patents by the European Patent Office (EPO) and the Japanese Patent Office (JPO) for this enzymatic process of recycling PET plastic waste.

[3] Cf. January 10th, 2019 press release
[4] Cf. June 25th, 2019 press release
[5] Cf. March 28th, 2019 press release
[6] Cf. October 8th, 2019 press release

1. Enzymatic recycling of PET-based plastics and fibers

Research and Development: First PET bottles made with 100% Purified Terephthalic Acid (rPTA) coming from the enzymatic recycling of plastic waste.

In February 2019[7], Carbios announced it had successfully produced **the first PET-bottles made with 100% Purified Terephthalic Acid** (rPTA), through the enzymatic recycling of plastic waste. This world-first allowed Carbios to confirm and demonstrate the circularity of its enzymatic PET plastic recycling technology.

During 2019, Carbios also pursued, through the CE-PET project, the industrial piloting phase of this technology, prior to the operational launch of the demonstration plant which is due to start mid-2021.

CE-PET project progress:

In December 2019[8], Carbios announced the confirmed success of a key stage of the CE-PET project and as a result, that it has received a total amount of 1.4 million euros for the Investments for Future Program (PIA) operated by ADEME France's Agency for the Environment and Energy Management).

As a reminder, the CE-PET project aims to:

1. Ensure the development of the Company's enzymatic recycling technology at Pilot scale for PET plastic waste;
2. Adapt and optimize the process for the recycling of PET textiles from garments, household linen, furnishing (duvets and pillows) to the Pilot scale; and
3. Ensure the competitiveness of the process.

Launch of a PET Consortium with L'Oréal, Nestlé Waters, PepsiCo and Suntory Beverage & Food Europe:

In April 2019[9], **Carbios and L'Oréa**l announced a major partnership with **Nestlé Waters, PepsiCo and Suntory Beverage & Food Europe**. Committed to supporting sustainable development with innovative solutions, these partners have joined the PET Consortium previously founded by Carbios and L'Oréal, to help support the circular plastics economy using Carbios' breakthrough enzyme-based enhanced recycling technology. Under the terms of this four-year agreement, the Consortium members' ambition is to bring Carbios' PET recycling technology to the market and increase the availability of high-quality recycled plastics to fulfill their sustainability commitments. This collaboration includes technical milestones and support for the efficient supply of consumer-grade, 100% recycled PET plastics for global markets.

Joint Development Agreement with Novozymes:

In January 2020[10], Carbios announced an exclusive partnership (Joint Development Agreement) with leading biological solutions company, Novozymes. This agreement secures the production of Carbios' proprietary PET-degrading enzymes at both a demonstration level and an industrial scale.

[7] Cf. February 27th, 2019 press release
[8] Cf. December 3rd, 2019 press release
[9] Cf. April 29th, 2019 press release
[10] Cf. January 30th, 2020 press release

Distinctions:

In May 2019[11], Carbios announced its selection as a **winner of the "*L'Appel des 30!*"** for its project, in the French Chemical Valley, of an industrial demonstration plant dedicated to its breakthrough technology -- enzymatic recycling of PET plastics and fibers.

In June 2019[12], Carbios also announced that it had received a **"*Solar Impulse Efficient Solution*" label** for its PET plastic recycling technology. This label serves as a recognition for Carbios work to address environmental concerns, with an economically viable solution that can help to achieve the United Nations' Sustainable Development Goals.

2. The biodegradation of PLA based single-use plastics

Carbiolice:

Carbiolice, a company owned at 52,70% by Carbios, aims in 2020 to commercialize the enzymatic degradation technology of PLA based single-use plastics developed by Carbios and granted in license by producing and marketing the solution EVANESTO®. This innovation will be implemented in the form of an additive which can easily be integrated in conventional plastic and packaging manufacturing processes. It accelerates their biodegradation and ensures the composting in domestic conditions.

Joint Development Agreement between Carbios, Carbiolice and Novozymes:

In January 2019[13], Carbios and Carbiolice announced the execution of a **joint development agreement with the world-leading enzymes producer Novozymes**, within the frame of the enzymatic biodegradation technology licensed by Carbios to Carbiolice in 2016. Under the terms of this multi-year agreement, Novozymes will upscale and produce Carbios' proprietary enzymes. Novozymes commits to become the long-term exclusive supplier of plastics degrading enzymes to Carbiolice, a subsidiary to Carbios.

Distinction:

In November 2019[14], Carbios announced that its subsidiary **Carbiolice had won EuropaBio's 2019 Most Innovative European Biotech SME Award** in the Industrial Biotech category for its enzymatic biodegradation technology EVANESTO®, for which the commercial launch is expected in the course of 2020.

About Carbios:

Carbios is a green chemistry company whose innovations help address the environmental and sustainable development challenges facing manufacturers. Since its creation in 2011 by Truffle Capital, the Company has developed, through biotechnology, two industrial processes that revolutionize the biodegradation and recycling of polymers. These innovations, a world first, optimize the performance and lifecycle of plastics and textiles by exploiting the properties of highly specific enzymes.

Carbios' economic development model is based on the industrialization and commercialization of its products and/or enzymes, technologies and bioprocesses through license concessions directly or

[11] Cf. May 10th, 2019 press release
[12] Cf. June 3rd, 2019 press release
[13] Cf. January 29, 2019 press release
[14] Cf. November 20th, 2019 press release

through joint ventures to major industrial players or sectors concerned by the Company's innovations. As such, Carbios created the joint venture Carbiolice in September 2016, in partnership with Limagrain Ingredients and the SPI fund operated by Bpifrance. This company, of which Carbios has majority control, will exploit the first technology licensed by Carbios by producing enzymatic granules for the production of biodegradable and biobased plastics.

Carbios benefits from the qualification "Innovative Company" of Bpifrance allowing the eligibility of the Company's securities for the investment of Mutual Funds Placement in Innovation (FCPI). For more information, please visit: 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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