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– Press release –

## **Carbios announces the strong success of its capital increase through a placement to qualified investors for an amount of €27 million**

- **Strong demand enabling the contemplated size of the transaction to be significantly increased from €20 million to €27 million (+35%)**
- **Subscription by strategic shareholders L'Oréal via its BOLD Business Opportunities for L'Oréal Development private equity fund and Michelin Ventures, for a total amount of €3.9 million**
- **Concomitant disposal by Truffle Capital and Holding Incubatrice Série 1 of 380,952 existing shares, representing €10 million**

**Clermont-Ferrand, July 23, 2020 (7:30 CEST)** – Carbios (Euronext Growth Paris: ALCRB – ISIN: FR0011648716), (the "**Company**"), a pioneering company in the development of bio-industrial solutions focusing on plastic and textile polymer lifecycles, today announces the strong success of its capital increase without shareholders' preferential subscription rights of a final amount of €27 million through an offering to qualified investors, both French and international (the "**Primary Offering**") by way of an accelerated bookbuilding. Concurrently with the Primary Offering, investment funds for which the asset management company is Truffle Capital and Holding Incubatrice Série 1 (the "**Transferors**") transferred 380,952 existing shares representing €10 million (the "**Secondary Offering**" and, with the Primary Offering, the "**Offering**").

Natixis, ODDO BHF SCA and Bryan, Garnier & Co Limited acted as Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners ("**Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners**").

The Primary Offering resulted in the issuance of 1,028,572 new ordinary shares, representing 14.79% of the Company's current share capital, at a subscription price per share of €26.25 (issue premium included), for a total amount of €27,000,015. The subscription price was €26.25, representing a 15.32% discount on the closing share price on the Euronext Growth Paris market.

Following the Primary Offering, the Company's new share capital now consists of 7,982,172 shares, each with a nominal value of €0.70. Based on the cash data (€15.9 million at December 31, 2019) and its forecast expenses, the funds raised as a result of the transaction should enable the Company to achieve its strategic objectives and cover its working capital requirements up to the 2<sup>nd</sup> quarter of 2023.

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### **Use of the funds raised**

The Primary Offering is intended to provide the Company with additional resources to finance the next stages of its growth and prepare for the upgrade of its industrial equipment.

More specifically, the funds raised will be used for the following:

- The second phase of construction of the industrial demonstration plant for recycling through enzyme treatment of PET plastic waste, which is expected to be commissioned in the second quarter of 2021,
- The Company's operating expenses, including those relating to the industrial demonstration plant up to the end of 2022,
- Participation in a capital increase of CARBIOLICE, a joint venture created by Carbios, Limagrain Ingrédients and the "Sociétés de Projets Industriels" fund operated by Bpifrance, to support the commercial launch of the EVANESTO technology, expected during 2020.

### **Main features of the offering**

A total of 1,028,572 new ordinary shares, with a nominal unit value of €0.70, were issued for the benefit of qualified investors within the meaning of Article 2(e) of (EU) Regulation No.2017/1129 of June 14, 2017, as specified in paragraph of Article L.411-2 of the French Monetary and Financial Code in accordance with the 9<sup>th</sup> resolution of the Company's Combined Shareholders' Meeting held on June 18, 2020.

In addition, 380,952 existing shares held by the Transferors, representing 5.48% of the Company's current share capital, were transferred to the investors because demand largely exceeded the €20 million threshold set for the Primary Offering.

As such, the order book was easily covered, driven by sustained demand from new and existing institutional investors.

The new shares, representing 14.79% of the Company's current share capital, on a non-diluted basis, prior to the completion of the Primary Offering (a dilution of 12.89%), were issued by decisions of the Board of Directors on July 21, and 22, 2020 and of the Chief Executive Officer on July 22, 2020, in accordance with the delegation of authority conferred by the 9<sup>th</sup> resolution approved by the Company's Combined Shareholders' Meeting held on June 18, 2020. Concerning the Secondary Offering, the two representatives of Truffle Capital on the Board of Directors did not participate in the discussions or vote on the deliberations of the Board of Directors relating to implementation of the 9<sup>th</sup> resolution of the Company's Combined Shareholders' Meeting held on June 18, 2020.

The issue price for the new shares and the transferred shares was set at €26.25 per share, representing a 15.32% discount on the closing price of Carbios shares on July 22, 2020 (i.e. €31), and a 19.99% discount on the volume-weighted average Carbios share price on the Euronext Growth Paris market of the last 5 trading sessions prior to the price being set, ie. from July 16-22, 2020 inclusive (i.e. €32.81), in accordance with the 9<sup>th</sup> resolution of the Company's Combined Shareholders' Meeting held on June 18, 2020, which set the maximum authorized discount at 20% of the volume-weighted average Carbios share price of the

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last 5 trading sessions prior to the price being set and the decisions of the Board of Directors meeting held on July 21 and 22, 2020.

For example, a shareholder holding 1% of the Carbios share capital prior to the launch of the Primary Offering will now have a 0.87% stake.

The Company's share capital will consist of 7,982,172 shares once settlement-delivery is complete.

To the company's best knowledge, the shareholder base before and after the Offering breaks down as follows:

| Shareholders  | Prior to the Offering |                        |                                |                    | After the Offering <sup>(1)</sup> |                        |                           |                    |
|---|-----------------------|------------------------|--------------------------------|--------------------|-----------------------------------|------------------------|---------------------------|--------------------|
|   | Number of shares      | % of the share capital | Theoretical voting rights      | % of voting rights | Number of shares                  | % of the share capital | Theoretical voting rights | % of voting rights |
| Holding Incubatrice Série 1                         | 41,309                | 0.59%                  | 41,309                         | 0.59%              | 0                                 | 0%                     | 0                         | 0%                 |
| Fonds Truffle Capital                               | 998,734               | 14.36%                 | 998,734                        | 14.32%             | 659,091                           | 8.26%                  | 659,091                   | 8.23%              |
| Management and Directors                            | 8,807                 | 0.13%                  | 10,514                         | 0.15%              | 8,807                             | 0.11%                  | 10,514                    | 0.13%              |
| Copernicus Wealth Management SA <sup>(1)</sup>      | 620,154               | 8.92%                  | 620,154                        | 8.89%              | 635,392                           | 7.96%                  | 635,392                   | 7.94%              |
| BOLD Business Opportunities for L'Oréal Development | 387,596               | 5.57%                  | 387,596                        | 5.56%              | 482,834                           | 6.05%                  | 482,834                   | 6.03%              |
| Michelin Ventures                                   | 310,077               | 4.46%                  | 310,077                        | 4.44%              | 363,410                           | 4.55%                  | 363,410                   | 4.54%              |
| Treasury shares                                     | 1,998                 | 0.03%                  | 1,998                          | 0.03%              | 1,998                             | 0.03%                  | 1,998                     | 0.02%              |
| Free float  | 4,584,925             | 65.94%                 | 4,605,381                      | 66.02%             | 5,830,640                         | 73.05%                 | 5,851,096                 | 73.10%             |
| <b>TOTAL</b>  | <b>6,953,600</b>      | <b>100%</b>            | <b>6,975,763<sup>(2)</sup></b> | <b>100%</b>        | <b>7,982,172</b>                  | <b>100%</b>            | <b>8,004,335</b>          | <b>100%</b>        |

<sup>(1)</sup> Shares held by funds and/or individuals with Copernicus Wealth Management SA as the asset management company

<sup>(2)</sup> Based on the information available on July 6, 2020

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### **Admission to trading of new shares**

The new shares will bear dividend rights and will be admitted to trading on Euronext Growth Paris under the same ISIN code FR0011648716 - ALCRB. The settlement-delivery of the new shares and their admission to trading on Euronext Growth Paris will take place on July 27, 2020.

The information in this press release is released following the placement of shares by way of an accelerated bookbuilding, which is now closed, but remains subject to the proper execution of settlement-delivery transactions, which are the subject to the placement agreement referred to below.

Pursuant to the provisions of Article L. 411-2 of the French Monetary and Financial Code and Article 1.4 of Regulation (EU) No. 2017/1129 of the European Parliament and of the Council meeting of June 14, 2017, the Offering did not and will not require a prospectus to be submitted for approval to the French financial markets authority (the "AMF").

### **Subscription commitments**

L'Oréal, through its private equity fund BOLD Business Opportunities for L'Oréal Development, and Michelin Ventures subscribed to the capital increase, in accordance with the commitments they had made, for a total amount of €3.9 million, which represents 148,571 new shares or 14.44% of the total number of new shares issued as part of this capital increase. This support is a strong sign of the legitimacy acquired by the Company and its management team.

### **Proposal for the appointment of a BOLD Business Opportunities for L'Oréal Development representative as a non-voting director on the Board of Directors.**

It is recalled that the subscription commitment made by BOLD Business Opportunities for L'Oréal Development provided for the appointment of a BOLD Business Opportunities for L'Oréal Development representative as a non-voting director on the Company's Board of Directors<sup>1</sup>.

### **Standstill and lock-up commitments**

The Company agreed to a standstill commitment for a period of 90 days starting from the settlement-delivery date of the Offering, subject to customary exceptions, whereby it agreed not to issue new shares during said period.

BOLD Business Opportunities for L'Oréal Development, Michelin Ventures, Copernicus Wealth Management SA (formerly known as Copernicus AM), the investment funds including the management company Truffle Capital, the Company's directors and management have signed lock-up commitments for the shares held prior to the completion of the Offering, or, where appropriate, for the financial securities giving access to share capital and, in the case of BOLD Business Opportunities for L'Oréal Development and Michelin Ventures, for the new shares subscribed as part of the Offering for 90 days from the settlement-delivery date of the new shares, subject to certain customary exceptions.

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<sup>1</sup> Subject to the approval of the Company's Shareholders' Meeting.

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### **Guarantee of the Offering**

The Offering was not guaranteed. The Offering was, however, subject to a placement agreement between the Company, the Transferors and the Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners.

The placement agreement may be terminated by the Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners at any time up to (and including) the settlement-delivery date of the Offering on July 27, 2020 subject to certain customary conditions for this type of agreement.

If the placement agreement is terminated in accordance with its terms, all investor orders placed under the Offering will be null and void.

### **Risk factors**

The readers' attention is drawn to the risk factors associated with the Company and its business presented in Section 1.12 of the Universal Registration Document filed with the AMF on April 29, 2020, which is available free of charge on the Company's website ([www.carbios.fr](http://www.carbios.fr)). The occurrence of all or part of these risks could have a negative impact on the Company's business, financial position, results, development and outlook. The risk factors presented in said Universal Registration Document are the same as those presented in this press release.

Additionally, investors are invited to consider the following risks specific to this Offering: (i) the market price of the Company's shares may fluctuate and fall below the subscription price of the shares issued as part of the Offering, (ii) the volatility and liquidity of the Company's shares may fluctuate significantly, (iii) sales of the Company's shares may take place on the market and have a negative impact on the Company's share price and (iv) the Company's shareholders may suffer additional dilution resulting from any future capital increases.

### **Parties involved**



ODDO BHF



Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners

The Company's  
legal counsel

Legal counsels of the  
Joint Global  
Coordinators, Joint  
Lead Managers and  
Joint Bookrunners

### **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

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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 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](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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*This press release constitutes promotional material and is not a prospectus within the meaning of Regulation (EU) No. 2017/1129 of the European Parliament and of the Council meeting of June 14, 2017 (the "**Prospectus Regulation**").*

*This press release and any resulting offering are intended exclusively for qualified investors in Member States of the European Economic Area and the United Kingdom within the meaning of Article 2(e) of the Prospectus Regulation.*

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