CARBIOS
Enzymes powering the Circular Economy
Enzymes powering the Circular Economy

April 2021

Bank Of America – Investor Conference Call

CARBIOS PRESENTATION & 2021 STRATEGIC UPDATE
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Carbios at a glance

- Founded in 2011
- 38 patent families
- Multi-source revenue business model
- Strategic agreement with renowned brand owners
- Exclusive partnership
- 39 employees

The first and only company to have developed biological technologies for the end-of-life of plastics and textiles
Ambition

Lead the transition towards sustainable plastics economy by developing technologies for the end of life of plastics

Technologies

Enzymatic biorecycling technology to recycle PET plastics and fibers to infinity

Evanesto® by Carbiolice:
First natural enzyme-based additive to fully biodegrade PLA-based plastics

(62.7%)  (37.3%)
Enzymatic biorecycling technology: Demonstration plant start up on track

Operational launch in September 2021

➢ Technical data generation
➢ Main parameters definition for each step of the enzymatic recycling process
➢ Future industrial Unit operations planification
➢ Fully operational Process Design Package (PDP)

Engineering and construction in partnership with: T.E.N.

A key step towards building a first of a kind recycling facility

Demonstration plant under construction in Clermont-Ferrand
April 2021 Strategic update (1/2)
A new major step in the development of Carbios with the building of a first of a kind 100% PET recycling facility (the "Unit")

- **Characteristics of the Unit**
  - annual production of c. 40,000 tons per year
  - providing c. 48,000 tons of CO₂ potential savings annually
  - diverting PET wastes from incineration and landfilling according to preliminary data\(^{(1)}\)

- **Key timetable for the building of the Unit**

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021-2022</td>
<td>Unit engineering studies and site selection</td>
</tr>
<tr>
<td>End 2022</td>
<td>Commencement of Unit construction</td>
</tr>
<tr>
<td>2025</td>
<td>First revenues generated from the Unit</td>
</tr>
</tbody>
</table>

Estimated cost of the Unit of c. €100 million
Carbios has started to explore various financing options

1. Source: Deloitte and Carbios in 2021
April 2021 Strategic update (2/2)

- **Signing of a first non-exclusive and non-binding Expression of Interest agreement with Equipolymers**

  - A leading European PET producer which could host the Unit on its site

  - The agreement foresees
    - an assistance in securing the sourcing of PET feedstock for the Unit
    - Shared access to data coming from Carbios’ demonstration plant, its biorecycling technology and from Equipolymers’ facilities

**Combination of Carbios’ unique biorecycling technology and Equipolymer’s manufacturing and R&D know-how**
ADRESSING HIGH GROWTH POTENTIAL MARKET WITH STRONG DRIVERS
The situation – Environmental issue

Each year...

• 86% of packaging waste goes unrecycled globally\(^{(1)}\).

• 350 to 400 million tons\(^{(2)}\) of plastic are produced worldwide, including 70 million tons of PET\(^{(3)}\) worth approx. $80 billion (a market growing by 4% p.a.\(^{(4)}\)).

• 150 million tons\(^{(5)}\) of plastic waste are generated including 9 million tons\(^{(6)}\) that ultimately end up in the natural environment, particularly in our seas and oceans.

• 500 billion units\(^{(7)}\) of plastic bottles are produced each year and fewer than half are collected for recycling.

• Up to $120 billion\(^{(8)}\) worth of plastic material is disposed of just after one single-use.

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1. Citigroup in 2018
2. PlasticsEurope in 2018
3. IHS Markit in 2018
4. Ademe in 2012
5. Straits Times in 2015
7. Citigroup in 2018, Euromonitor in 2017
8. Citigroup in 2018, Euromonitor in 2017

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The polyester industry is facing a major change. Only new recycling technologies will enable PET producers to even partially meet the demand of their customers and States to meet their regulatory targets*. 

*50% of EU plastic waste collected used to be sent to China for recycling.
The situation – A growing regulatory pressure

Regulatory pressure is also growing at both the EU and national levels.

Many European initiatives and associations such as the European Plastics Pact and the Circular Plastic Alliance, bring together several actors from the industry, academics, and public authorities, to accelerate the transition towards Circular Economy. This is made possible by considering the whole plastic value chain, and notably by aiming at boosting the recycled plastic EU market.

Carbios is part of the organizations that have signed the European Plastics Pact.
Strong drivers for more sustainable solutions

**July 2020:** “by 2025, 100% of our plastic packaging will be refillable, reusable, recyclable or compostable”

**Oct. 2016:** “design 100% of its packaging to be recyclable, compostable or biodegradable by 2025”

**Jul. 2017:** “100% of packaging recyclable, reusable or compostable by 2025” and “Recycled plastic content to at least 25% by 2025”

**Jan. 2019:** “Nestlé Waters will increase the recycled PET content in its bottles to 35% by 2025”

**Sept 2019:** “Our ambition? Offer 100% sustainable plastic bottles made from recycled or bio-sourced materials for our entire beverage portfolio.”

**Mar. 2019:** H&M Group signatory of the New Plastics Economy Global Commitment; “Our business to become 100% circular and renewable”
WORLD FIRST ENZYMATIC TECHNOLOGY TO RECYCLE AND REUSE PET-BASED PLASTICS AND FIBERS
Enzymes to fully break-down plastics!

Polymers (plastics and fibers)

Carbios enzymes

Monomers (building blocks)

A revolutionary process for infinite recycling of plastics and fibers
How does it work?

- Flakes
- Start & end of depolymerization
- Purification
- PTA
- MEG
- Pelleting
Benefits of the technology

✓ 100% recycled PET

✓ A process that can handle all forms of PET plastics (clear, colored, opaque, multi-layer...) and polyester fibers

✓ No inhibition of the enzyme by colorants, pigments, carbon black or other polymers (PE, PA, PVC...)

✓ Depolymerization at low temperature, atmospheric pressure, water based

✓ Diversion of all PET-based plastics and polyester fibers from landfills and incineration

Carbios’ innovation offers the potential to recycle PET plastics infinitely and contributes to achieving 100% recycled PET content in new products
PUBLICATION OF AN ARTICLE IN THE PRESTIGIOUS SCIENTIFIC JOURNAL NATURE co-authored by researchers at Carbios and Toulouse Biotechnology Institute (TBI) laboratory

PET to monomers: 90% degradation in 10 hours and 97% in 16 hours (at 72 °C)

Start of the project: ~3% in several weeks

Depolymerisation kinetics of commercial PET plastic waste (colored flakes, washed with 95% PET)
PET brand-owners consortium agreement

- A 4-year agreement signed in April 2019
- Accelerate the technology’s readiness and bring it to full industrial scale
- Increase the availability of high-quality recycled plastics
- Demonstrate the technical, economic and environmental efficiency of Carbios’ technology
- Support the structuring of an industrial value chain for an efficient supply of consumer-grade PET

Global key players team up to boost recyclability of PET plastic products
Carbios creates value for all players of the value chain

1. Plastic collectors
2. Enzyme producers
3. PET producers
4. Brand owners
5. Consumers
**PET Recycling: our business model**

- **1. ENZYME PRODUCERS**
  - Toll-manufacturing enzymes

- **2. CARBIOS**
  - Enzymes powering the Circular Economy
  - Licensing & selling of enzymes

- **3. PRODUCERS OF PET OR PTA**
  - Selling recycled monomers
  - Carbios recycled PET

- **4. BRAND OWNERS**
  - Market demand guaranteed for the first licenses through our brand owners Consortium, and beyond...
  - Two strategic revenue streams for Carbios: **license deals and selling of enzymes**
  - Revenues from Carbios’ Unit will be driven by the **sale of recycled monomers**

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(1) Carbios’ enzymes degrade PET in its two monomers, PTA and MEG
A CLEAR ROADMAP TO COMMERCIAL SUCCESS
What we plan to deliver next?

ONGOING PLAN

2022
Process Design Package ready

September 2021
PET demonstration facility start-up

H2-2022/H1 2023
First revenues coming from licensing deal cut for Carbios PET recycling technology

End 2022
Commencement of Unit construction (c. 40kt)

2021-2022
Unit engineering studies and site selection

2025
First revenues generated from the Unit

End 2024
Unit start-up

STRATEGIC UPDATE
Key takeaways

1. A pioneer in the development of enzymes for plastic processing
2. Breakthrough technologies to disrupt the plastic industry
3. Huge market opportunities and growth potential
4. Numerous strategic partnerships with worldwide blue-chip industry experts
5. Major milestones ahead including reaching licensing stage end of 2022/ early 2023 and first substantial revenues generation
6. Highly experienced management supported by renowned shareholders and partners
Enzymes powering the Circular Economy
Carbios holds 38 patent families worldwide, including 18 protecting its recycling process as well as the associated proprietary PET-degrading enzymes.

Patents granted in:
Europe, United-States, Canada, Mexico, China, India, Japan...
2020 Highlights

Scientific milestones
- Publication of an article co-authored by Carbios and TBI in the prestigious scientific journal *Nature* (April 2020)
- Production of the first clear bottles from enzymatically recycled textile waste (November 2020)

Partnerships
- JDA with Novozymes for the production of PET-degrading enzymes (January 2020)
- Launch of a cooperative lab with the Toulouse Biotechnology Institute (January 2020)
- Carbios to move facilities to a Michelin site in Clermont-Ferrand, France (September 2020)

Industrial scale-up
- Construction of an industrial demonstration plant for the enzymatic recycling of PET (June 2020)
- Commercial launch of Evanesto® (December 2020)

Finances
- Successful Private Placement for a total amount of €27 million, concurrently with a €10 million Secondary Offering (July 2020)
- Acquisition of Limagrain Ingredients equity stake in the capital of Carbiolice (October 2020)
Share & Shareholders
As of April 1st, 2021

MARKET
Euronext Growth Paris

MNEMO/REUTERS/BLOOMBERG
ALCRB / ALCRB.PA / ALCRB:FP

SHARES ISIN CODE
FR0011648716

NUMBER OF SHARES
8,164,472

ICB CLASSIFICATION
Chemistry / Speciality chemistry

INDICES
Euronext Growth All-share, Euronext Growth Bpifrance Innovation Index, Enter Next PEA PME 150

FRENCH PEA-PME ELIGIBILITY
Yes

ANALYST COVERAGE
Baptiste de Leudeville
Xavier Regnard
Alexandre Letz
Hana Maalej
Laurent Gelebart

- Free Float
- HNWI
- BOLD (L’Oréal)
- Michelin Ventures
- Truffle Capital
- Treasury shares
## FY 2020 Income Statement

<table>
<thead>
<tr>
<th>(In thousand euros)</th>
<th>December 31, 2019</th>
<th>December 31, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenue</td>
<td>1,450</td>
<td>1,643</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(5,986)</td>
<td>(8,464)</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td><strong>(4,535)</strong></td>
<td><strong>(6,821)</strong></td>
</tr>
<tr>
<td>Financial Income</td>
<td>(29)</td>
<td>(93)</td>
</tr>
<tr>
<td><strong>Current Income before Tax</strong></td>
<td><strong>(4,564)</strong></td>
<td><strong>(6,914)</strong></td>
</tr>
<tr>
<td>Extraordinary profit (loss)</td>
<td>15</td>
<td>(720)</td>
</tr>
<tr>
<td>Income tax (Tax research credit)</td>
<td>800</td>
<td>1,488</td>
</tr>
<tr>
<td><strong>NET INCOME (LOSS)</strong></td>
<td><strong>(3,749)</strong></td>
<td><strong>(6,146)</strong></td>
</tr>
</tbody>
</table>
## FY 2020 Simplified Balance Sheet

<table>
<thead>
<tr>
<th>Assets (in thousand euros)</th>
<th>December 31, 2019</th>
<th>December 31, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intangible assets</td>
<td>858</td>
<td>1,086</td>
</tr>
<tr>
<td>Tangible assets</td>
<td>1,107</td>
<td>1,236</td>
</tr>
<tr>
<td>Assets in progress</td>
<td>1,308</td>
<td>3,558</td>
</tr>
<tr>
<td>Financial assets</td>
<td>12,027</td>
<td>20,907</td>
</tr>
<tr>
<td><strong>Fixed Assets</strong></td>
<td><strong>15,300</strong></td>
<td><strong>26,786</strong></td>
</tr>
<tr>
<td>Inventory</td>
<td>21</td>
<td>39</td>
</tr>
<tr>
<td>Receivables</td>
<td>1,065</td>
<td>2,150</td>
</tr>
<tr>
<td>Cash and marketable securities</td>
<td>15,915</td>
<td>29,097</td>
</tr>
<tr>
<td>Pre-paid expenses</td>
<td>75</td>
<td>139</td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td><strong>17,076</strong></td>
<td><strong>31,425</strong></td>
</tr>
<tr>
<td>Deferred financing costs</td>
<td>11</td>
<td>17</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>32,386</strong></td>
<td><strong>58,228</strong></td>
</tr>
</tbody>
</table>
## FY 2020 Simplified Balance Sheet

<table>
<thead>
<tr>
<th>Liabilities &amp; Equity (in thousand euros)</th>
<th>December 31, 2019</th>
<th>December 31, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholder’s equity</td>
<td>22,005</td>
<td>45,135</td>
</tr>
<tr>
<td>Conditional advances</td>
<td>4,250</td>
<td>4,173</td>
</tr>
<tr>
<td>Loans</td>
<td>3,818</td>
<td>5,647</td>
</tr>
<tr>
<td>Trade payables and related accounts</td>
<td>1,387</td>
<td>1,952</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>750</td>
<td>1,146</td>
</tr>
<tr>
<td>Prepaid income</td>
<td>176</td>
<td>176</td>
</tr>
<tr>
<td>Payables</td>
<td>6,131</td>
<td>8,921</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES &amp; EQUITY</strong></td>
<td><strong>32,386</strong></td>
<td><strong>58,228</strong></td>
</tr>
</tbody>
</table>
# FY 2020 Cash Flow Statement

<table>
<thead>
<tr>
<th>Cash flow (in thousand euros)</th>
<th>December 31, 2019</th>
<th>December 31, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at the opening</td>
<td>5,149</td>
<td>15,915</td>
</tr>
<tr>
<td>Net cash generated by operations</td>
<td>(3,036)</td>
<td>(5,169)</td>
</tr>
<tr>
<td>Net cash from investments</td>
<td>(2,406)</td>
<td>(12,667)</td>
</tr>
<tr>
<td>Net cash from financing operations</td>
<td>16,209</td>
<td>31,019</td>
</tr>
<tr>
<td><strong>Change in cash</strong></td>
<td><strong>10,766</strong></td>
<td><strong>13,182</strong></td>
</tr>
<tr>
<td><strong>CLOSING CASH</strong></td>
<td><strong>15,915</strong></td>
<td><strong>29,097</strong></td>
</tr>
</tbody>
</table>
Management team

Jean-Claude LUMARET
Founder & CEO
40 years’ experience in the international agro-industry and intellectual property expert

Martin STEPHAN
Deputy CEO
30 years’ experience in the chemical industry

Kader HIDRA
Chief Financial Officer
Financial markets expert

Prof. Alain MARTY
Chief Scientific Officer
International expert in enzymology and biological processes

- METABOLIC EXPLORER: VP Strategy & Innovation (Member of the Executive Committee)
- ROQUETTE: Director, Business Intelligence, Director BU Fermentation and Industrial Chemistry, Director, Intellectual Property and Regulatory Affairs
- Chemical Engineer, Lyon University, European Trademark Expert, CEIPI Center for International IP Study, Strasbourg

- CHEMOURS: Global Director of the Fluorotelomers business, EMEA Director, Sourcing, Logistics & Real Estate
- DU PONT DE NEMOURS: Global Product Manager, Business and Market Manager, Sales Director
- ATOFINA: Global Business Manager Fluorotelomers
- ELF ATOCHEM: Various positions in Finance

- CITEGESTION (EDF): CEO of a digital start-up specialized in asset management and software development for Smart Cities
- EDF: Investor & Markets Director (Head of IR)
- MORGAN STANLEY: Utilities & Clean Energy Specialist Equity Sales
- BERENBERG: Utilities & Clean Energy Specialist
- Printing & Packaging Engineer (Ecole Polytechnique Grenoble), MBA from Duke University (Fuqua Business School).

- INSA Institut National des Sciences Appliquées, Toulouse : Professor and Head of a research group
- AERES Agence d’Evaluation de la Recherche et de l’Enseignement Supérieur and ANR Agence Nationale de la Recherche: Evaluator (France’s National Education Research Agencies)
- PhD in Biology, Biochemical Engineer, University of Toulouse.
Our Values

Our corporate culture focuses on 4 strong pillars shared by our employees and our partners.

**RESPECT for people:** Our employees are our most precious assets. At Carbios, we aim to respect people in their diversity and ensure an ideal, stimulating work environment. The key importance of respect at Carbios also concerns the integrity of our words and actions with our partners.

**COMMITMENT for the Planet:** By proposing sustainable solutions to rethink the end-of-life of plastic materials and textiles, Carbios shows its commitment to protecting the environment and its desire to support a Circular Economy that benefits future generations.

**INNOVATION benefiting industrial reality:** Thanks to high level scientific research combining for the first time the world of enzymology and plastics, we innovate every day to be able to offer sustainable and industrial solutions that address the major environmental and societal challenges of our time.

**AGILITY serving performance:** The agility of our teams along with the diversity of their expertise is one of Carbios’ major strengths enabling us to provide the best in innovation to our partners.
Enzymes powering the Circular Economy