



Europlasma announces a capital increase in its subsidiary CHO Power, valuing it at €101 million, and a simultaneous reorganisation of CHO Morcenx

Following the Final Acceptance of CHO Morcenx obtained in June 2017, Europlasma and GRAF (Gottex Real Asset Fund), which owned 65% of CHO Morcenx, reached an agreement to align their interests in order to consolidate the ambitious growth strategy of the Renewable Energies division, CHO Power.

This agreement contemplates an in-kind contribution by GRAF of their stake in CHO Morcenx as well as a reduction of their debt in CHO Morcenx, as detailed below, granting them minority ownership in CHO Power.

The main and immediate benefits of this transaction are:

- **For CHO Morcenx: improved project economics through cash infusion and debt reduction**

The amount of CHO Morcenx's debt to GRAF is reduced from €40.2 million to €20 million, and its interest rate reduced from 12% to 6%. This debt will be serviced by the cash flows of CHO Morcenx.

Destined to fund the CHO Morcenx Optimization Plan, the escrow account (€ 6.8m), which had been subject to advances in recent months, is clawed back in full by CHO Power.

- **For CHO Power: asset consolidation and alignment of interests paving the way for growth**

GRAF incorporates €20.2 million of their debt into the capital of CHO Morcenx and then brings all of its CHO Morcenx shares to CHO Power, who thus takes full ownership of CHO Morcenx (against 35% previously).

This capital increase of CHO Power, through the contribution of the CHO Morcenx shares, enables GRAF to become a shareholder in CHO Power up to 19.99%, aligning their interests based on CHO Power's growth trajectory. The remaining 80.01% of the CHO Power share capital is held by Europlasma.

- **For Europlasma: crystallization of CHO Power value at €101 million**

Discussions over the capital increase of CHO Power and related GRAF's stake have been initiated and conducted in accordance with a valuation study of CHO Power carried out in 2017 by an independent reputable firm.

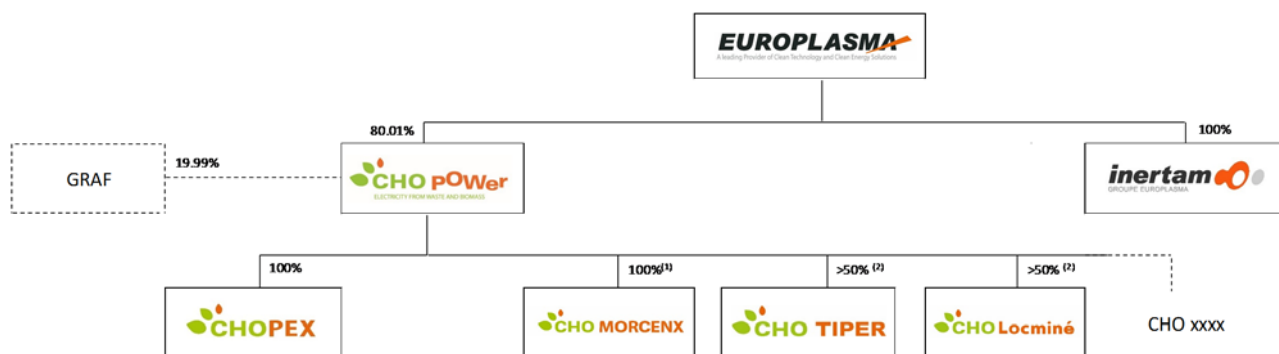
Taking into account the CHO Power's intellectual property, industrial assets as well as projects pipeline, this valuation used the discounted cash flows (DCF) method applied to the different entities of the Renewable Energies division.

The valuation eventually agreed upon in the transaction has been recently assessed and validated by auditing firm DB3C acting as contributions assessor.

This transaction reflects GRAF's confidence in the technology developed and, besides setting favorable operating conditions for CHO Morcenx, crystallizes the intrinsic valuation of CHO Power's assets.

It also fully complies with CHO Power's commercial strategy, world leader in the development of renewable energy plants by plasma gasification of waste and biomass, consisting in deploying project companies whose share capital is majority owned. This strategy allows CHO Power to capture three sources of value for each project: plant construction, plant operation, and plant ownership.

Upon the signature of all legal documentation, at the latest on 29/03/2018, the group simplified structure will be as follows:



(1) CHO Morcenx which was consolidated by the equity method will be from now fully consolidated
(2) CHO Power intends to hold a majority shareholding in the project companies following their capitalisation

Jean-Eric Petit, CEO, declares "The integration of CHO Morcenx, beyond the testimony of confidence in our innovative process, crystallizes the value created in recent years. The alignment of interests with GRAF consolidates CHOP's ambitious growth trajectory, which has already been reinforced by the commitments of the EIB and ADEME. I am extremely proud of this achievement, and wish to thank again all the Europlasma Group teams who have contributed, as well as all the shareholders who have continued to support us. "

About DB3C

Through its statutory and contractual audit missions, DB3C AUDIT helps to secure economic actors on the relevance and reliability of financial information. In addition to its account certification missions, DB3C AUDIT also takes in charge legal operations requiring the intervention of a commissioner for contributions, transformation, merger or special benefits.

About EUROPLASMA

At the heart of environmental issues, Europlasma designs and develops innovative plasma solutions for renewable energy production and hazardous waste recovery, as well as tailored-made applications for companies wishing to reduce their environmental footprint. Europlasma is listed on Euronext Growth Paris (FR000044810-ALEUP / LEI 969500WYVNHV1ABQ250). For more information: www.europlasma.com

Shareholders contact:

Anne BORDERES – Communication Manager
Tel: + 33 (0)5 56 49 70 00 - contactbourse@europlasma.com

Media contact:

Luc PERINET MARQUET – LPM STRATEGIC COMMUNICATIONS
Tel: +33 (0)1 44 50 40 35 - lperinet@lpm-corporate.com

Important notice

The information or statements contained in this press release have to be considered as management's estimates made on the date of their publication. Such information is submitted to risks and uncertainties hardly predictable and generally outside of the Group's scope of action. These risks enclose the risks listed in the Reference Book available on the company's website www.europlasma.com. The group's future performance may therefore slightly vary from the forward-looking information revealed. The Group takes no responsibility for the achievement of these forward looking statements.