

Rights issue with retention of preferential subscription rights and bonus warrants issue

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ELIGIBLE
FOR EQUITY SAVING
PLANS (PEA)

ELIGIBLE
FOR SME EQUITY
SAVINGS PLANS
(PEA-PME)

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- Transaction amount: €27.8 million;
 - Price of new shares: €0.80, representing a discount of 62%¹;
 - Preferential subscription right: two preferential subscription rights for three new shares;
 - Subscription period: from 25/09/2014 to 23/10/2014;
 - Allotment of two bonus warrants (BSAR): one BSAR A and one BSAR B for every share held at the close of trading on 04/11/2014.
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Europlasma, the French company with a global reach that builds, designs and operates plasma solutions for renewable energy generation and hazardous waste recovery, has today announced the launch of a €27.8 million rights issue with retention of preferential subscription rights, to be followed by the allotment of two bonus warrants (BSAR) in two separate categories for all its shareholders.

The prospectus for the rights issue was approved by the French Financial Markets Authority (AMF) on 22 September 2014 under no. 14-512.

Commenting on the launch of the operation, Managing director Jean-Eric Petit said: "*For over 20 years, Europlasma has demonstrated its ability to break new ground and develop industrial applications based on its proprietary technology, the plasma torch. Each of these applications offers solutions to the global energy and environmental challenges. The Group has refocused on its core businesses, undergone restructuring and is now commercially active. This capital increase will specifically enable us to create value by leveraging the growth opportunities available to us in each of our markets.*"

¹ Discount calculated based on the last price quoted on 22/09/2014.

Realising the growth potential of a fully operational group

Europlasma is a French industrial group with 20 years of know-how based on patented plasma torch technology, through which very high temperatures can be reached without fuel. Europlasma's vocation is to design, build and operate the numerous applications spawned by this unique process for the benefit of people and their environment.

Today, the Group's three divisions all use this proprietary technology:

- Torch & Process: Design, manufacture and marketing of multi-sector plasma solutions;
- Inertam: Recovery of hazardous waste (asbestos);
- CHO Power: Turnkey supply and operation of clean energy generation facilities, a highly strategic business positioned at the heart of the energy transition.

In recent years, the start-up of the first plant for generating electricity from waste and biomass by improved gasification, based in Morcenx (France), met with delays that repeatedly set back its provisional acceptance. These delays led to significant cash flow problems for Europlasma and drove it to make major strategic, financial and operational decisions in 2013.

Today, under the leadership of its new Managing director Jean-Eric Petit, Europlasma is a fully operational group with a clear strategy focused on the commercial deployment of the innovative applications that stem from its patented technologies, addressing current energy and environmental issues in markets boosted by favourable regulatory changes.

Promoting plasma technology

Driven by innovative processes designed and implemented by Europlasma in recent years, such as the containment of radioactive waste, plasma torch technology is attracting growing interest from manufacturers looking to improve their environmental and energy performance. This interest is evidenced in particular by the studies commissioned in recent months from Europlasma on topics such as the vitrification of fly ash (Chinese customer), the purification of blast furnace gas and the production of biofuels (European customers). Renewed efforts to promote plasma technology will open up new horizons in different sectors and regions.

Recovery of asbestos waste: a more reliable and operational facility

Inertam has the only plant for destruction by vitrification and recovery of asbestos waste in the world. Since 1994, the plant has treated more than 90,000 tonnes of asbestos waste and has been authorised to treat 8,000 tonnes per year. Inertam is continuing its efforts to improve the operational performance of the plant, optimise the supply of asbestos to be treated, recycle the product of the vitrification process and offer the Group the benefits of its operating experience. In addition, Inertam is expected to benefit from changes in European legislation for treatment centres and inertisation of waste containing asbestos with the progressive ban on sending this to landfill.

Converting waste into clean energy and contributing to the energy transition

In the clean energy sector, CHO Morcenx, the first plant designed and built by CHO Power, represents a major competitive advantage, despite the delays in its completion. With energy transition now a major issue for industrialised countries, the CHO Morcenx plant is an industrial showcase which has aroused widespread interest due to its excellent thermal and electrical performance, compact size, low environmental impact and ability to handle a wide range of fuels. Final acceptance of the plant is scheduled for early 2015. Europlasma now aims to roll out CHO Power technology on a large scale, with steps to build a second plant already being taken.

Raising funds to ensure the deployment of the value creation strategy

Having completed its reorganisation, Europlasma is launching a capital increase to:

- consolidate the Group's current debt structure by converting the bridging loans granted by its main financial partners since late 2012;
- finance the reinvestment in the CHO Morcenx plant needed to improve its performance and provide working capital during the ramp-up period;
- complete the Group's recovery and provide it with the means of leveraging the growth opportunities available in all of its business segments, notably by financing a second vitrification furnace for hazardous waste treatment if the significant growth opportunities expected in view of the European Parliament Resolution of 14 March 2013 materialise;
- finance the share of the Group's investment in the next CHO Power plant by the end of 2015 based on the provisional roll-out schedule. This share, for an estimated €4m, will initially be placed in an escrow account for the benefit of CHO Morcenx, to serve as cash collateral provided by the Group under the CHO Morcenx construction contract, and will gradually be released by CHO Morcenx under the agreed terms.

Principal terms of the capital increase

If fully subscribed, the Europlasma capital increase will create 34,705,519 new shares representing gross proceeds of €27,764,415.20.

The subscription price is €0.80 per share, to be paid up in cash or through the offsetting of receivables, representing a discount of 62% based on the last price quoted on 22 September 2014.

The capital increase, in which ARKEON Finance will act as lead manager, will be conducted with preferential subscription rights. Therefore, at the close of market trading on 24 September 2014, Europlasma shareholders will receive one preferential subscription right for every share held. **Three new shares may be subscribed for with every two preferential subscription rights held between 25 September and 23 October 2014.** During this period, the preferential subscription rights can be traded on Alternext Paris under ISIN code FR0012160646. Excess subscription requests are permitted, but remain subject to reduction in case of oversubscription.

Settlement/delivery of the new shares is scheduled for 4 November 2014. The new shares will carry dividend rights from the date of issue and will be fungible with existing shares and traded under the same market listing from 4 November 2014.

Subscription commitments

The capital increase has received subscription commitments totalling €15.6 million, including, in the form of excess subscription requests, the conversion to Europlasma shares of loans from the Group's main financial partners. In the event that the number of subscriptions as of right means that these requests cannot be fulfilled, the Company will make use of the authorisation granted by the annual general meeting on 1 September 2014 to fulfil subscriptions from lenders that have not been met. This reserved capital increase will be subscribed for at the issue price of €0.80/share by offsetting receivables. The amount of the capital increase will be at least €0.7 million and could be as much as €13.7 million.

Principal terms of the issue of the two warrant tranches

At the close of market trading on 6 November 2014, Europlasma will issue redeemable share warrants (BSAR) in two tranches, allotted free of charge to each shareholder whose shares have been registered at the close of trading on 4 November 2014. Each shareholder will receive one "BSAR A" warrant and one "BSAR B" warrant, to be listed on Alternext under two separate listings.

Their characteristics are as follows:

BSAR A

ISIN code	FR0012160653
Exercise price	€0.80
Exercise ratio warrants held	One new share may be subscribed for with every two BSAR A
Exercise period	Three years, or from 6 November 2014 to 6 November 2017
Early redemption clause	From 6 November 2015, Europlasma may proceed with the early redemption in whole or in part of the outstanding warrants at the unit price of €0.01, if the product of (i) the average (weighted by trading volumes) closing price of Europlasma shares on 10 of the 20 trading days preceding the date of publication of the notice of early redemption and (ii) the exercise ratio in effect on said trading days exceeds €1.05, or 130% of the exercise price.

BSAR B

ISIN code	FR12160661
Exercise price	€1.30
Exercise ratio warrants held	One new share may be subscribed for with every four BSAR B
Exercise period	Five years, from 6 November 2014 to 6 November 2019
Early redemption clause	From 6 November 2017, Europlasma may proceed with the early redemption in whole or in part of the outstanding warrants at the unit price of €0.01, if the product of (i) the average (weighted by trading volumes) closing price of Europlasma shares on 10 of the 20 trading days preceding the date of publication of the notice of early redemption and (ii) the exercise ratio in effect on said trading days exceeds €1.70, or 130% of the exercise price.

Public information

The Prospectus, which received AMF approval No. 14-512 on 23 September 2014, comprises (i) the Europlasma Registration Document filed on 26 August 2014 with the AMF under no. R. 14-051, (ii) a securities note and (iii) a summary of the Prospectus (accompanying the securities note).

Copies of the Prospectus are available free of charge from Europlasma's head office at 471 Route de Cantegrit Est - BP 23 - F-40110 Morcenx, on the Company's website (www.europlasma.com) and on the AMF website (www.amf-france.org).

Investors' attention is drawn to the risk factors contained in section 3.4 of the Registration Document and section 2 of the securities note.

About Europlasma

Europlasma is a French Group operating in the clean technologies and renewable energy production industries. Founded in 1992 to apply its proprietary plasma torch technology to hazardous waste destruction, it is now built on the following three business units:

- > **Europlasma** is a world-wide supplier of plasma heating systems and related applications
- > **CHO Power** is a producer of electricity from waste and biomass gasification.
- > **Inertam** is the global specialist in the destruction and recycling of asbestos and hazardous waste

<http://www.europlasma.com> [Alternext - NYSE Euronext Paris – Mnemo : ALEUP – Isin : FR0000044810]

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For the purposes of this provision, an "offer to the public" in relation to the new or existing shares of the Issuer in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the new or existing shares of the Issuer to be offered so as to enable an investor to decide to purchase the new or existing shares of the Issuer, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State.

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