



Europlasma announces its 2015 turnover, outlines its financial position and establishes new equity line financing to fund growth in 2016

- 2015 consolidated revenue: up 57% year-on-year to €14.1 million, with robust growth in all three group divisions.
- Strengthened and diversified sources of financing to meet cash requirements until the end of 2016 with a view to supporting its development.
- Implementation of equity line financing for a maximum amount of €10 million with Kepler Cheuvreux.

1 – 2015 results: growth in each of the group’s three activities

Consolidated revenue rose 57% year-on-year to €14.1 million in 2015, gaining from positive trends in all three segments:

- ➔ **CHO Power** (Renewable Energies) recorded full-year revenue of €555K, up €1.2 million over 2014 (loss of €596K). It is worth remembering that revenue is recognised according to the percentage of completion method, i.e. according as the CHO Morcenx project progresses.

The two additional engines due to come on stream at the CHO Morcenx plant at the end of 2016 will bring the plant to its rated capacity, lead to deliver of Final Acceptance and alter the division’s cash flow profile as a result.

At the same time, the plan to gradually roll out the other power plants is continuing, in accordance with the required administrative process. It will require specific funding suited to this type of project, which is currently being assessed and structured to protect the interests of and optimise value creation for Europlasma shareholders.

- ➔ The recovery of **Inertam** (Asbestos Waste Treatment), which began at the end of 2014, is confirmed. Revenue grew 19% in 2015 to €11.3 million, as a result of an equivalent increase in tonnages processed and improved management of production capacity.

Trends remain very promising in early 2016 with order intakes clearly on the upside, indicating the growing interest on the part of both French and European industry for neutralising the hazards of asbestos waste once and for all.

- ➔ **Europlasma Industries** (Plasma Solutions) is reporting record revenue growth to €2.2 million in 2015, from €117K in 2014, with revenues from a Chinese contract (amounting to €1.7 million). The commercial redeployment of the division is starting to pay off, as is further confirmed early in 2016 with a substantial increase in the number of studies being commissioned and renewed interest from the Chinese market.

2 - Cash position

The concurrent development of the 3 business units is still consuming cash for the time being, especially for CHO POWER until the 2 additional engines are put into operation, which will enable the CHO Morcenx plant to reach nominal capacity and economic performance.

At 31 December 2015, the group's cash amounted to €6.8 million. This includes financing of the engines spread over the financial year in accordance with the percentage of completion of the contract by the supplier.

To meet its cash requirements in 2016 to support its development, the group is implementing a funding plan that combines equity line financing with actions on working capital requirements.

3 - Equity line

The group has secured an equity line for a maximum amount of €10 million with Kepler Cheuvreux.

This equity line will enable the group to gain more leeway, diversify its sources of funding, and meet its cash requirements with flexibility.

The terms of the transaction, are given below, and an explanatory Q&A document on the equity line is available on www.europlasma.com.

Jean-Eric Petit, Chief Executive Officer of Europlasma, made the following statement: *"The growth in revenue in all three business units reflects the company's recovery strategy over the past two years. Vigorous development and recovery efforts will continue but will require additional funding in 2016. The equity line has already proved its relevance in supporting the development of other industrial companies. Through its modularity, it will provide the Group with additional visibility and comfort. Access to sufficient financing for a growth stock like Europlasma and in a tough stock market environment proves the strength of our positioning and vision, and the relevance of our operational advances."*

Terms of the transaction

This financing has a flexible structure based on two tranches: a first tranche of €5 million starting from the signature of the agreement, and a second tranche bringing the total amount to €10 million, that can be activated 6 months later.

Europlasma will control the pace of the financial support provided by Kepler Cheuvreux and may suspend or terminate the agreement at any time.

Within the framework of this system, and provided that the terms defined by the parties are respected, Kepler Cheuvreux has made a firm and final commitment to subscribe, over the next 6 months, for an amount equal to €5 million, i.e. an indicative number of shares of approximately 7,128,647⁽¹⁾, representing 10.2% of the Company's current share capital.

The issue price of new shares will correspond to the weighted average market price preceding the issue, reduced by a maximum discount of 8%. This discount will enable Kepler Cheuvreux, which does not aim to retain Europlasma's share capital, to act as a financial intermediary and to guarantee the subscription of shares as part of a firm commitment.

This transaction is implemented pursuant to the 10th resolution of the combined annual shareholders' meeting of 24 June 2015.

Should the 1st tranche⁽²⁾ be used in full, a shareholder owning 1.00% of Europlasma's capital before its implementation would see their stake decrease to 0.91% of the capital on a non-diluted basis⁽³⁾, and 0.95% of the capital on a diluted basis⁽⁴⁾.

If necessary, the implementation of the 2nd tranche will be detailed in a press release.

The number of shares issued as part of this agreement and admitted to trading will be published in a Euronext market notice and communicated on the Europlasma website.

For more information regarding the Equity Line, a Q&A is online on the company's website at the following link <http://www.europlasma.com/en/regulated-information/financial-press-releases.html>.

- (1) Based on an indicative average share price of €0.70 over the last two months
- (2) Resulting in the issue of 7,128,647 new shares
- (3) Based on 69,667,524 shares comprising the share capital of Europlasma at 10 February 2016
- (4) In the event of the issue of 63,936,129 shares from the exercise of all existing dilutive instruments (including this finance line) at the date of this press release

Disclaimer

This release contains provisional information on the best estimates of the Management at the date of their publication. This information is by nature subject to risks and uncertainties which are difficult to predict and generally outside the Group's field of action. These risks include the risks listed in the Group's reference document available on its website <http://www.europlasma.com>.

Consequently, the future performance of the Group may differ significantly from the provisional data communicated and the Group can make no commitment to the achievement of these provisional elements.

About EUROPLASMA

At the heart of environmental issues, Europlasma designs and develops innovative plasma solutions for renewable energy generation and hazardous waste recovery, as well as related applications for multi-sector companies wishing to reduce their environmental footprint.

Europlasma is listed on Alternext (FR0000044810-ALEUP). For more information: www.europlasma.com

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