



Press Release – March 5, 2019

## 2018 ANNUAL RESULTS: STRONG PERFORMANCE

**TURNOVER INCREASED BY +13%**

**OPERATING INCOME OF €4.8M, A STRONG INCREASE OF +207%**

**OPERATING PROFITABILITY OF 20%**

**A HEALTHY BALANCE SHEET**

**VALIDATION OF STRATEGIC CHOICES  
FOR A SUSTAINABLE AND PROFITABLE MODEL**

Meyreuil (13), March 5, 2019. Global EcoPower (Euronext Growth – FR0011289198 – ALGEP) publishes its consolidated annual accounts for the 2018 financial year, marked by a +13% increase in turnover to €24.6 million, a strong increase in EBITDA (+40%) reaching €3.8 million and a net profit of €2.7 million. Operating income rose by +207% to €4.8 million. Operating profitability thus reached 19.7% for the financial year.

These results demonstrate the relevance of the Group's strategy, which aims to design ecological units with high added value, positive energy and total or partial self-consumption. Building permits for these projects are now obtained beforehand by the Group, which no longer needs to pay significant sums to acquire them. Global EcoPower is fully in line with the ecological transition.

**Jean-Marie SANTANDER, President and CEO, comments:**

« Global EcoPower celebrates its 10<sup>th</sup> anniversary this year. And we are very proud to present these results of a year rich in achievements and structuring of the group. The growth momentum and, above all, the very strong increase in the level of profitability confirms what we announced in April 2017 on the construction of a sustainable and profitable development model. Indeed, Global EcoPower now works to obtain its own building permits and creates high value-added ecological complexes implementing different power plants, which greatly improves its profitability leverage. These good results lead to a significant net profit per share of €0.41. »

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### About Global EcoPower (GEP)

Global EcoPower, a company based in Meyreuil (13), researches, designs, develops, finances and builds ecological positive energy projects that implement high value-added products and renewable energies, in particular wind and photovoltaic energy

GEP is listed on the Euronext Growth market in Paris.  
(code ISIN : FR0011289198 - mnémo : ALGEP).

GEP is eligible for PEA-PME.





In K€	31/12/2018	31/12/2017	Variation
<b>Turnover</b>	<b>24,574</b>	<b>21,792</b>	<b>+13%</b>
<b>EBITDA</b>	<b>3,758</b>	<b>2,693</b>	<b>+40%</b>
EBITDA margin (in % of turnover)	15.3%	12.3%	
<b>Operating result</b>	<b>4,844</b>	<b>1,579</b>	<b>+207%</b>
Operating margin (in % of turnover)	19.7%	7.2%	
<b>Financial result</b>	<b>-89</b>	<b>-109</b>	
<b>Net income of the consolidated group</b>	<b>2,677</b>	<b>-1,255</b>	<b>N/A</b>
Net margin (in % of turnover)	10.9%	N/A	
<b>Group share of net income</b>	<b>2,687</b>	<b>-1,255</b>	<b>N/A</b>
Group share of net margin (in % of turnover)	10.9%	N/A	

The annual accounts were approved by the Board of Directors on March 04, 2019.  
The published accounts are audited consolidated accounts.

## KEY EVENTS OF THE 2018 FINANCIAL YEAR

Global EcoPower is currently building a new generation energy complex in Payra-sur-l'Hers, Aude, which combines several power generation technologies: ground-based photovoltaic power plants, greenhouse rooftop PV plants and two cogeneration plants, representing just over 20 MW of installed capacity. The greenhouses, also built by the Group, will be used for the cultivation of spirulina (production target: 70 tons per year), a blue-green alga that reproduces by photosynthesis in freshwater basins.

The Group is responsible for all the operations of this alga-solar complex: development, financing and construction of the ecological project using positive energy and individual self-consumption. To qualify for the C13 tariff, the Group built the two cogeneration plants before October 30, 2018. The C13 tariff (for a period of 12 years) is an advantageous tariff for cogeneration producers who produce electricity and heat simultaneously. The Group now has two cogeneration plants of 4,375 kWe each, for a total of 8,750 kWe.

Global EcoPower has also acquired two companies involved in the cultivation, design of processed products and marketing of premium spirulina: La Spiruline de Normandie and Algae Natural Products. In 2018, spirulina production worldwide was estimated at 15,000 tons and is expected to grow by 11% per year, reaching 25,000 tons by 2023 (source: Roland Berger report). From now on, the Group will benefit from the skills of the founders of these two companies.

Global EcoPower has signed a 5-year (renewable) partnership agreement with the French Atomic Energy and Alternative Energy Commission (CEA). This partnership launched with the Technological Research Department of the CEA (CEA Tech) provides for a research and development program on the cultivation of microalgae under photovoltaic greenhouses, on the management and self-consumption of solar energy and on the various synergies linking these two fields.

Finally, in terms of governance, a settlement agreement was signed on October 16, 2018 between Global EcoPower and certain of its significant non-executive shareholders, under the aegis of the Commercial Court of Aix en Provence, thus putting an end to certain difficulties relating in particular to the application of the rules governing the identification and transparency of shareholding. The amount of the sale concerned 38.55% of the share capital, i.e. 2,543,300 shares.





## CONSOLIDATED ANNUAL RESULTS 2018

### ■ Consolidated income statement

The GEP group's consolidated turnover amounted to €24,574k, compared with €21,792k in 2017 (+13%). Operating income increased by +207%, from €1,579k in 2017 to €4,844k in 2018, representing an operating margin of nearly 20% compared to just over 7% a year earlier.

GEP posted a consolidated net income of €2,677k, representing a solid Group share of net margin of around 11%.

### ■ Consolidated balance sheet

In view of these good results, GEP's consolidated equity rose from €8,333k at the end of 2017 to €11,311k at December 31, 2018, i.e. an increase of nearly +39%, the number of shares in circulation having increased from 6,264,094 at December 31, 2017 to 6,598,174 at December 31, 2018. These 334,080 new shares result from the creation of 91,112 free shares granted to employees (2014 allocation program) and 242,968 shares resulting from the exercise of 200,000 share subscription warrants (BSA).

### ■ Consolidated cash position

Consolidated available cash at the end of the year went from €8,098k in 2017 to €746k in 2018. The level of working capital requirement should be assessed in a context of considering the turnover on a percentage-of-completion basis. Most of the turnover for the 2018 financial year was invoiced at the end of the financial year and was therefore not collected at that date

The development of the Payra-sur-l'Hers alga-solar complex and the obtaining of five building permits (for five power plants) at the end of 2017 led to the start of construction works in the first half of 2018 (to qualify for the C13 tariff on both cogeneration plants) and the works were financed from the Group's own equity during the period. It should be recalled that the financing of the operation required approximately €7 million of equity.

In addition, the high (one-off) level of working capital requirements is explained by the fact that GEP must ensure the construction until the establishment of bank financing (read below).

### ■ Financial debts

Financial debt was limited to €2.4M at December 31, 2018, compared to €2.6M a year earlier.

## EVENTS SUBSEQUENT TO DECEMBER 31, 2018

Global EcoPower finally opted for a single lender with whom it signed a term sheet on February 20, 2019 for the financing of the Hers alga-solar complex for a total amount of €25 million. The mandate was entrusted to a European specialist in long-term non-bank financing which manages more than €5 billion in commitments through its various debt funds and finances infrastructure projects, in particular photovoltaic plants. The company is therefore very confident in the success of this financing.

The Group commissioned a spirulina market study from Roland Berger in February 2019, which confirms the opportunities to market raw spirulina in B2B and products in B2C. Roland Berger's conclusions are as follow:

- The marketing of a raw spirulina of French origin seems attractive,
- The opportunity to market B2C products is real,
- Most of the spirulina producers in the world are specialized and address both the B2B (raw spirulina) and B2C segments;
- The production could be built around three differentiation criteria: quality, "made in France" and security of supply. The origin of spirulina and processed products, when they are well "marketed", induces a premium positioning of products and manufacturing processes.





In line with the new structure of its capital at the end of the year, and following the general meeting of December 2018, Global Ecopower structured its governance in January with a Board of Directors composed of professionals. The new Board of Directors is assisted by a Strategic Board and an Investment Board.

This new governance gives Global Ecopower the means to establish and accelerate its development.

## **PROSPECTS**

In ten years, Global Ecopower has built up an expertise recognized by industrialists, with a highly profitable business model.

New axes, linked to spirulina, offer important relays, making it possible to envisage an acceleration of growth, while preserving Global Ecopower's profitability at a high level.

