

Letter to shareholders

Champagne au Mont d'Or, Wednesday June 7th, 2023

For more than 10 years now, we have been working on a daily basis to develop low environmental impact building solutions. Our primary ambition is to become a major player in eco-materials based on green technologies.

In a turbulent economic and geopolitical environment, **Neolife** has been able to demonstrate its agility and overcome multiple obstacles thanks to the assets that are its strength. The entrepreneurial spirit, audacity and imagination of its founders **Patrick Marché and Bernard Voisin** make **Neolife** a resourceful company. Our resilience, too, has enabled us to bounce back better from this inflationary context, as demonstrated by the significant growth in sales in 2022, which continued in the first quarter of 2023 and is accelerating.

Value creation and the environment are definitely at the heart of our concerns.

A positive assessment of 2022: on the launch pad for 2023

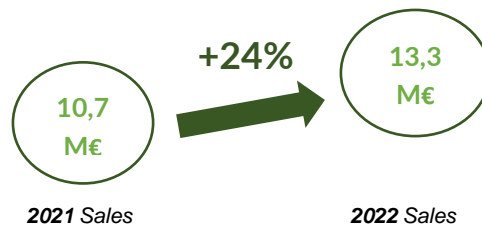
The beginning of 2022 was marked by a much-needed change in management, following the dismissal of the former Chairman of the Executive Board by the Supervisory Board at the end of 2021. The management of the company was therefore urgently taken in hand by the founders and members historically invested and committed to the **Neolife** project, by a new Executive Board in 2022 made up of:

- **Patrick Marché** (Chairman of the Supervisory Board since 2016) as Chairman of the Executive Board.
- Joined by **Bernard Voisin**, co-founder, and **Marie Berland** as members of the Board.
- And a new CFO, **Geoffroy Jestin**.

Despite a difficult economic context, marked by extreme inflation in raw material prices of +50%, and an unprecedented and unexpected lengthening of supply lead times, the Company's historic management team managed to stay the course, maintaining growth, preserving margins and ensuring business continuity at a time when so many other companies were unable to finance themselves and went bankrupt¹.

« Our resilience has enabled us to bounce back better from this inflationary context »

¹ With 3,214 procedures opened in 2022, the acceleration in bankruptcies is very strong (+78%) in the ranks of SMEs with fewer than 100 employees, according to the newspaper *Le Monde*.



On the operational front, 2022 was a highly successful year, with an unprecedented number of new contracts and the launch of numerous new projects. Thanks to its R&D investments, taken up by the current team after being neglected for several years, **Neolife** renewed its range with new offerings such as the launch of the NOMAD and LINK products.

As a result, **Neolife** was one of the few counter-cyclical players to post very strong growth of over 20%.

Unfortunately, this growth partly translated into an increase in working capital requirements, itself already impacted by deteriorating market conditions. Faced with this urgent need for cash to finance growth and honor our commitments - notably repayment of the PGEs - we had to find fast, flexible financing. As we were unable to rely on a conventional capital increase due to the disrupted stock market environment and the necessary timetable for implementation, or to consider bank financing, we were forced to opt for an alternative solution via an OCEANE (Obligations Convertibles ou Echangeables En Actions Nouvelles ou Existantes) issue contract, while being aware of the related dilutive impact for the Company's shareholders, including founders and managers.

In view of this dilutive impact, the Company has limited this OCEANE financing program to a nominal amount of €2 million, far from market practice in this area. It should be noted that the OCEANE bonds drawn down under this financing program represented a total nominal amount of €1.5 million.

In addition to its dilutive impact, this financing, which was necessary to maintain operating levels, resulted in an exceptional financial charge of €3 million, which increased the Company's losses in 2022 at a time when the Company could have maintained its profitability close to breakeven.

Management has taken responsibility for this financing in order to ensure **Neolife's** development, without compromising the Company's viability by generating heavy future financial commitments.

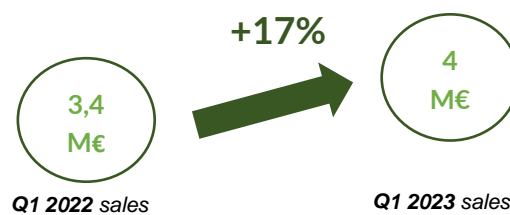
To date, all the OCEANE bonds issued have been redeemed or converted, and the contract has been suspended. In view of our current cash position and positive outlook, we do not envisage further recourse to this type of financing.

A very promising outlook, for a year 2023 that is already shaping up to be historic.

The founders, convinced of the future development of the business, have increased their own investment in the Company's capital and refocused governance and operations with **Patrick Marché**, Chairman of the Supervisory Board, **Bernard Voisin**, Chairman of the Executive Board, and **Marie Berland**, Executive Board member and Managing Director; a professional, motivated and close-knit team.

Neolife has made a remarkable start to 2023, enabling us to look forward to the rest of the year with confidence, despite the continuing disruption in the construction sector.

"Significant sales growth in 2022 continues in the first quarter of 2023".



New partnerships in Europe, reflected in a marked increase in export business supported by private and public subsidies, are boosting international business development, expanding the product range and thus our order book.

By anticipating energy renovation needs, **Neolife** has been a pioneering and proactive player, co-developing new 100% bio-sourced products with recognized manufacturers, and providing companies with solutions that are particularly well-suited to a booming market. Investment in R&D has resulted and will continue to result in a wider range of products, with the aim of optimizing **Neolife's** offering and thus securing profitability in a sluggish market.

This strategy, which has been in place for over a year, has been confirmed by the company's very good results achieved in the first quarter of 2023, by the referencing of some biggest names in the sector (Bouygues, Vinci, Eiffage), and the recognition of **Neolife's** legitimacy in major projects such as the 2024 Olympic Games and the energy renovation of a batch of 160 houses.

Now that the hard work has been done on the operational front, the benefits should be felt on the financial front, in terms of sales and profitability, as early as 2023.

Market capitalization well below our real valuation...

To date, the Company's valuation in no way reflects its potential. The share price has recently been impacted by dilutive financing terms, creating downward pressure on the share price. Against this backdrop, we will provide shareholders with a valuation report in the fourth quarter of 2023, enabling them to perceive the potential not currently reflected in the share price.

Furthermore, with regard to its stock market status, in order to exit the "penny stocks" category, the Company proposes to submit two additional resolutions to the vote of its shareholders at the Combined General Meeting scheduled for June 26, 2023. One concerns the adjustment of the par value of the share through a capital reduction motivated by losses, and the other concerns the possibility of implementing a share consolidation. These operations will have no impact on the value of **Neolife** shares held by its shareholders, but will enable the Company to post a share price and number of shares in line with market standards.

... a source of opportunistic positions.

For almost a year, Neolife has been confronted with the opportunistic and unsolicited actions of shareholders led by CAPRIONA SAS, which, while criticizing the terms of financing via the OCEANE bonds, is careful not to specify that it took advantage of the impact on the share price to buy undervalued shares in order to take a significant position in **Neolife's** capital.

The sole intention of CAPRIONA SAS, represented by Mr Pascal Leandri, like a vulture investor with no business vision, is to take control of the Company by proposing the dismissal of the entire Supervisory Board and the Chairman of the Management Board, and the appointment of 6 new Supervisory Board members at the next Annual General Meeting.

We are convinced that this opportunistic approach is being taken with the sole aim of dismantling **Neolife** after recovering all its intellectual property.

In support of these comments, the proposed members of the Supervisory Board have no significant experience in the bio-based materials sector, unlike the know-how acquired over more than 10 years by the founders and historic members, and to date have not addressed any written questions to the management bodies in order to gain a better understanding of the strategic choices made.

Such an abrupt change of management would spell the end of the Company, since the current management team is unanimously supported by its employees, who would find no alternative but to leave, and by its historical industrial and commercial partners, who are attached to the current management team by human ties stronger than contractual agreements, thus depriving shareholders of the fruits of the current turnaround.

We regret these actions, which are not in line with the company's interests.



neolife®
Et si on se réinventait durablement ?

This letter is therefore an opportunity to share factual and objective information with you, so that you can make an informed choice at our forthcoming Annual General Meeting, in favor of continuity of management and its strategy, the promising results of which should accelerate, rather than the unknown with investors who offer no guarantees or plans for the company's shareholders other than their own.

We are therefore counting on your support at the Annual General Meeting scheduled for **June 26, 2023**, as this will be crucial to the long-term future of the Company and your investment.

***« If we win, nobody will care.
If we lose, there will be nobody to care. »
Winston Churchill 1941***

We are confident about the future.
Thank you for your loyalty and trust.

Mr Bernard Voisin
Chairman of the Board
Founder of Neolife

Mr Patrick Marche
Chairman of the Supervisory Board
Founder of Neolife