



## Strategic transformation plan

**Clermont-Ferrand, 11 December 2023** - (FR0004177046 METEX), METabolic EXplorer (METEX), the expert in industrial fermentation for the production of bio-sourced ingredients for the animal feed, cosmetics and biopolymers markets, provides an update on the next steps in its transformation plan.

As published, the Group's sales during the 2023 financial year faced important headwinds within a difficult economic environment. On the one hand, the prices of sugar and energy, the main fermentation costs, were at very high levels. On the other hand, the slow economic recovery in China has led to a slowdown in demand for lysine on the Chinese domestic market, and consequently to an increase in lysine exports to Europe at low prices. This competitive pressure continued to intensify during the year, reinforcing the need for the Group to consider rapid repositioning its offering towards specialities and to broaden its product mix for applications other than animal nutrition.

This unprecedented situation calls for a rapid response from the Group.

In this context, METabolic EXplorer has appointed Rudolph Hidalgo as Executive Vice President, with a key mission to lead the execution of the transformation plan and identify new business opportunities while strengthening the Group's operational efficiency.

At the same time, METabolic EXplorer has initiated consultations with its employee representatives for implementing partial activity measures aimed to rapidly adapting production volumes produced in Amiens and Carling sites. Proposed for a renewable period of 3 months, these measures will give the Group the flexibility it needs to cope with the continuing impact of the current economic situation, while continuing to meet customer demand over the coming months. Business activity will therefore continue to operate normally.

**In addition to this new stage**, the Group needs to speed up the implementation of its transformation plan towards specialities. Measures have already been taken to stimulate value-added sales:

- The debottlenecking of tryptophan production capacity, which is currently saturated, should soon be operational. This speciality, which is more complex to synthesise than other amino acids on the market, is less available on the market and therefore benefits from high prices.
- The launch of new specialities, in particular glycolic acid (GA) in progress for the industrialisation. As a reminder, METEX bio-sourced glycolic acid, produced by fermentation, would be a world first, eagerly awaited by the cosmetics industry.

With regard to reducing the burden of costs, the priorities are to :

- Diversify the types of sugar that can be used in the manufacture of its production,
- Improving tool flexibility and industrial performance,
- Continuing to optimise fixed costs,
- Improving the energy efficiency of processes.

The Group is accelerating its transformation plan and seeking other levers to restore profitability and secure financing. METEX has mobilised stakeholders across Europe to re-establish mechanisms for healthy competition.

**These efforts should enable METEX to continue to offer a value proposition in line with France's and Europe's commitments to food sovereignty, the reindustrialisation of regions and the decarbonisation of the economy.**

- END -

**Next event:**

*15 February 2024: Sales for the 4<sup>th</sup> quarter 2023 and full year 2023*

**About METabolic EXplorer – [www.metabolic-explorer.com](http://www.metabolic-explorer.com)**

***Contributing to the ecological transition through innovations for the production by fermentation of functional ingredients used in the manufacture of consumer goods.***

Using renewable raw materials, the Group develops and industrialises innovative and competitive industrial fermentation processes as an alternative to petrochemical processes to meet consumers' new societal expectations and the objectives of the energy transition.

Its two industrial units, METEX NØØVISTAGO and METEX NØØVISTA, allow the METEX Group to achieve its ambition of becoming one of the world leaders in functional ingredients produced by fermentation for the formulation of cosmetic products, animal feed or the synthesis of biopolymers market 1,3 propanediol (PDO) and butyric acid (BA).

Based at the Clermont Limagne technology park, near Clermont-Ferrand, METabolic EXplorer is listed on Euronext in Paris (Compartment B, METEX) and is included in the CAC Small Index.

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