



## 2016 annual results

A financial year marked by the sale  
of the inoLa™ / L-methionine process to Evonik

> Gross sale price of €40 M

Sharp increase in cash

> Net cash position of €35 M at the end of 2016

**Clermont-Ferrand, 28 March 2017** – (FR0000032526 GBT), METabolic EXplorer (METEX), an industrial biochemistry company specialising in the development and marketing of industrial fermentation processes is reporting its audited consolidated annual results for the 2016 financial year.

### Highlights of the financial year:

- **Sale of the inoLa™ process**

In December 2016, METEX sold its inoLa™ process, based on its L-Methionine technology, to the German industrial group EVONIK for €40 M. METEX also signed a transfer service and technological support contract with EVONIK for €5 M paid over two years. This sale brings new opportunities for cooperation between the two companies in R&D for biologically produced amino acids.

- **PDO / Butyric acid process**

In 2016, METEX had various discussions to assess the feasibility of building a proprietary plant at an existing industrial platform in France. This plant would address the speciality segments of the PDO and butyric acid market.

In August 2016, METEX also signed a memorandum of agreement to cooperate with TECHNIP/Zimmer in assessing the feasibility of an offering combining the sale of licences of the respective PDO and PTT technologies.

- **MPG technology**

In 2016, METEX continued the development of MPG with the Finnish group UPM on a technology using 2G sugars.

During its meeting on 24 March 2017, the Board of Directors approved the financial statements for the period ended 31 December 2016.

|  | <b>31/12/2016</b> | <b>31/12/2015</b> |
|--|-------------------|-------------------|
| <b>Turnover</b>                                    | <b>1,919</b>      | <b>684</b>        |
| <b>Other operating income</b>                      | <b>42,356</b>     | <b>2,126</b>      |
| Operating expenses                                 | 11,031            | 9,666             |
| Other operating expenses                           | -20,243           | 0                 |
| <b>Net income from ordinary operations</b>         | <b>13,001</b>     | <b>-6,856</b>     |
| Provisions and extraordinary operating expenses    | -2,610            | -72               |
| <b>Net operating income</b>                        | <b>10,391</b>     | <b>-6,928</b>     |
| Net cost of financial debt/ translation adjustment | -152              | 2                 |
| Tax expense (-) / income                           | -3,616            | -56               |
| <b>Overall net income</b>                          | <b>6,623</b>      | <b>-6,982</b>     |

The audit procedures for individual corporate financial statements under IFRS were carried out. The statutory auditors' certification report is being prepared.

## **Results marked by the sale of inoLa™ / L-Methionine**

Turnover for 2016 totals €1.9 M corresponding to the contractual revenues from the development agreement signed with the Finnish group UPM, a world leader in the forestry and paper sector, and the first invoicing established with EVONIK as part of the service contract signed on 6 December 2016. The other operating income comes mainly from the proceeds of the sale of the inoLa™ asset for €40 M.

Excluding capitalised R&D expenses, operating expenses increased by 6.5% corresponding to the latest work performed in animal nutrition and contributing to the development of the inoLa™ process before its sale.

Other operating expenses mainly correspond to expenses related to the sale of the inoLa™ asset, accounting for €13.7 M (net book value, expenses related to the sale), and the provision for the contribution to be paid to Roquette Frères as part of the development of the inoLa™ asset for a maximum of €6 M. Net operating income thus totals €13 M.

Overall net income totals €6.6 M. It includes a tax expense of €3.6 M and a non-recurring provision for €2.6 M corresponding to the Lebas/Bio-XCell dispute, which the Group plans to appeal (press release of 9 March 2017).

## **A solid financial structure**

METEX's financial structure was strengthened with shareholders' equity increasing from €50 M at 31 December 2015 to €56 M at 31 December 2016.

Over the period, net cash flows generated from operations were higher with a closing cash balance of €41.8 M. Taking into account -€6.9 M in debt (property leases, repayable advances, etc.), the net cash position is €35 M.

The PACEO® equity financing line, renewed in June 2015 and expiring in June 2017, was not used. The company announces that it has no intention to draw funds on this PACEO® financing line.

## **2017: a new chapter for the group**

METEX will present its new development plan to the financial community on 12 May 2017.

According to Benjamin Gonzalez, Chairman and Managing Director of METEX, *"2016 was a pivotal year in METEX's road map. With the sale of the inoLa™ asset, the industrial maturity of our solutions is confirmed, and our visibility on the market is strengthened. By giving ourselves the means to achieve our ambitions, we have the opportunity to initiate a new cycle of development driven by new strategic priorities that we will soon present to investors"*.

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

A pioneer in industrial biochemistry with some 20 years of experience, METabolic Explorer (METEX) develops alternative solutions to the petrochemical processes used in manufacturing. Using renewable raw materials, it develops innovative industrial fermentation processes to produce chemical compounds used in basic products of everyday life such as animal nutrition and health additives, plastics, textiles, cosmetics, and resins, among many others.

The company's ambition with its biotechnological innovations is to produce consumer goods in a different way, without oil, in order to meet environmental challenges and consumers' new societal expectations.

To create these innovative processes, METabolic EXplorer relies on a 70-person staff possessing the complementary competencies essential at every step of their development, from the optimisation of strains in the laboratory to the pilot-scale production of samples.

Based at the Clermont Limagne technology park, on the outskirts of Clermont-Ferrand, METabolic Explorer is listed on Euronext in Paris (Compartment C, METEX) and is included in the CAC Small Index.

*Get free financial information on METabolic EXplorer by registering with:*

[www.metabolic-explorer.com](http://www.metabolic-explorer.com)

### **Investor relations – ACTIFIN**

Benjamin LEHARI  
Tel. + 33 (0) 1 56 88 11 11  
E-mail : [blehari@actifin.fr](mailto:blehari@actifin.fr)

### **Media relations – ACTIFIN**

Isabelle DRAY  
Tel. + 33 (0) 1 56 88 11 29  
E-mail : [ldray@actifin.fr](mailto:ldray@actifin.fr)