



Focus of the R&D resources towards the PDO/BA Carling project support

- › Decision to defer the MPG production process development, in spite of METEX having achieved key results for the process performance
- › R&D resources focused on the development of a products portfolio in addition to PDO and BA, targeting the animal feed & health and the cosmetics segments – these high value-added markets are the priority axis for the Group

Clermont-Ferrand, 22 March 2018 - (FR0004177046 METEX), METabolic EXplorer (METEX), an industrial biochemistry company specializing in the development and marketing of industrial fermentation processes for a sustainable chemical production, updates its R&D priorities.

In line with its operating plan and following the announcement on January 29 2018 of its decision to invest on the Carling Saint-Avold (Moselle) platform in order to build and operate a 1.3 propanediol (PDO)/Butyric Acid (BA)¹ plant, METEX aims at enhancing the products in its portfolio that will directly contribute to valorizing its project for the animal feed & health and the cosmetics markets.

Accordingly, the MPG-process R&D program no longer appears as a priority in the METEX strategy.

METEX and UPM have thus jointly decided to defer their joint development project aiming at producing MPG from second-generation cellulosic sugars from wood.

Available R&D resources will be focused towards the short term success of the PDO/BA industrialization, the most advanced process in the Group, along two axis:

- Raw material diversification, in order to deploy the technology on a global geographical basis, whether through own-production or through licenses. The aimed ambition is to offer on these markets natural ingredients made from various plant-based resources, including cellulosic sugars coming from wood.
- Development of a products portfolio in addition to PDO and BA in order to strengthen the company's value proposition to supply natural ingredients to the animal feed & health and the cosmetics markets and thus leverage its marketing actions on these markets.

¹ Provided that the last public financing aids needed to allow this petrochemical site to welcome a first industrial biochemistry unit are granted before June 30 2018.

This agreed-upon deferment decision occurs in spite of METEX having achieved key performance criteria for MPG fermentation. The advanced knowledge thus acquired about second-generation sugars fermentation will be used by METEX for the diversification of raw materials used for the PDO/BA technology as well as for other technologies under development. METEX keeps full ownership of all its intellectual property rights with a license option to UPM. Finally, the impact of this joint decision on the Valchem consortium program is currently under review by the European *BBI Joint Undertaking* and by all consortium members.

On a financial statements basis, in order to take into account the delayed calendar of the MPG technology valorization, a MPG intangible assets impairment will be booked under IFRS for an amount of approximately 7,6M€, bringing down its net value to 2,7M€. This decision has no cash impact on METEX.

Benjamin Gonzalez, METEX Chairman & CEO, declared: « *The direction set by METEX implies the industrial and marketing success of the Carling PDO/BA unit. Short term, most of our resources have to be mobilized to support this project which will bring to our shareholders the value creation they expect. The joint decision with UPM to defer the MPG development allows the two companies to reallocate their resources in an economic context that has changed since 2015.* »

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About METabolic EXplorer – 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 competitive 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 consumers' new societal expectations and the objectives of the energy transition and sustainable development.

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 optimization of biochemical catalysts in the laboratory to the industrial validation and production of samples in an industrial demonstration unit in continuous operation.

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

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