



Update on the situation

Clermont-Ferrand, 29 June 2022 - (FR0004177046 METEX), METEX, a leader in industrial fermentation for the production of natural ingredients used in the animal nutrition, cosmetics and biopolymer markets, gives an update on the persisting impact of the economic and health context on its business.

The Group is currently operating in an environment affected by strong inflationary pressure, in particular with regard to the cost of agricultural raw materials and energy, against the backdrop of the conflict in Ukraine. The gas supplies of companies thus could be impacted by recent geopolitical decisions, especially during the 4th quarter of 2022. The general increase in costs borne by our feed manufacturer customers and by livestock farmers, as well as the difficulty to pass this increase in the selling prices of livestock products on to the end consumer, are thus weighing on the animal nutrition market and on the volume of ingredients consumed.

The health situation is also difficult, with a very intensive episode of avian influenza in the first months of 2022, which affected the farms of the South-West and the Vendée basin in France, as well as the production basins in Italy and Poland. With the slow exit from this crisis, the reduction in the number of animals on farms is contributing to the decline in demand for amino acids.

These strictly exogenous elements had, as early as last month¹, led METEX to express caution when reiterating its profit forecasts for the current financial year, in a context offering little visibility and subject to unprecedented volatility.

For example, the Group's annual negotiations with sugar producers, which are expected to negatively impact profitability in the 4th quarter, are still underway, which is unusually late.

In this environment of increasing uncertainty, the Group now anticipates a reduction in sales volumes and a significant impact of raw materials costs on its Group EBITDA, leading it to consider a negative Group EBITDA and to suspend the 2022 guidance previously communicated¹. At this stage, the Group has not included any government aid in its forecasts, notably from the resilience plan for companies with high electricity and gas consumption.

Further information will be provided to the market at the publication of H1 2022 results.

This new environment underscores the relevance of METEX's strategy aimed at the industrial transformation of the Amiens site towards higher value-added specialty products. Thus the PDO produced at the Carling site, although also affected by the rise in raw material prices, is not subject to an erosion of demand.

¹ See press release of 5 May 2022 on the financial information for Q1 2022: METEX had announced at the time that it was maintaining, albeit with caution, its annual consolidated sales forecast of €350 million and consolidated EBITDA margin forecast of close to 8%.

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Upcoming events:

28 July 2022 – Q2 2022 revenue
30 September 2022 – H1 2022 results

About METabolic EXplorer – www.metabolic-explorer.com

Contribute to the necessary ecological transition by developing new, innovative ways of using fermentation to produce functional ingredients for the manufacture of consumer goods.

Using renewable raw materials, METabolic EXplorer (METEX) develops and industrialises innovative and competitive industrial fermentation processes as alternative to petrochemical processes to meet consumers' new societal expectations and the objectives of the energy transition. Its functional ingredients of natural origin are used in the formulation of cosmetic products, nutrition-animal health or as intermediates for the synthesis of biomaterials.

The METEX NØØVISTA production unit, co-owned by METabolic EXplorer and Bpifrance, located in Carling (Moselle), allows the METEX Group to bring 1.3 propanediol (PDO) and butyric acid (BA) on the market.

The acquisition of AANE, which has become METEX NØØVISTAGO, the leading European producer of amino acids for animal nutrition, located in Amiens, enables the METEX Group to realize its ambition to become one of the world market leaders in functional ingredients produced by fermentation.

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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