



Green light for the construction of the METEX NØØVISTA production unit at Carling Saint-Avoid

- All conditions precedent are lifted
- Agreements with the platform stakeholders are signed
- Financing of METEX NØØVISTA with Bpifrance has closed

Clermont-Ferrand, 19 December 2018 - (FR0004177046 METEX), METabolic EXplorer (METEX), an industrial biochemical company specialising in the development and industrial application of green and sustainable fermentation processes announces the closing of the agreement providing METEX NØØVISTA with the financing for the construction and operation of the PDO/BA production plant.

METEX NØØVISTA will be located at the Carling Saint-Avoid platform in the Moselle department and will operate a plant there for the bio-based production of 1,3 Propanediol (PDO) and butyric acid (BA), two natural molecules of natural origin with applications in the cosmetics, animal nutrition and health, and bio-based polymers industries (e.g. textiles). The first stage of this plant will have a capacity of 6kt (5kt of PDO and 1kt of BA) and directly create 48 new jobs. This plant will be an example of industrial jobs creation in France, thanks to a technology initiated by an originator patent of INRA (*National Institute of Agronomic Research*) and industrialized by a SME.

After obtaining the prefectural order from the environmental authorisation for the plant's operation (*Autorisation Environnementale d'Exploiter*) on 10 December 2018, and signing various agreements with the platform's stakeholders (leases, utility contracts, etc.), all conditions precedent have been lifted, thus allowing the financing agreements concluded between METEX NØØVISTA and Bpifrance-managed Société de Projets Industriels (SPI)¹ to enter into force. METEX NØØVISTA now has the financing needed to start the construction of the first biochemical production unit at the Carling Saint-Avoid site.

Benjamin Gonzalez, Chairman and CEO of METEX says: *"This is excellent news for all the stakeholders, many of whom have contributed to reaching this goal. I want to warmly thank them and my team members, who have been working for several months to undertake this first biochemical project at the Carling Saint-Avoid platform. Bpifrance's decision to invest along with us in the creation of METEX NØØVISTA, which will implement the technology and market the PDO and BA, attests to the economic competitiveness of our bio-based processes. These processes will also contribute to the crucial ecological transition by meeting the needs of manufacturers who are searching for high performance, quality, and more broadly, naturalness in markets such as cosmetics, animal nutrition, and human nutrition.*

¹ The SPI investment fund is underwritten by the Programme d'Investissements d'Avenir and the European Investment Bank.

The industrial phase has now been reached thanks to the efforts and the innovation of the METEX teams, which are contributing each day to the development of alternative processes for producing the essential products of everyday life in new and more sustainable ways."

Execution of the investment agreement with Bpifrance's SPI investment fund

With all conditions precedent lifted, METEX and Bpifrance are now able to execute the investment agreement signed last June, thus allowing to start the construction of the METEX NØØVISTA production unit.

METEX and SPI will invest, respectively, €17.15 million and €19.75 million in cash in three instalments over a two-year period to cover the €37 million required for the project's first phase (CAPEX: €29 million; WCR, contingencies and diverse start-up expenses: €8 million). These investments will cover the construction, the start-up, and the commercial exploitation of the PDO/BA technology, with an annual capacity of 6kt. The financing required to adapt the site for the first industrial biochemical unit (building, utilities, studies), will be provided by the project stakeholders, i.e., the Total group, the French state, the Greater East region and the Communauté d'Agglomération de Saint-Avold Synergie.

In addition to its cash investment, METEX is granting an exclusive worldwide licence as well as sub-licencing rights for the PDO/BA technology to METEX NØØVISTA. The licencing agreement calls for the conversion into capital of €7 million of debt held by METEX, corresponding to the payment by METEX NØØVISTA of an up-front fee for an annual 6kt in the first stage.

With these cash investments and the reward for licencing, METEX will thus invest a total of €24.15 million, while Bpifrance's SPI fund will invest €19.75 million in cash, thus giving them, respectively, 55% and 45% stakes in METEX NØØVISTA.

As a result of these investments, finalisation of the construction and start of the operations of the first stage 6kt PDO/BA plant are planned to be completed in the course of the second half of 2020.

Along with METEX NØØVISTA's use of the technology, there will be a payment to METEX of royalties on PDO and BA sales and an eventual additional valuation of the technology when the project moves into the second stage, with capacity increasing to 24kt/year (20kt/year of PDO and 4kt/year of BA). This could occur two years after the start of the first stage. The launch of this second stage will require additional financing.

METEX's ambitions

As a reminder, the PDO/BA technology developed by METEX is a disruptive technology that employs a single process to obtain two distinct products – PDO and BA – each of which is intended for different markets where performance and naturalness are differentiating and highly valued characteristics.

These two products will meet needs in the following markets:

- **The market of functional ingredients in cosmetics**, worth about €13 billion². METEX PDO is a multifunctional ingredient that can replace in particular the controversial preservatives such as parabens and glycols when it is used as an emollient. METEX has a decisive advantage in this market owing to its unique product – a GMO-free PDO made in France – which addresses to the growing demand from the leading cosmetics brands for natural, GMO-free alternatives to petrochemical-based products.
- **The global market for organic acids used in animal nutrition**, estimated to be worth more than €1 billion³. METEX BA is an additive used in animal nutrition for its nutritional, metabolic, and antimicrobial properties, which promote healthy growth in animals. Sales of this organic acid are growing rapidly (by a factor 2.5 since 2010), driven by the willingness of major prescribers to ensure that consumers are buying products made from animals raised without antibiotics.
- Last, PDO production will give METEX an entry into the **world market for bio-based polymers**, which is worth approximately €15 billion⁴. METEX PDO is also a monomer found in the composition of polyesters and high-performance polyurethanes. It is used in particular for the manufacture of PTT, a polyester that is going to be more and more widely used thanks to properties that make it superior to PET and that meet the growing demand from upmarket brands for bio-based, high-performance textile fibres.

With this production unit, METEX will be able to market PDO and BA through its subsidiary METEX NØØVISTA either directly or through distribution agreements or, in the case of PDO for polymers, through licencing agreements. Effective commercialisation is scheduled to begin late in the second half of 2020 (plus or minus three months).

METEX's goal is to become the leading producer of GMO-free PDO used in cosmetics and the leader in natural butyric acid for animal nutrition.

In parallel, METEX is continuing to broaden its portfolio of products that are complementary to PDO and BA to strengthen the value offer of the company as a supplier of natural functional ingredients, in particular for cosmetics and for animal nutrition and health products.

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^{2 3 4} Source: Advancy analyse and expertise

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 feed 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 optimisation 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.

Get free financial information on METabolic Explorer by registering with:

www.metabolic-explorer.com

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About the SPI Industrial Projects Company fund

Managed by Bpifrance on behalf of the French State as part of the PIA Future Investments Programme, the purpose of this fund is to enable industrial projects with the best prospects for business and employment in industrial sectors to find support for their development.

The fund acts as a prudent equity investor in project companies with industrialisation projects selected for their growth potential, the industry's current position and their contribution to environmental and energy transition. It therefore constitutes one of the financial levers of the 'New Industrial France'.

About Bpifrance

Bpifrance offers to businesses a large range of financing opportunities at each key step of their development through loans, guarantees and equity investments. Bpifrance provides support to their innovation projects and to their international expansion. Bpifrance also accompanies firms developing export activities. Consulting, university, networking and acceleration program for startups, SMEs and midcaps are also part of the offer to entrepreneurs.

With Bpifrance and its 48 regional offices, businesses benefit from a powerful, efficient and close representative, to answer all their needs in terms of financing, innovation and investment.

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