



Signature of the Share Purchase Agreement (SPA) for the transfer of 100% of the capital of Ajinomoto Animal Nutrition Europe (AANE)

- Favourable opinion from the employee representative bodies
- No condition precedent
- Completion of the transaction expected in the coming weeks

With this agreement, METEX is taking another step towards achieving its ambition to become one of the global market leaders in functional ingredients produced by fermentation.

Clermont-Ferrand, 15 April 2021 – (FR0004177046 METEX), METabolic EXplorer (METEX), a specialist in the design, development and industrialisation of environmentally responsible bioprocesses to produce functional ingredients, announces that it has signed a Share Purchase Agreement with Ajinomoto Co., Inc., with a view to acquiring 100% of the shares of its European subsidiary, Ajinomoto Animal Nutrition Europe (AANE). This signature follows the entry into exclusive negotiations announced on 26 February, and the obtaining of a unanimous favourable opinion by the employee representative bodies of both METEX and AANE.

“I am very delighted to announce the signature of the Share Purchase Agreement to acquire the Europe's top producer of amino acids by fermentation. The quality of the discussions and talks held with both entities' employee representatives soon gave us an idea of the teams' enthusiasm and excitement about this new project and I would like to thank them sincerely. Their commitment and motivation will be decisive assets in creating together the European mid-size company reference in the field of industrial biochemistry.” declared Benjamin Gonzalez, founder and Chief Executive Officer of METEX.

Strong complementarity for a value-creating industrial project

The new METEX organisation will incorporate upstream Group's well-established R&D and pre-industrial demonstration expertise and, downstream, the manufacturing infrastructure, sales force and distribution networks of AANE and METEX NØØVISTA to become the number one integrated European maker of naturally derived functional ingredients produced by fermentation.

METEX will bring its expertise in the development of bioprocesses to manufacture functional ingredients in high-value-added markets. Having invested over €90m in R&D since its inception, METEX has acknowledged expertise in developing patented fermentation strains and managing processes at the pre-industrial stage.

The new METEX organization (including AANE and METEX NØØVISTA) would comprise 450 employees with annual production capacities of more than 100 kt at Amiens for amino acids and 6 kt of PDO (1-3 propanediol) and BA (butyric acid) at Carling Saint-Avoid.

An acquisition price financed from equity resources

METEX specifies that the terms of this acquisition agreement correspond exactly to the information communicated at the time exclusive negotiations were entered into. The acquisition of 100% of AANE's shares for the total sum of €15m will be paid by METEX from its own equity in two instalments: €8m upon closing and €7m within 6 months of closing. The price of the transaction reflects, in particular, the need for a buyer wishing to be able to sustain an industrial activity at the Amiens site of having already invested in order to provide the R&D needed to support the evolution of the site's product mix.

Creating strong value for all stakeholders in the new METEX

The METEX industrial plan would be to industrialise in Amiens its technologies under development in its ALTANØØV platform, with a goal to industrialise one new process each year. As a reminder, ALTANØØV natural ingredients portfolio addresses the cosmetics, animal feed and biopolymer markets, whose combined value is estimated at €16bn². This industrial project would contribute to sustain the Amiens site and its employment level.

The first investment decision for the Amiens site would be taken before the 2021 year end in order to industrialise the METEX natural glycolic acid (GA). This investment, amounting to c. €25m, would be part of the French government's *Plan de Relance*: indeed, in this *Plan de Relance* frame, METEX has already been awarded a €9.6m grant to finance the expenses of final studies and GA investment. Prior to this decision, the glycolic acid technology would be licensed by METEX to its new subsidiary under standard market terms and conditions (initial upfront payment in addition to royalties proportional to turnover).

The main amino acid produced at the Amiens site is Lysine, a now commoditized amino acid. The METEX industrial plan for this site, being to support the production of new amino acids for animal production and to introduce its new speciality products there, would thus lead to reduce the volatility in average selling prices. The first effects of this product repositioning should be felt as early as 2023.

To market these new products, the new METEX will build on the sales force and distribution networks of each of its entities. In line with the training plan in place at AANE, these METEX technologies transfers and new products introductions would trigger new skills development programs for all employees.

In the medium term, this diversification strategy bolstered by growing markets should generate approximately €250m in annual revenue for an EBITDA in excess of 7%.

Given the signing of a mutually binding share purchase agreement and the absence of conditions precedent, the transaction is now expected to be completed in the coming weeks.

Next financial appointments:

April 29: Annual Financial Report (2020 accounts)

May 4: Q1 2021 revenue

June 28: General Assembly

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About METabolic EXplorer – www.metabolic-explorer.com

Using renewable raw materials, the company 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 start in progress of its first production unit, through its subsidiary METEX NØØVISTA, will bring 1.3 propanediol (PDO) and butyric acid (BA) on the market.

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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