



## **METabolic EXplorer in 2011: Major industrial progresses on three products**

**Clermont-Ferrand, 22 March 2012** – METabolic EXplorer, a green chemistry company that specializes in the development of bioprocesses for the production of chemical compounds used in a wide range of everyday products (textile fibres, paints, solvents, animal feed supplements, adhesives), today presents its financial results for 2011.

### **2011 highlights**

Among 2011's highlights were major industrial progresses on three products. They are PDO, which will make METabolic EXplorer the first company to enter Southeast Asia with this compound; L-Methionine, for which the next stage is the launch of studies for large-scale industrialisation; and MPG, which entered the industrial pilot stage.

These three breakthroughs reflect METabolic EXplorer's potential for industrial commitment, both on its own and through long-standing and future partnerships.

### **Intellectual property: first trademark**

In 2011 the company strengthened its portfolio of existing projects, especially PDO, MPG and L-Methionine, and also new products. The intellectual property portfolio was optimised to limit overlaps between different patent families. Investment during the year amounted to €0.9 million, taking the company's IP assets to 54 patent families and 357 titles.

More importantly, 2011 also saw the launch of the first trademark for PDO: Texerol™.

### **Industrial products and developments: substantial results reflecting the company's growth model**

Market trends for listed industrial biotech companies show that having solid assets and proprietary resources is vital if a firm wants to keep command of its own future. METabolic EXplorer stresses that its strategy is based on the ability to deliver marketable solutions at the industrial level, either on its own or through long-standing and future partnerships.

That strategy is reflected in the industrial progress made on the three most advanced products:

**MPG:** As part of the Bio2Chem collaborative green chemistry project\*, METabolic EXplorer received €1.4 million from OSEO in the course of the year. The payment corresponds to OSEO's validation of a first key stage: completion of the intermediate fermentation process for MPG. MPG has entered the industrial pilot stage, the aim being to produce the first batches of samples and to define the process book in the near future. METabolic EXplorer points out that the lessons learned with PDO are bound to be useful for addressing the market when the time comes. Concerning commercial developments, the company has chosen joint ventures as the model for generating value on this product.

\* METabolic EXplorer is lead-manager for the Bio2Chem programme, which comprises SpecialChem, a specialist in interactive marketing and open innovation in chemistry, and Laboratoire d'Ingénierie des Systèmes Biologiques et des Procédés (LISBP) at INSA Toulouse, specialised in biochemical engineering with prokaryotes.

L-Methionine: Excellent results have been obtained in zootechnical tests with chickens and piglets. At the same time, METabolic EXplorer's long-time partner, Roquette, has taken two major decisions; to launch design studies for large-scale industrialisation of this technology and to initiate the regulatory approval process.

PDO: Aside from a recently announced slight delay in the schedule, METabolic EXplorer has pursued its contacts with end-users of PDO to meet its goal of being the first entrant in Southeast Asia. The company's ability to ultimately supply the local market with PDO – the source of PTT, used to manufacture high-performance textiles – does not alter its determination to promote this technology through a joint venture.

### **2011 annual results**

#### **Cash consumed by ordinary operations limited to €7.7 million**

Income for 2011 (income from activity, interest and tax) covers most of the expenditure for the period (R&D costs net of capitalised R&D, administrative and marketing costs). Consequently, the result for the year is a deficit of €3.4 million.

METabolic EXplorer once again showed its ability to manage rigorously. It succeeded in limiting the cash burn for 2011 to €7.7 million despite high R&D investments to underpin the development of the product portfolio. The company also stepped up capital expenditure in order to put MPG into the industrial pilot phase.

In parallel, a term deposit of €5.5 million was set up as collateral for a security in the same amount relating to infrastructures (land and buildings) at its future industrial plant in Malaysia. That sum is METabolic EXplorer's main investment for this major project, since production equipments are financed by the Malaysian government through the Bio-XCell programme.

#### **€26.9 million in gross cash at end 2011**

At 31 December 2011 METabolic EXplorer had a gross cash position of €26.9 million (excluding the €5.5 million term deposit). This is totally consistent with its requirements under the development plan.

Gross financial debt, which covers investments in infrastructures at Clermont-Ferrand (offices, laboratories and industrial pilot plant), were €13.4 million.

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

METabolic EXplorer is a biological chemistry company which was incorporated in 1999. Its goal is to help industrial businesses deal with the heralded "end of oil", so that they can continue to manufacture but in a sustainable way.

Based on the tried and tested principle of industrial fermentation, METabolic EXplorer's solutions circumvent the problems posed by today's burdensome and expensive petrochemical processes via the use of a wide range of renewable, sustainable raw materials. By optimizing the metabolic yield of non-pathogenic bacteria in a contained, controlled environment, the company facilitates the production of chemical compounds used in a wide range of everyday goods (textile fibres, paints, solvents, plastics and animal feed).

METabolic EXplorer is currently focusing its alternative biological solutions on the production of five compounds that together have an estimated, annual, end-market value of €11 billion. The company's strategy will be implemented in two forms – either via own-account developments (ie, manufacturing plants) in geographically strategic regions, or via limited exclusivity industrial partnerships in the shape of joint ventures.

METabolic EXplorer, based in Clermont-Ferrand, France, is listed on Euronext Paris (Euronext C, METEX) and features in CAC Small.



The set-up of the METabolic EXplorer industrial pilot was co-financed by the European Union, which is committing funds to Auvergne through the European Regional Development Fund.

Get free financial information on METabolic EXplorer by registering with [www.metabolic-explorer.com](http://www.metabolic-explorer.com) or [www.actus-finance.com](http://www.actus-finance.com).

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*This communication includes forward-looking information which is subject to risks and uncertainties. The potential development of the company could be substantially different from that anticipated in this press release because of the various risk factors which are described in the company's Listing Prospectus.*

## Financial data

The audited IFRS accounts were signed off by the Board of Directors on 13 March 2012. Audit procedures on the consolidated financial statements have been carried out. The certification report will be issued after the procedures required for the publication of the annual financial report have been finalised.

### Income statement

	31/12/2011	31/12/2010
<b>Turnover</b>	<b>850</b>	<b>850</b>
Other income from ordinary activities	648	606
Research and Development costs	-10 221	-9 674
Activated research and development costs	8 754	8 383
<b>Net research and development costs</b>	<b>-1 467</b>	<b>-1 291</b>
Marketing and commercial costs	-1 920	-1 546
Administration costs	-3 349	-3 586
Other operating income and expense	-440	-184
<b>Operating earnings before payments in shares</b>	<b>-5 678</b>	<b>-5 151</b>
Personnel costs relative to payments in shares	-178	-67
<b>Operating income before payments in shares</b>	<b>-5 856</b>	<b>-5 218</b>
Cash and cash-equivalent income	934	1 264
Cost of financial debt	-278	-356
<b>Cost of net financial debt</b>	<b>656</b>	<b>908</b>
Other financial income and expenses	0	0
Tax paid (-) / Tax income	1 786	1 534
<b>Net result</b>	<b>-3 415</b>	<b>-2 776</b>
Foreign exchange adjustments	7	0
<b>Other items in net result</b>	<b>7</b>	<b>0</b>
<b>Net result</b>	<b>-3 407</b>	<b>-2 776</b>
Basic earnings per share (in euros)	-0,16	-0,13
Diluted earnings per share (in euros)	-0,16	-0,12

## **Balance Sheet**

	31/12/2011	31/12/2010
<b>ASSETS</b>		
Goodwill	26 549	20 682
Intangible assets	15 113	15 099
Tangible assets	6 007	15
Non-current financial assets	5 249	3 463
<b>Total non-current assets</b>	<b>52 917</b>	<b>39 259</b>
Trade receivables	358	1 065
Other current assets	5 361	6 280
Cash and cash equivalents	26 866	40 109
<b>Total current assets</b>	<b>32 585</b>	<b>47 454</b>
<b>Total Assets</b>	<b>85 502</b>	<b>86 714</b>
<b>LIABILITIES</b>		
Share capital	2 221	2 122
Share premium	66 106	65 404
Legal reserves	212	212
Other reserves	1 762	4 375
Foreign exchange adjustments	7	0
Net result for the period	-3 407	-2 776
<b>Total shareholders' equity</b>	<b>66 902</b>	<b>69 337</b>
Long-term liabilities to banks	11 462	10 771
Other long-term provisions	28	10
Other non-current liabilities	957	964
<b>Total non-current liabilities</b>	<b>12 447</b>	<b>11 745</b>
Bank overdrafts	0	0
Other short term bank and debt liabilities	1 851	1 668
Trade payables	1 959	1 429
Other short-term liabilities	2 344	2 535
<b>Total short-term liabilities</b>	<b>6 154</b>	<b>5 632</b>
<b>Total liabilities</b>	<b>85 502</b>	<b>86 714</b>

## Statement of cash flows

	31/12/2011	31/12/2010
<b>Net result</b>	<b>-3 407</b>	<b>-2 776</b>
Amortization and depreciation of non-current assets	2 251	1 859
Payment in shares	178	67
Other estimated costs	-81	50
Change in deferred taxes	-1 786	-1 534
Gain / loss from disposal of non-current assets	398	237
<b>Gross cash flow</b>	<b>-2 448</b>	<b>-2 097</b>
Cost of financial debt	398	222
<b>Gross cash flow before cost of financial debt and taxes</b>	<b>-2 050</b>	<b>-1 875</b>
Increase / decrease in trade receivables	686	588
Increase / decrease in trade payables	279	341
Increase / decrease in other current assets and liabilities	1 577	-430
<b>Change in working capital</b>	<b>2 542</b>	<b>499</b>
<b>Net cash flow provided by operating activities</b>	<b>492</b>	<b>-1 376</b>
Assets internally generated (research & development))	-8 823	-8 527
Cash received as investment grants-in-aid	3 222	4 161
Cash paid for investments in non-current assets	-2 834	-6 161
Increase / decrease in non-current trade payables	-850	-70
Cash received from disposal of financial assets	9	0
Cash used for acquisitions and sales of other current financial assets	-5 927*	44
<b>Net cash flow used for investing activities</b>	<b>-15 202</b>	<b>-10 553</b>
Capital increase	802	12
New loans and other financial debts	2 804	8 073
Interest paid on loans and financial debts	-433	-317
Repayment of loans and other financial debts	-1 712	-4 517
<b>Net cash provided by /used for financing activities</b>	<b>1 460</b>	<b>3 251</b>
Impact of currency variations	7	
<b>Change in cash and cash equivalents</b>	<b>-13 243</b>	<b>-8 678</b>
Cash and cash equivalents as of January 1	40 109	48 787
Cash and cash equivalents as of December 31	26 866	40 109

\* including a €5.5 million term deposit as collateral for a surety in the same amount.