

4 November 2019

*The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR"). This inside information is now considered to be in the public domain.*

## **MYCELX TECHNOLOGIES CORPORATION (AIM: MYX)**

### **Trading Update**

MYCELX Technologies Corporation ("MYCELX" or the "Company"), the clean water technology company providing patented solutions for the Oil and Gas market and commercial industrial markets worldwide, today announces a trading update.

Recent events in Saudi Arabia, one of the Company's primary markets, have impacted the Company's business in H2 as adjustments in customer maintenance schedules and production disruption has resulted in reduced revenue expectations. However, the Company continues to maintain its leadership position in the market for performance and reliability and believes the current challenges in the region are temporary and that project activity will recover in the near term.

The Company had forecast significant revenue in H2 2019 for Rapid Response deployment and maintenance activity. However, whilst maintenance activity is expected to increase in the first half of 2020, the historically dependable Rapid Response contracts typically signed in the last quarter of the calendar year are unlikely to occur in the current environment. However, MYCELX is actively pursuing opportunities in the region, in Nigeria and also new commercial and industrial applications which it hopes to announce before the end of the year.

Given the above environment, the Company is taking a prudent view and revising its forecast for the year to December 2019 to reflect current visibility through year end, whilst acknowledging that there are opportunities in the pipeline that could be announced before the end of 2019. The revised forecast is c.a. \$12.5 million in revenue, negative EBIDTA of \$1.3 million, and a net loss of \$3.3 million. The unrestricted cash balance at 31 October 2019 is c.a. \$3.5 million.

#### **Commenting on the market update, Connie Mixon, CEO, said:**

*"Whilst we are frustrated about the current market conditions in the Middle East, we remain upbeat about the number of opportunities we are seeing at the moment. Although we expect there to be a short term impact to our business, and believe that revising our guidance for 2019 is prudent, we remain at the forefront of the industry and continue to be well placed to capitalise on multiple live project opportunities.*

*As a business, we are confident that as the macroeconomic environment stabilises in the near term, this will allow us to convert these advanced opportunities into new contract wins, and we look forward to updating the market in due course."*

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**Forward Looking Statements**

This release contains certain statements that are or may be "forward-looking statements". These statements typically contain words such as "intends", "expects", "anticipates", "estimates" and words of similar importance. All the statements other than statements of historical facts included in this announcement, including, without limitation, those regarding the Company's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to the Company's products and services) are forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future and therefore undue reliance should not be placed on such forward-looking statements. There are a number of factors that could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future and such assumptions may or may not prove to be correct. Forward-looking statements speak only as at the date they are made. Neither the Company nor any other person undertakes any obligation (other than, in the case of the Company, pursuant to the AIM Rules for Companies) to update publicly any of the information contained in this announcement, including any forward-looking statements, in the light of new information, change in circumstances or future events.