

18 February 2021

MYCELX Technologies Corporation (AIM: MYX)
("MYCELX" or the "Company")

Sale of MYCELX property in Duluth, USA

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, announces the sale of its building in Duluth, Georgia, USA. This sale will enable the Company to right-size its office space needs across its three operating locations. The Company will receive a cash consideration of \$5.4 million.

The Company has a debt obligation of circa \$2.62 million on the property, so the net cash proceeds are expected to be in the range of \$2.78 million. The current net book value of the property is \$2.87 million, so MYCELX will recognize a financial gain of approximately \$2.53 million.

When the building was originally purchased, the Company's engineering and business development capability was based in Duluth. However, now the Company has other offices across the globe and subsequently, personnel have relocated to these locations resulting in vacant office space.

MYCELX plans to convert the equity in the building into cash for working capital purposes and the team will relocate to another office and manufacturing property nearby that will better suit its needs and footprint. The sale of the property is in line with the Company's cost reduction strategy, reducing the overall cost of its office space and disposing of excess capacity.

The sale of the property to Angkawijana, L.L.C. is subject to certain typical completion conditions to closing. Post transaction, the Company expects to have circa \$6 million of cash and cash equivalents on the balance sheet. The transaction is expected to close within the next 30 days.

MYCELX has historically had no profits/losses attributable to its Duluth property.

MYCELX recently applied for and received a second \$400,000 forgivable loan from the Payroll Protection Program administered by the US Small Business Administration. The funds will be put towards maintaining payroll and other corporate purposes.

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