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16 November 2023

MYCELX TECHNOLOGIES CORPORATION (AIM: MYX)

Trading Update

MYCELX Technologies Corporation ("MYCELX" or the "Company"), the clean water and clean air technology company transforming the environmental impact of industry, announces a trading update today.

The Company is pleased to announce it has been notified a project valued at \$5.4 million to MYCELX has been awarded for deployment of its REGEN media during oil production to meet the strict requirements for overboard discharge. The Company expects a formal purchase order in this regard in the coming days. REGEN was exclusively specified for this project because of its ability to reliably meet the strict water purity requirements of its client and regulations. Whilst the Company will not recognise revenue from the sale of the new equipment and media until 2024, this award will further solidify our position as a leader in clean production technology.

Following a robust performance for the first half of 2023, which included a number of project wins and new trials being signed, the Company continues to make progress in all of its target markets. However, unforeseeable events at two projects have impacted H2 2023 revenue. A variable volume dependent contract has not yet met anticipated volumes due to less plant activity. We expect the received volumes to ramp up as plant activity increases. Elsewhere, an unscheduled plant shut down led to the delay in the mobilisation of another project which we now anticipate will commence operations before year-end. As a result, revenue for 2023 is now expected to be in the range of \$11.0 million – \$11.8 million, against market expectations of \$13.1 million. There are several other potential opportunities which could influence year-end revenue within the range, but final outturn is primarily dependent on the activity at these two projects. As a consequence, the Company also expects profitability for 2023 to be reduced versus previous market expectations.

Whilst we are disappointed in these unforeseen challenges, these longer duration projects underpin our outlook for next year. These projects together with our advance opportunity pipeline, increasing order book and legacy media sales enable us to increase our 2024 guidance to \$17.5 million from market estimates of \$14.9 million. The Company will provide further trading updates as we continue to build on the momentum in our core markets.

The Company is making progress in the PFAS market continuing with a landfill leachate trial in coordination with a global engineering and consulting company and a series of drinking water trials with a global water treatment company. Whilst we will continue to participate in these and other important trials in 2024, we expect to convert trials to project sales in 2024. Importantly, the U.S. EPA Administrator has recently stated the Agency is committed to finalising PFAS standards for drinking water by year-end 2023 which are expected to reduce the uncertainty that, the Company believes, has contributed to the delay of adoption of new technology and prevented enforcement of PFAS treatment for drinking water.

Connie Mixon, CEO, commented:

“Although we are revising our financial guidance for 2023, we believe that this is more than offset by the expected increase to revenue in 2024. Following a strong performance in H1 2023 we continue to make consistent progress in all of our core target markets and we are especially pleased by the new

contract award for deploying our REGEN media. The Company is poised to capture more projects in this active market where awareness of our REGEN media's capability to support higher production levels and cleaner water is taking hold. We look forward to updating investors on material developments in all of our core markets when we can.

As a business, we continue to benefit from our proprietary technology that allows our clients to maximise their operational performance while minimising their environmental impact. These tailwinds leave us well positioned as we head into 2024, as we look to aggressively pursue projects where we have a differentiator, can leverage strategic partnerships and deliver value to our customers and stakeholders."

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