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22 February 2024

MYCELX TECHNOLOGIES CORPORATION (AIM: MYX)

Saudi Arabia Business Operation Sale

MYCELX Technologies Corporation ("MYCELX" or the "Company"), the clean water and clean air technology company transforming the environmental impact of industry, is pleased to announce the sale of its Saudi Arabia business operations, including equipment, inventory and contracts, for an acquisition price of up to \$7.125 million (the "Total Consideration") to Twarid Water Treatment LLC ("Twarid"), who is owned by Magellan SPV Water Holdings Limited, a company incorporated in Abu Dhabi Global Markets, which in turn is ultimately owned by a Saudi Arabian consortium of investors. The Total Consideration is split \$3.125 million at closing with up to \$4 million deferred on an earn-out structure.

The earn-out period of 24 months starts immediately, and is based on Twarid achieving revenue results similar to the Company's historic performance in the country. The assets being sold have a net book value of \$2.1 million, and the Saudi Arabian business contributed 64% of consolidated group gross profit for the year ended 2022.

The sale allows the Company to continue to grow its proprietary media and product sales in Saudi Arabia, through an exclusive distribution agreement with Twarid, whilst relinquishing financial and operational obligations in-country.

As part of the Company's strategic plans, the proceeds of the sale will enable the Company to focus on accelerating its marketing and sales plan for its unique technologies in the Perfluoroalkyl and Polyfluoroalkyl Substances ("PFAS") remediation and Enhanced Oil Recovery ("EOR") markets. The Board believes that these large, lucrative opportunities will deliver long term value and sustainable growth by leveraging MYCELX's differentiated and environmentally effective solutions.

The Company is confident that its well-established Saudi Arabian business will continue to thrive under the legacy leadership, which the Company expects will transfer to Twarid along with current employees. Their focus will be growing media sales in the oil and gas, waste management, air, marine and PFAS remediation markets in support of Saudi Arabia's Vision 2030 sustainability goals.

Closing is subject to certain customary conditions, and is expected to take place by 31 March 2024.

Connie Mixon, CEO, commented:

"We are delighted to announce the sale of our Saudi Arabia business operations to Twarid. We have operated in Saudi Arabia for many years now and it has been an important part of our growth. This agreement enables MYCELX to continue to grow its proprietary media and products in an important market while relinquishing sales and operations associated with its current Saudi Arabian business.

This is a key step in the Company's efforts to place greater marketing and sales resources on its exciting growth markets, PFAS and EOR, while still being able to capitalize on strong

demand for its offering in Saudi Arabia. We look forward to working with Twarid as the Saudi business potentially gains even greater market presence and as we focus resources on driving success in PFAS and EOR. These markets are large, global opportunities that will bring long-term value to the Company and where we can deliver innovative solutions with a positive impact on the environment.

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