July 26, 2024

To whom it may concern,

Name of Company	Euglena Co., Ltd.	
Name of Representative	Representative Director, President	Mitsuru Izumo
		(Code No.: 2931)
Contact Person	Director, Co-CEO and CFiO	Tomohiro Wakahara
		(TEL.03-3454-4907)

Notice of Final Investment Decision and Shareholders' Agreement Scheduled to be Executed for Construction and Operation of Biorefinery in Malaysia

At the board of directors' meeting held today, with respect to the project for the construction and operation of a commercial-scale biorefinery (the "Biorefinery") in Malaysia (the "Project), Euglena Co., Ltd. (the "EUGLENA") resolved to make its final investment decision (the "FID") regarding the Project and to intend to enter into a shareholders' agreement (the "Shareholders' Agreement") within August 2024 concerning the establishment of a joint venture company (the "JV Company") that will conduct the construction and operation of the Biorefinery with the subsidiary of Petroliam Nasional Berhad (headquartered in Malaysia; together with its subsidiary which will be a party to the Shareholders' Agreement, collectively "PETRONAS") and Enilive S.p.A (a wholly-owned subsidiary of Eni S.p.A.; headquartered in Italy); which will be a party to the Shareholders' Agreement, collectively "ENILIVE") (the three company groups including EUGLENA are hereinafter referred to as the "JV Partners") as follows.

1. Reason for FID and the Shareholders' Agreement scheduled to be executed

On December 14, 2022, EUGLENA announced that, toward a commercialization of biofuel business, it was jointly considering a project for the joint construction and operation of the Biorefinery in Malaysia with major global integrated energy companies, PETRONAS and Eni S.p.A. and was proceeding with technical and economic feasibility assessments for the Project. As a result of the consultation on management structure, the technical and economic evaluation, and the preparation of a construction plan regarding the Project, each of the JV Partners has made the FID on the Project, based on an agreement concerning the establishment and operation of the JV Company and the key items of the Shareholders' Agreement which is scheduled to be executed within August 2024. From here on, the JV partners are entering into the Shareholders' Agreement within August 2024, and subsequently each JV Partner is going to submit a notification for the business combination regarding the promotion of the Project to the competition authorities of the relevant jurisdictions.

The key items of the Shareholders' Agreement are described as follows. Significant changes, if any, to the description below of the Shareholders' Agreement, the timing of execution and/or other circumstances around the Project will be disclosed in a timely manner.

The JV Partners are expected to complete the establishment of the JV Company in the fourth quarter of 2024, and to commence the operation of the Biorefinery by the second half of 2028.

2. Details of the Shareholders' Agreement scheduled to be executed

(1) Details of the Shareholders' Agreement scheduled to be executed

As described above, EUGLENA is scheduled to execute the Shareholders' Agreement, which overall includes the following items, among the JV partners within August 2024.

(i) Establishment of the JV Company

The JV Company will be established during the fourth quarter of 2024 subject to the obtainment of approvals from the competition authorities in the relevant jurisdictions necessary for the establishment of and the investment by each of the JV Partners in the JV Company, and through the investment of a nominal amount by each of the JV Partners. As for the investment ratio for the JV Company (the "Investment Ratio") as of the establishment of the JV Company, PETRONAS and ENILIVE will initially each hold 47.5% and EUGLENA will initially hold 5% (EUGLENA's investment will be made by the SPC as set forth below).

(ii) Investment Ratio in and Financing Commitment to the JV Company

After the establishment of the JV Company, starting from a date to be separately agreed upon (the "Closing Date"), each of the JV Partners will make phased investments (or the phased provision of investments and loans; the "Investments, etc.") in the JV Company to fund the construction expenditure and liquidity on hand (the "Project

Amount"), and provide a guarantee (the "Guarantee Provision"; together with the Investments, etc., the "Financing Commitment") to the JV Company over the construction period for the amount equivalent to the one calculated by deducting the cumulative amount of the Investments, etc. from the Project Amount (the "Project Guarantee Amount") for the purpose of securing the provision of the future Investments, etc. by each of the JV Partners, in proportion to the Investment Ratio. As of today, the Project Amount is expected to be approximately USD 1.3 billion, and EUGLENA plans to make the Investments, etc. in the range of 5% to 15% of the Investment Ratio through a foreign special purpose company, which is a wholly-owned subsidiary of EUGLENA and was established in April 2024, (the "SPC")(*), along with the *pro rata* Guarantee Provision (it is planned to provide a bank guarantee under a security of deposits), and PETRONAS and ENILIVE will make the Investments, etc. equally for the remainder.

If the Investment Ratio of EUGLENA is less than 15% as of the Closing Date, EUGLENA has the right to increase the Investment Ratio up to 15%, subject to additional provision of the Guarantee Provision until such cumulative amount reaches 15% of the Project Guarantee Amount, and through the acquisition of the corresponding Investment, etc. from PETRONAS and ENILIVE, over a period of nine months from the Closing Date (the "Grace Period"). The ratio of the aggregate amount of the Investments, etc., and Guarantee Provision to the Project Amount that EUGLENA has made until the expiry of the Grace Period will become EUGLENA's Investment Ratio in the JV Company, and for the remainder thereof, PETRONAS and ENILIVE will make the Investments, etc. equally.

After the establishment of the JV Company, the JV Company plans to procure funds for the construction and operation of the Biorefinery through third-party financing such as bank loans, and there is a possibility that, depending on the financing amount and scheme, the amount of the Financing Commitment required of each of the JV Partners may decrease, while each of the JV Partners may be separately required to provide credit enhancement for lenders of the bank loans. In addition, each of the JV Partners may, in accordance with the JV Company's business plan, financial plan and business progress, make additional Financing Commitment in excess of the Project Amount in proportion to each Investment Ratio.

Note(*): EUGLENA established Euglena Sustainable Investment Limited in April 2024 as a special purpose company for the management, contribution and procurement of funds pertaining to the Project, taking into an account of wide range of factors, including segregated management of funds contributed to the Project, the impact of currency fluctuations associated with EUGLENA's USD-denominated contributions and potential debt(-like) financing backed by the expected cash flow from the Project. (See "Notice on Establishment of a Foreign Special Purpose Company for Participation in the Project of Constructing and Operating a Biorefinery in Malaysia" dated April 8, 2024 disclosed by EUGLENA.)

(iii) Governance Structure of the JV Company

Upon establishment of the JV Company, PETRONAS and ENILIVE are each scheduled to dispatch two directors respectively, and EUGLENA to dispatch one director. To run the JV Company, PETRONAS and ENILIVE are scheduled to dispatch management members such as CEO and CFO, etc. and each of the JV Partners to dispatch employees.

(iv) Supply of feedstocks to and offtake of products from the JV Company

The JV Partners will offer to supply feedstock to and offtake (purchase) the products from the JV Company based on the Investment Ratio and in accordance with the production plan of the JV Company.

(2) Overview of the JV Company

The JV Company will be established in Malaysia during the fourth quarter of 2024, and the operation of the Biorefinery as well as the production and sale of biofuels will be conducted through cooperation among the three JV Partners. At present, the name, representative, capital amount and other details are yet to be determined. The proposed site for construction of the Biorefinery by the JV Company is within the Pengerang Integrated Complex in Johor, Malaysia, one of the largest integrated refinery and petrochemical developments in Southeast Asia which is managed by PETRONAS.

(3) Outlook for the JV Company's Financial Performance

The Biorefinery is targeted to be operational by the second half of 2028. The Biorefinery is expected to have the capability to process approximately 650,000 tons per year of feedstock to produce up to 12,500 barrels per day (equivalent to an annual production of approximately 725,000 kiloliters) of biofuels, namely SAF, HVO and bio-naphtha. The sales of the JV Company is undetermined at present because it depends on future biofuel prices.

3. Overview of the JV Partners

(1) PETRONAS MOBILITY LESTARI SDN. BHD.

(1)	Name	PETRONAS MOBILITY LESTARI SDN. BHD.	
(2)	Location	Tower 1, PETRONAS Twin Towers, Kuala Lumpur City Centre, 50088 Kuala Lumpur, Malaysia	
(3)	Name and Title of Representative	Director, Abdul Razak Faiz Bin Sulaiman Director, Ahmad Adly Bin Alias Director, Norul Aida Halena Binti Wan Abdul Halim	
(4)	Business Description	Export and import of bio-diesel products; export and import of refined petroleum products; activities of holding companies	
(5)	Capital	RM40 Millions	
(6)	Date of Establishment	October 9, 2023	
(7)	Major Shareholders and Shareholding Ratio	PETRONAS MARKETING INTERNATIONAL SDN. BHD. (100%)	
(8)	Relationship with EUGLENA	Capital Relationship	N/A
		Personal Relationship	N/A
		Business Relationship	N/A
		Status as Related Party	N/A

(Note 1) The above is information as of December 31, 2023. Because PETRONAS MOBILITY LESTARI SDN. BHD. is a private company, the descriptions on its recent financial performance and conditions are omitted as these are not publicly disclosed.

(Note 2) PETRONAS MARKETING INTERNATIONAL SDN. BHD. is a wholly-owned subsidiary of Petroliam Nasional Berhad.

(2) Enilive S.p.A.

(1)	Name	Enilive S.p.A.	
(2)	Location	Viale Giorgio Ribotta 51, 00144 Roma, Italy	
(3)	Name and Title of Representative	CEO, Ballista Stefano	
(4)	Business Description	Production of HVO biofuels from renewable raw materials; operation of service stations	
(5)	Capital	EUR315 Millions	
(6)	Date of Establishment	September 22, 2020	
(7)	Major Shareholders and Shareholding Ratio	Eni S.p.A. (100%)	
(8)	Relationship with EUGLENA	Capital Relationship	N/A
		Personal Relationship	N/A
		Business Relationship	N/A
		Status as Related Party	N/A

(Note 1) The above is information as of December 31, 2023. Because Enilive S.p.A. is a private company, the descriptions on its recent financial performance and conditions are omitted as these are not publicly disclosed.

4. Schedule

(1)	Date of Resolution by Board of Directors	July 26, 2024
(2)	Date of Execution of Shareholders' Agreement	Within August, 2024 (scheduled)
(3)	Date of Establishment of JV Company	During the fourth quarter of 2024 (scheduled)
(4)	Date of Commencement of Business	By the second half of 2028 (scheduled)

5. Future Outlook

(1) Impact on EUGLENA's Financial Performance

The impact on EUGLENA's operating results until the JV Company is established is expected to be minimal and the impact after the JV Company's establishment is undetermined at present.

The JV Company does not fall under an affiliate that is subject to consolidation in EUGLENA's financial accounts and EUGLENA's equity ownership therein is accounted as investment securities in EUGLENA's consolidated balance sheets. In EUGLENA's consolidated income statements, dividends received therefrom are accounted as non-operating income, and dividends received therefrom are expected to be subject to income tax.

EUGLENA is also scheduled to offer to supply feedstock to and offtake products from the JV Company in accordance with the Investment Ratio and the balance from such supply of feedstock and offtake of products are projected to be

reflected in EUGLENA's consolidated income statements.

EUGLENA is scheduled to perform its Financing Commitment towards the JV Company through the SPC. In this regard, the conversion of yen-denominated funds into US dollars and the exposures towards the JV Company are subject to currency exchange fluctuation which is projected to be reflected in foreign currency translation adjustment in EUGLENA's consolidated balance sheets.

(2) The Funds for the Financing Commitment

With the participation in the JV Company, EUGLENA must perform its Financing Commitment based on the Investment Ratio. The Project Amount is projected at approximately USD 1.3 billion which in that case EUGLENA must commit approximately USD 65 million for the Investment Ratio of 5%, and approximately USD 195 million for 15%. The necessary amount for the Financing Commitment may change in the future due to third-party financing by the JV Company or if there arise further financing needs of the JV Company for the future business development.

EUGLENA has so far procured a total of JPY 7.8 billion by issuing new shares and convertible bonds in February 2023 and by issuing straight bonds in May 2024. While nothing concrete has been decided yet, EUGLENA envisages to raise further funds to perform its Financing Commitment based on the Investment Ratio by considering and executing various options to procure funds including equity(-like) financing and debt(-like) financing backed by the expected cash flow from the Project, in addition to cash on hand and bank borrowings. If additional financing activities are conducted in the future, the related financing costs are projected to be reflected in EUGLENA's consolidated income statements.

End

(Reference) Forecast of consolidated earnings forecast for the current fiscal year (published on February 14, 2024) and for the previous fiscal year (in JPY million)

	Consolidated net sales	Adjusted EBITDA	Consolidated operating profit	Consolidated ordinary profit	Profit attributable to owners of parent
Earnings forecast for the current fiscal year (Year ending December 31, 2024)	52,500	3,600	-	-	-
Earnings forecast for the previous fiscal year (Year ended December 31, 2023)	46,482	2,222	(1,464)	(1,419)	(2,652)