



AFYREN provides business update and targets for AFYREN NEOXY operations

- **AFYREN NEOXY: Improvements underway and new targets for operations:**
 - **Start of continuous production in 2024 and break-even in 2025**
- **Development continues in France and abroad**
- **Finances are solid, with cash reserves of c.€50 million expected by end 2023**

Clermont-Ferrand/Lyon (France), December 14, 2023, 17:45 p.m. CET - AFYREN (ISIN code: FR0014005AC9, ticker: ALAFY), a greentech company that offers manufacturers bio-based, low-carbon ingredients produced using unique fermentation technology based on a completely circular model, has provided a business update and targets for AFYREN NEOXY operations

Nicolas SORDET, Chief Executive Officer of AFYREN, comments: *"Our AFYREN NEOXY plant, the only biorefinery of its kind in the world, is being fine-tuned and prepped for continuous production. Our priority is to finish this work as soon as possible in order to serve our customers, who have always been aware of the possible delays inherent in commissioning an industrial site with an innovative process. Customer interest in our biobased acids is intact — our contracts confirm it. At the same time, we are pursuing our international projects, in particular by maintaining a close relationship with our partner in Asia, Mitr Phol, and are studying various scenarios to satisfy growing interest in strategic markets. Finally, in a complex financial environment, our solid cash position and the support shown by all our longtime partners, both commercial and financial, enable us to approach fiscal 2024 with confidence."*

Update on AFYREN NEOXY

Following the on-time delivery of the AFYREN NEOXY plant in 2022 and its successful industrial commissioning, our operational teams focused in 2023 on production start-up, manufacturing several tons of products and delivering the first batches in June 2023.

Continuous production is still our objective. Work carried out over the second half of the past year has enabled us to determine the following:

- The fermentations we have carried out validate our core process, with the expected yield. As a reminder, this is a biological process designed to convert biomass co-products directly into biosourced platform molecules, without pre-treatment
- Certain post-fermentation stages (related to chemical processes for separation and purification) have not reached the level of performance expected to enable the plant to run continuously.

With these factors in mind, the Company's priority objective is to start continuous production in 2024, with the plant reaching break-even¹ in 2025. The prior objective was to reach break-even in the first half of 2024.

To further strengthen the links between the parent company and its operating unit, AFYREN co-founder Jérémy Pessiot took over as President of AFYREN NEOXY in the autumn of 2023.

¹ Current production EBITDA

Commercial appeal remains strong

AFYREN NEOXY has orders secured by contracts worth €165 million², to be recognized over several years. The Company has secured sales of almost 3/4 of its annual acid production and all fertilizer volumes, proving that its offerings are attractive to industrial customers. AFYREN can also confirm that the delays in the start-up of continuous production have had no impact on the secured contracts, and that its solutions continue to attract strong interest from both end-customers and distributors.

Ongoing industrial development in France and abroad

In 2023, AFYREN's teams continued to work on the company's worldwide industrial development. In Asia, AFYREN is in the process of setting up a joint venture in Thailand with Mitr Phol, the world's third-largest sugar group. The aim of the project is to set up a biobased carboxylic acid plant near Bangkok. Recent discussions have focused on the structure and governance of the joint venture, the licensing of biotechnological know-how, and local industrial implementation. Talks are ongoing with a view to reaching a final agreement on the terms of the partnership. In addition, studies are being carried out to increase AFYREN's production capacity, notably in France.

In 2024, AFYREN will extend this work while maintaining the priority of the operational teams on the start-up of continuous production at the first plant.

Strong cash position

AFYREN anticipates a solid cash position of around €50 million on December 31, 2023, thanks to tight cost controls, compared with a very low debt level of around €5 million³. It has therefore the financial latitude to support AFYREN NEOXY as it prepares for the start of continuous production, and retains capital available to finance a second unit.

² Total volumes x sales price over contract duration

³ €5.2 million including lease liabilities and €4.9 million excluding lease liabilities at end-June 2023

About AFYREN

Founded in 2012 to address manufacturers' growing need to reduce the carbon footprint of their inputs and move towards more natural ingredients, AFYREN manufactures biobased products to replace petroleum-derived molecules. With its innovative, unique, and proprietary process, the French greentech company offers low-carbon, bio-based alternatives in the following sectors: human and animal nutrition, cosmetics, flavors and fragrances, and fine chemicals. By valorizing local, non-food biomass, AFYREN helps manufacturers offer more sustainable finished products while remaining competitive.

The company is pursuing an ambitious development plan to better serve its international customers. Its first plant, AFYREN NEOXY, a joint venture with Bpifrance's SPI fund, is located in France, primarily to serve the European market. In early 2023, AFYREN announced the launch of a factory project in Thailand, partnering with a world leader in the sugar industry. AFYREN is also expanding its presence on the American continent, in line with distribution agreements already signed.

By 2023, AFYREN employed more than 110 people in Lyon, Clermont-Ferrand & Carling Saint-Avold; the company invests 20% of its budget in R&D every year.

AFYREN has been listed on Euronext Growth® in Paris since 2021 (ISIN code: FR0014005AC9, ticker: ALAFY).

For more information: <https://afyren.com/>



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