ANNUAL FINANCIAL REPORT 2024

AFYREN

SUMMARY

DECLARATION BY THE PERSON RESPONSIBLE FOR THE ANNUAL FINANCIAL REPORT

"I certify that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of AFYREN and that the management report in section 3 gives a true and fair view of changes in the Company's business, results and financial position and describes the main risks and uncertainties it is facing.

Nicolas Sordet, Chief Executive Officer

Signed in Lyon, France, on 27 March 2025

01 MESSAGE FROM THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

1 MESSAGE FROM THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

In 2025, we aim to make industrial-scale deliveries a permanent feature, thanks to continuous production at our plant.

“To the Shareholders,

2024 holds the sad record of being the "hottest year on record". In France, industry accounts for almost 18% of greenhouse gas emissions, making it a powerful lever for achieving decarbonisation targets.

Our products, which are manufactured in France using a natural fermentation process involving local biomass residues, are fully substitutable for petroleum-based ingredients. They are bio-based, low carbon and offer good traceability.

The use of raw materials that are not highly recycled, the ability to sell our co-product - a fertiliser that can be used in organic farming - and the use of a natural bacterial mix rather than expensive enzymes that are sensitive to their environment are all ways of keeping manufacturing costs down.

This model explains our commercial success, in an environment where industrial customers are less inclined to finance the ecological transition if the end product is more expensive.

For us, 2024 marks a turning point, with the sale of several dozen tonnes of acids produced at our AFYREN NEOXY site.

In 2025, we aim to make industrial-scale deliveries a permanent feature, thanks to continuous production at our plant. This milestone is our main short-term objective, and should see us join the very select club of industrial start-ups at the sales stage. It will also enable us to resume business discussions aimed at pre-selling additional volumes from AFYREN NEOXY or new capacity in France or abroad, with Thailand at the forefront.

These developments are underpinned by a solid cash position, which has recently been further strengthened by two new loans from our partners.

The strength of our company also lies in the continued support of our stakeholders: business and industrial partners, financiers and shareholders, to all of whom we extend our warmest thanks.

STEFAN BORGAS,
CHAIRMAN OF THE BOARD OF DIRECTORS

NICOLAS SORDET,
CHIEF EXECUTIVE OFFICER

02 MANAGEMENT REPORT

2 MANAGEMENT REPORT

2.1 INFORMATION ABOUT THE GROUP

COMPANY NAME AND TRADING NAME OF AFYREN (THE "COMPANY")

The Company's name since incorporation has been AFYREN, which is also its trading name.

COMPANY PLACE OF REGISTRATION AND REGISTRATION NUMBER, LEGAL ENTITY IDENTIFIER (LEI)

The Company is registered under number 750 830 457 with the Clermont-Ferrand Trade and Companies Register.

The Company's legal entity identifier (LEI) is 969500XKOIIX6JRUAY14.

COMPANY'S DATE OF INCORPORATION AND TERM

The Company was incorporated for a term of 99 years from its registration on 11 April 2012, except in cases of early dissolution or extension decided by the extraordinary general meeting in accordance with the law and the articles of association.

COMPANY'S REGISTERED OFFICE AND LEGAL FORM

The Company was incorporated as a société par actions simplifiée simplified joint stock company). It began operating on 4 April 2012.

At the general meeting of shareholders held on 11 June 2021, it was decided to convert the Company into a société anonyme (public limited company) with a Board of Directors.

The Company, governed by French law, will be primarily subject to the provisions of Articles L.225-1 et seq. of the French Commercial Code for its operations.

The Company's registered office is located at 9-11 rue Gutenberg, 63000 Clermont-Ferrand.

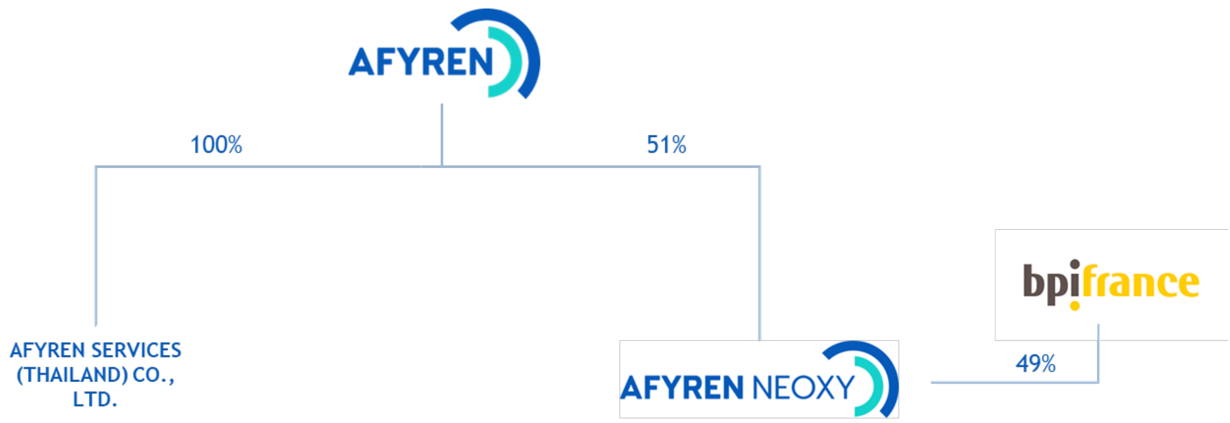
The Company's contact details are as follows:

Telephone: +33 (0)4 51 08 86 99

Email address: contact@afyren.com

Website: www.afyren.com

LEGAL ORGANISATION CHART



LIST AND ACTIVITY OF SUBSIDIARIES DURING THE PAST FINANCIAL YEAR

In accordance with the provisions of Article L.233-6 of the French Commercial Code, we inform you below of the activities of the subsidiaries during the year ended 31 December 2024.

- ✓ AFYREN NEOXY is the operating company of AFYREN's first industrial-scale production plant for biobased organic acids from sugar beet by-products. The plant is located on the Chemesis industrial platform located in Carling-Saint-Avold, in the Grand-Est region. AFYREN NEOXY is jointly owned with Bpifrance (with AFYREN owning 51% of its share capital and Bpifrance 49%).

Last financial year ended (in €)	AFYREN NEOXY
Share capital	49,600,999
Equity	22,545,521
Net income	(12,208,359)
Revenues	67,657
Dividends received during the year	-

- ✓ In June 2024, as part of its development in Asia, AFYREN created AFYREN SERVICES (THAILAND) CO. LTD, a wholly-owned subsidiary. At the date of this Annual Financial Report, the subsidiary has not commenced operations and its financial statements are not material.
- ✓ In September 2024, AFYREN decided to close 9478-2687 Québec Inc, a subsidiary created during the 2022 financial year, which had remained inactive and whose accounts were not material.

BRANCHES

None.

2.2 GENERAL PRESENTATION

BUSINESS ACTIVITY

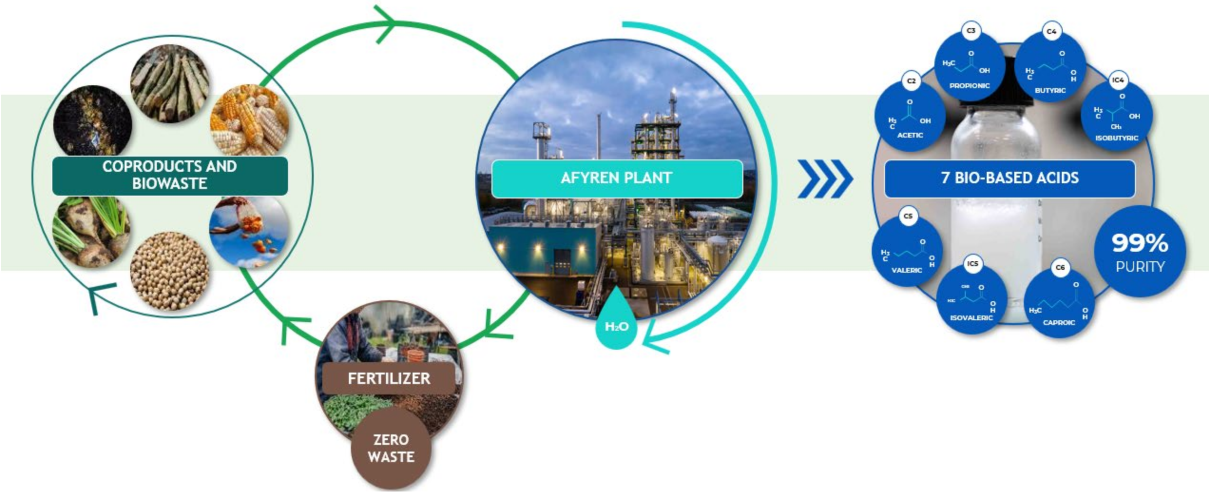
Founded in 2012, AFYREN is a sustainable chemical ("greentech") company offering innovative solutions to replace petroleum-based ingredients with products derived from non-food biomass processed using natural microorganisms, in a zero industrial waste circular economy approach.

Using renewable raw materials that do not compete with human food (e.g. molasses and beet pulp), AFYREN's process makes it possible to produce 100% biobased organic acids on an industrial scale and at a competitive cost, offering the same chemical properties as those produced from oil, but with only 20% of the carbon footprint.[1]

These acids are used in a wide range of products, from aeronautical lubricants to food preservatives. As well as acids, the process makes it possible to produce a natural fertiliser.

[1] Environmental footprint of AFYREN's products via Life Cycle Assessment, Sphera, March2021(https://AFYREN.com/wpcontent/uploads/2021/04/210402-AFYREN-LCA-analysis-April2021.pdf

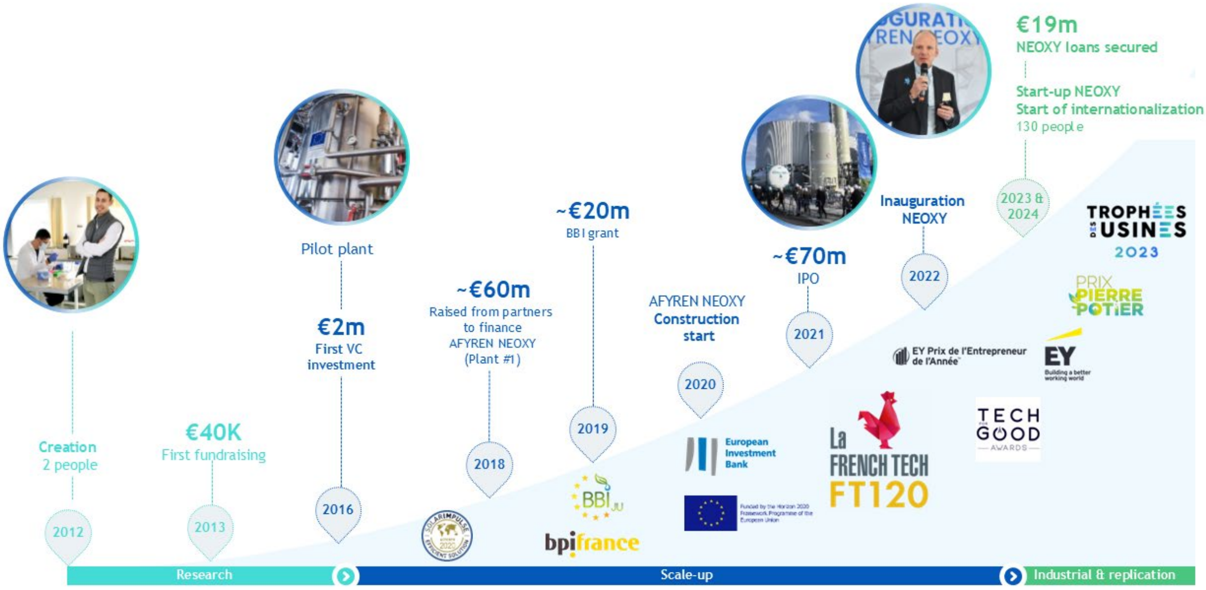
THE AFYREN MODEL: BIOBASED INGREDIENTS FROM RENEWABLE BY-PRODUCTS OBTAINED BY FERMENTATION



AFYREN IN A FEW KEY DATES AND FIGURES

Creation of the company in 2012 to meet the challenge of decarbonising industrial supplies

- **1 October 2021:** AFYREN successfully completes its initial public offering on the regulated and organised Euronext Growth market in Paris, in order to accelerate its development, particularly internationally.
- **2022:** AFYREN inaugurated its first plant, AFYREN NEOXY, making AFYREN one of the rare industrial start- ups in the French ecosystem to scale up to industrial level.
- **2023:** AFYREN continued its work on the continuous production of AFYREN NEOXY and made progress on its industrial development in France and abroad. For this plant, AFYREN has commercial commitments representing total cumulative revenues of more than €165 million, to be recognised over the coming financial years.
- **2024:** AFYREN announced its first sales, and continued to make technical adjustments to ensure stable continuous operation over the long term.



Since its creation, AFYREN has won numerous awards, including:

- the 2030 Global Innovation Competition in the "Plant proteins and plant chemistry" category;
- the “Efficient Solution” label of the Solar Impulse foundation (2019);
- Ernst and Young's Start-up of the Year Award for the Auvergne Rhône-Alpes region (2021);
- the Tech for Good Awards in the Resources category (2022);
- the AURA CSR trophy in the eco-design category (2022);
- the Pierre Potier Prize under the aegis of France Chimie and the French Ministry of the Economy (2023);
- France Chimie's Responsible Care award in the social category (2024)

  ✓ In 2020 and 2021, AFYREN was selected for the French Tech 120 (the 120 most promising start-ups in France). The Company was removed from this ranking in 2022 following its IPO (exclusion criterion).

  ✓ The Company is also supported in its development by the Auvergne Rhône-Alpes and Grand Est regions, as well as by Bpifrance, the European Investment Bank and Circular Bio-Based Europe.

MANAGEMENT TEAM

Nicolas SORDET
CEO*
Joined in 2014
Finance background
Entrepreneurship,
International

Caroline PETIGNY
CSO
Joined in 2020
PHD / Engineer
Chemical & pharma industry
Science, CSR, Communication

Ursula FEULNER
PROJECT OFFICE
Joined in 2022
International large projects
management

Jérémy PESSIOT
CTO*
Joined in 2012
PHD in microbiology and
bioprocesses
Entrepreneurship, Science

Joachim MERZIGER
CCO
Joined in 2019
Chemical industry veteran
Sales & Marketing, Purchasing,
Regulatory

Franck FAJARDIE
R&I
Joined in 2024
PHD / Engineer
Innovation, Management

Maxime CORDONNIER
CFO
Joined in 2019
Consulting & Finance
Investing, Structuring,
Financing

Léa BASSEGODA
HR
Joined in 2022
Food and luxury industry
Plant HR manager
Structuring

Laurent POU
COO
Joined in 2025
COO starch industry
Strategy, Start-up of plants

*Co-founders

PURPOSE OF THE GROUP

On 15 February 2022, the Company revealed its Purpose, supported by a manifesto defining the Company's ambitions, values and major commitments. After several months of reflection and consultation with its internal and external stakeholders, AFYREN, with the support of a specialist independent consultancy, consulted all its employees via an online questionnaire or qualitative interviews, and conducted around fifteen interviews with suppliers, customers, institutions and partners.

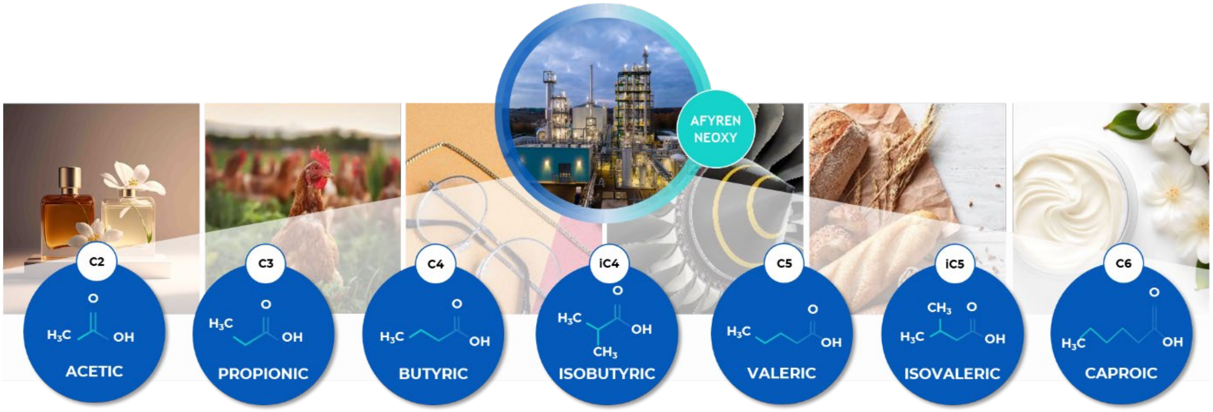
This analysis led to the definition of a materiality matrix, which ensures that the Group's CSR commitments and ambitions are aligned with the main impacts of its business and the expectations of its stakeholders.

This consultation of the stakeholders also allowed AFYREN and its Board of Directors to define and formalise its Purpose: ***"We enable low-carbon, circular industry by providing biobased solutions built with our partners to benefit the environment"***

2.3 BUSINESS OVERVIEW

BIOBASED PRODUCTS DEVELOPED BY AFYREN

THE SEVEN ORGANIC ACIDS PRODUCED BY AFYREN



Among all organic acids, AFYREN currently concentrates its production on **seven carboxylic acids**: acetic acid, propionic acid, butyric and isobutyric acids, valeric and isovaleric acids and caproic acid.

The carboxylic acid market, estimated at US$15 billion in 2022, could pass the US$21 billion mark in 2030, representing an annual growth rate (CAGR) of 5.8%[2] Within this market, which is currently 99% petroleum-based, biobased alternatives are set to grow substantially over the coming years, driven by consumer demand for more sustainable products and government policies (such as the European Green Deal) aimed at combating global warming, ensuring the transition to a circular economy and reducing dependence on fossil fuels.

The wide range of organic acids produced by AFYREN enables it to serve large, diversified markets with significant potential worldwide.

Six markets are currently being particularly targeted: human nutrition and animal nutrition (for food preservatives, for example), lubricants, flavours and fragrances, life sciences and materials sciences.

These markets are expected to grow by between 3% and more than 5% a year over the next few years. Exposure to these diversified markets helps to smooth out the effects of cycles on AFYREN's sales.

THE FERTILISER PRODUCED BY AFYREN

In addition to the seven aforementioned acids, AFYREN's manufacturing process produces a potash-rich fertiliser that can be used in organic farming. This type of fertiliser is very commonly used in wine-growing, market gardening (particularly fruit) and arboriculture, in France and Europe. This fertiliser can be produced regardless of the raw material used to produce the range of carboxylic acids simultaneously.

[2] "Global Carboxylic Acid Market 2021 - Global Industry Analysis 2021-2031", Transparency Market Research

OTHER PRODUCTS THAT CAN BE DEVELOPED BY AFYREN

Thanks to its know-how, AFYREN is considering producing other products, in order to create additional value to that obtained from the sale of acids.

DERIVATIVES PRODUCED FROM AFYREN'S BIOBASED ACIDS

The acids produced by AFYREN are platform molecules, which can in turn be transformed into derivatives. AFYREN is therefore working on the development of certain derivatives to move further down the value chain.

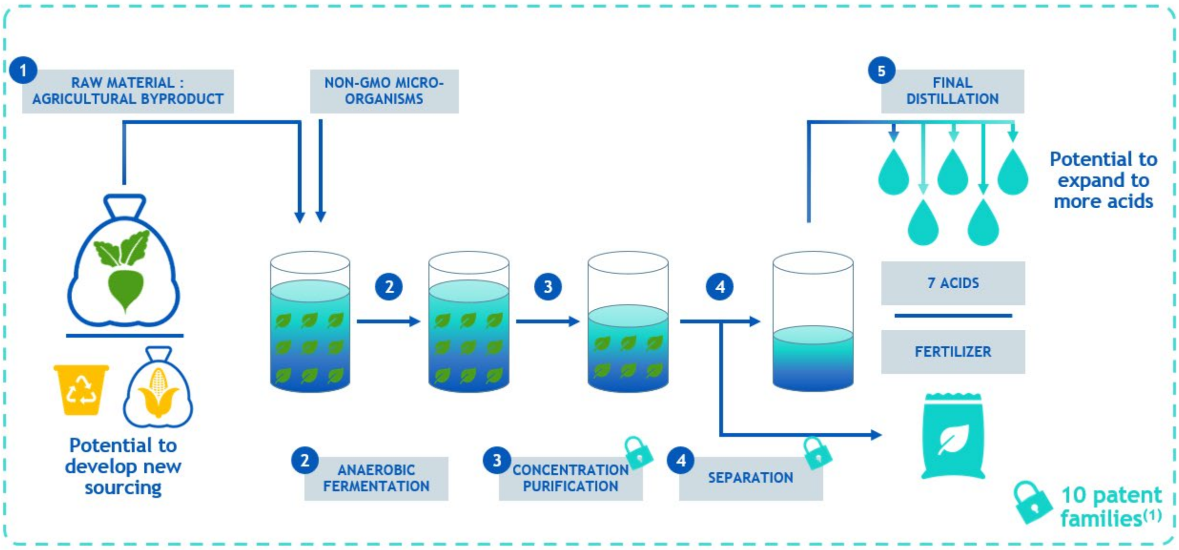
COMPLEMENTARY PRODUCTS BASED ON AFYREN'S KNOW-HOW IN NATURAL FERMENTATION AND BIOPROCESSES

In addition to these derivatives, AFYREN's R&D team is actively working on new developments to complement the range of organic acids, while maintaining the same approach of minimising its environmental footprint. In particular, these products would make it possible to further diversify the range of acids from plant by-products.

THE AFYNERIE® TECHNOLOGICAL PLATFORM

Owned by AFYREN, the AFYNERIE® process is protected worldwide through ten patent families[3] This is a biomimetic technology, the result of more than ten years of R&D, which allows the transformation, via a fermentation process, of non-food biomass from by-products and agro-industrial waste into carboxylic acids and biobased fertilisers.

THE AFYNERIE® PROCESS



The AFYREN process can be used with many raw materials such as sugar industry by-products (beetroot and cane), other organic by-products (soya, cane, corn, beer production) or even municipal waste (organic household waste).

The Company's biorefinery technology is based on the mastery of natural microbial mixtures, without DNA modifications, capable of using a wide variety of complex biomasses. The choice of natural fermentation avoids sterilisation and pre-treatment stages and the associated costs and allows the production of several molecules via a single process.

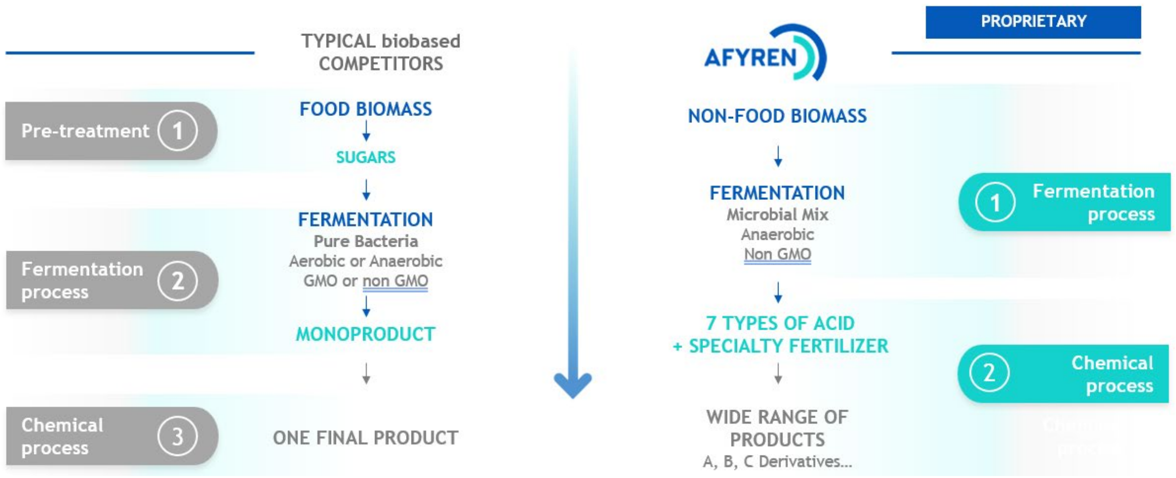
[3]See paragraph 3.7.1 - Intellectual property

The by-products from fermentation are used as fertiliser, with a logic of complete circularity insofar as this fertiliser, usable in organic agriculture, promotes the growth of biomass, which is the key raw material of the AFYREN process. This process therefore does not generate any industrial waste. Lastly, the process works in a closed loop, which means the use of water for fermentation is kept to a minimum.

After the fermentation stage, acids are processed by distillation and other purification stages to obtain pure molecules that meet market specifications.

The plan is to add one or more additional processing steps, for example esterification or hydrogenation, that can convert these platform molecules into derivatives, which requires specific facilities.

COMPARISON BETWEEN THE AFYNERIE® PROCESS AND THE TRADITIONAL APPROACH



Unlike biotech industry standards, AFYREN's approach is based on the use of non-food biomass and non-GMO fermentation to produce biobased organic acids without competing directly with food resources. It can be used to produce seven natural organic acids, from C2 (acetic acid) to C6 (caproic acid) at a competitive cost.

THE AFYREN NEOXY PLANT: THE FIRST INDUSTRIAL PLANT USING THE AFYREN TECHNOLOGY

KEY DATES OF AFYREN NEOXY

In November 2020, AFYREN launched the construction of AFYREN NEOXY, the first industrial unit using its technology, located in Carling-Saint Avold, in the Grand Est region.

Construction was completed in early 2022, on time and on budget, despite the health crisis.

Inaugurated at the end of 2022, the plant went through various test phases and produced its first tonnes in 2023 and its first sales in 2024.

At the date of this Annual Financial Report, AFYREN is continuing its production campaigns. These will enable us to fine-tune the operating conditions that will ensure that the biorefinery remains stable over the long term, while producing finished products that meet the quality expectations of its strategic markets. Continuous production at the plant is targeted for 2025.

A virtuous local approach

AFYREN chose a regional approach for this first plant:

- with regard to its sourcing by giving preference to those geographically closest to the plant, in order to reduce the CO_2 impact of transport, and to contribute to the region's economic activity. The AFYREN NEOXY supply contract for molasses and pulp secured in March 2021 with Südzucker AG, the world leader in the sugar industry, provides for the use of sugar by-products from crops located within a maximum radius of a few hundred kilometres from the plant;

- with regard to its customers, who will be able to benefit from a production source located in the heart of Europe The health crisis in 2019, and a number of recent geopolitical and climatic events, have created significant pressure on organic acid prices, and even shortages in certain regions, demonstrating the importance of access to easily accessible products manufactured in France or Europe. The delivery time for products manufactured outside Europe has highlighted the strategic or even vital interest for certain customers to be able to rely on local sourcing. This underlying trend further enhances AFYREN's production, based in France, Germany and the Benelux, where the use of acids that AFYREN plans to sell is very significant.

A LOCAL OFFERING

STRONG COMMERCIAL APPEAL

AFYREN's commercial approach is mainly direct marketing. AFYREN can also use distributors on an opportunistic basis: for small volumes and/or in specific, geographically dispersed markets, for example in flavours and fragrances.

In line with this strategy, AFYREN has worked to secure part of AFYREN NEOXY's production via several long-term contracts with leading players in its target markets (human and animal food, flavours and fragrances, life sciences, materials sciences and lubricants). Direct contracts were supplemented by distribution contracts for flavours and fragrances with Ennolys - Lesaffre Group - on the European market and Excellentia on the North American market.

AFYREN NEOXY has also entered into a contract for the sale of its entire production of potassium fertilisers with Terrial, a joint venture between the Suez and Avril groups.

In total, secured commercial commitments represent cumulative revenues of more than €165 million[4].

MAJOR FINANCIAL AND INDUSTRIAL SUPPORT

Thanks in particular to the awards won in competitions supported by Bpifrance, the public investor and financier sees AFYREN as an innovative company in the French economy that can legitimately receive its support. Accordingly, Bpifrance Financement has granted a certain

4 For the contracted part only, total volumes x selling price over the contract period

amount of financing to AFYREN NEOXY. Bpifrance Investissement invested in AFYREN NEOXY through its SPI Sociétés de Projets Industriels and SPI BEI funds.

As part of its "Total Regional Development" programme, TotalEnergies has been supporting AFYREN's development since 2017, in particular by granting a loan that helped finance the validation of its technology at the pilot stage, and, due to AFYREN NEOXY's establishment on the Carling Saint-Avold platform that belongs to the TotalEnergies Group (on which it continues to produce polystyrene, polyethylene, polypropylene compounds and resins). In order to facilitate the establishment and construction of the AFYREN NEOXY plant, TotalEnergies and the Company have entered into various partnerships with companies present on the site, in order to facilitate the construction and integration of the AFYREN NEOXY plant.

In April 2020, AFYREN brought together twelve key players in the bioeconomy around AFTERBIOCHEM[5], an innovative European project aimed at developing the first biorefinery of its kind in Europe, based on AFYNERIE® technology, built and operated by AFYREN NEOXY. This project focuses on creating new sustainable value chains from renewable and non-food raw materials, leading to the sales of seven acids produced by AFYREN NEOXY, fertilisers and also derivatives. This project has been supported by the European Commission and the European Joint Undertaking Bio Based Industry (BBI-JU), which has awarded it a grant of nearly €20 million out of an estimated total project cost of €33 million. AFYREN NEOXY's 12 partners in this project scheduled for 2025 are Südzucker AG, Technip Energies, Kemin Europa NV, Terrial, Sphera, Association Bioeconomy For Change, PNO Consultants, Firmenich SA, Fiabila, Suez Groupe and Celanese Europe BV.

AFYREN NEOXY is also supported by grants from the Grand Est Region and the CASAS Urban Community.

Lastly, AFYREN NEOXY is supported by a banking partnership comprising BNP, Banque Populaire and Caisse d'Epargne in the financing of this plant. This banking pool was extended to new partners in 2024, including Société Générale, Caisse d'épargne et de prévoyance Rhône-Alpes and Crédit Lyonnais.

2.4 COMPETITIVE ENVIRONMENT

The vast majority of carboxylic acid producers are petrochemical companies, including producers in North America (Eastman Chemical Company, The Dow Chemical Company, Celanese Corporation, Ineos), Europe (Perstorp, OQ Chemicals, BASF) and Asia (BASF, Luxi Group, Jiangsu Sopo Group).

The European market, AFYREN NEOXY's main target market, represents an estimated cumulative business volume of around $4 billion, a very substantial amount given the production capacity of the Group's first plant. Asian and North American markets are also AFYREN's target markets. They account for 25% and 27% of global demand, respectively.

Apart from acetic acid (with existing offerings from Lenzing, Jubilant Ingrevia, Godavari Biorefineries and SEKAB), there are currently no players in the biobased carboxylic acid sector who can compete directly with AFYREN in terms of technology and manufacturing processes. Two projects currently appear to be emerging in the biobased carboxylic acids segment, led by ChainCraft (Netherlands) and BioVeritas (United States). At the time of writing, these companies are aiming for industrialisation in 2026 at the earliest.

5 Anaerobic Fermentation & Esterification of Biomass for producing fine Chemicals

However, AFYREN stands out significantly from its competitors, in particular because of its technological maturity, given the construction of its first industrial unit, the diversity of its range of acids produced and the manufacturing processes used, giving it a unique position. The technological choices made by AFYREN have resulted in a more economical and environmentally-friendly manufacturing process.

2.5 ACTIVITY AND KEY FIGURES

SIMPLIFIED P&L

In € thousands	2024.12	2023.12	*Change*
Revenues	**2,862**	**3,379**	***-15%***
Of which license and development of industrial know-how	*1,370*	*1,417*	*-3%*
Of which other services	*1,492*	*1,962*	*-24%*
Current operating income	(6,078)	(5,928)	*3%*
Operating income	**(6,078)**	**(5,928)**	***3%***
Net financial income	1,891	1,142	*66%*
Share in income of equity-accounted companies	(5,567)	(4,800)	*16%*
Net income	**(9,754)**	**(9,586)**	***2%***

The Group's results show a stable loss, reflecting good control of operating expenses while awaiting revenues from continuous production.

Readers are invited to refer to the review of the financial statements and results in paragraph 2.12 of this document.

SIMPLIFIED BALANCE SHEET

In € thousands	2024.12	2023.12
Non-current assets	13,454	19,479
Of which equity-accounted securities	*8,618*	*14,185*
Current assets	45,106	50,948
Of which cash and cash equivalents	*33,538*	*49,559*
Total assets	**58,560**	**70,427**
Equity	52,698	61,799
Non-current liabilities	3,019	4,213
Of which borrowings and financial liabilities	2,035	*3,176*
Current liabilities	2,842	4,414
Of which borrowings and financial liabilities	*1,282*	*1,611*

Total liabilities	**58,559**	**70,427**

The Company had cash and cash equivalents of €33.5 million at the end of the financial year and very limited debt. It can thus finance its future development, including R&D work and the development of future industrial projects.

2.6 SIGNIFICANT EVENTS OF THE YEAR ENDED 31 DECEMBER 2024

AFYREN

OPERATIONS

In April 2024, AFYREN announced that it had delivered its first tonnes of fertiliser produced by its AFYREN NEOXY plant to its partner Terrial. The AFYREN NEOXY fertiliser is derived from the manufacturing process for biobased organic acids, which transforms local biomass from agricultural residues not used in human food. This ensures the perfect circularity of the AFYREN model, because by returning to the earth, it contributes to a new biomass generation cycle.

In addition to contributing to the **circularity of AFYREN's offer** with a "return to the soil", fertiliser makes a positive contribution to AFYREN NEOXY's economic performance. The outlook for future plants is equally promising.

In June 2024, AFYREN announced the **production of several tonnes of acid** at its AFYREN NEOXY site, confirming the progress made in improving the reliability of equipment, combined with the development of employee skills at a critical stage in the process.

At the end of August 2024, AFYREN announced the signature of a new multi-year commercial contract with a US-based manufacturer of nutraceutical products. As part of the contract, AFYREN will supply the customer with its biobased acids, produced using its unique natural fermentation process and used as preservatives or flavourings for food supplements. Initially based on limited volumes, this contract may evolve towards larger quantities.

By the second half of 2024, AFYREN NEOXY had produced and sold several dozen tonnes of biobased acids of the quality expected in its strategic markets. At the same time, the work of validating the acids with customers and prospects is continuing, with positive feedback from many players, particularly in the Nutrition and Flavours and Fragrances sectors.

Some of the equipment used to extract the products has been technically adapted to ensure continuous, stable operation over the long term.

As a result, the aim is for the plant to be operating in continuous production by 2025, compared with the initial forecast of 2024, enabling it to break even quickly after just a few quarters of activity.

As continuous production had not started by 31 December 2024, the fixed assets relating to buildings and production equipment had not yet been commissioned.

PARTNERSHIPS

In March 2024 AFYREN and SUEZ announced that they would be continuing their collaboration on a new way of recovering biowaste. The aim of this collaboration is to use this waste from SUEZ's collection and treatment activities in the AFYREN process to manufacture products of interest that can be used to replace petroleum-based molecules It opens up an attractive recycling option and a concrete, circular solution to the challenges of decarbonising a wide variety of industrial sectors. It marks a significant step forward in the collaboration between the two companies, initiated in 2020 as part of the AFTER-BIOCHEM consortium, and is fully in line with Europe's ambitious policy on these issues.

In June 2024, as part of its development in Asia, AFYREN created AFYREN SERVICES (THAILAND) CO. LTD, a wholly-owned subsidiary. At the date of this Annual Financial Report, the subsidiary has not commenced operations and its financial statements are not material.

In September 2024, AFYREN decided to close 9478-2687 Québec Inc, a subsidiary created during the 2022 financial year, which had remained inactive and whose accounts were not material.

ESG

Signing of the global Responsible Care® charter attesting to the commitment of all AFYREN sites

In April 2024, AFYREN was awarded the national Responsible Care® 2024 trophy in the "Societal" category for its innovative recruitment programme: "Sustainable industrial jobs for all".

Built in partnership with a number of local players, including the employment agency, this programme has proved effective in terms of recruitment, while promoting inclusion and diversity and enabling unskilled people to return to work and/or retrain.

At the same time, AFYREN signed the global Responsible Care® charter and is committed to applying its key principles at both global and strategic levels, particularly in its industrial operations.

Success of the second HR survey (AFYREN Global People Survey), with 98% participation

In January 2023, AFYREN organised its first internal survey of all employees, which was a great success with a 97% participation rate. The second survey, organised in May 2024, saw participation rise to 98%.

This survey highlights strengths and areas for improvement at various levels of the organisation. While the overall results are stable compared with 2023, certain subjects, such as fair pay and safety, have seen significant progress. As in 2023, collective workshops will enable concrete action plans to be drawn up jointly. The aim is to continue this process on an annual basis.

Improvement of the Gaia non-financial rating

In March 2024, AFYREN recorded a further improvement in its EthiFinance non-financial rating to 83/100 (Platinum Level), highlighting a level of ESG maturity superior to that of comparable companies.

Publication of AFYREN's first sustainability report

In June 2024, AFYREN published its first sustainability report to assess its initiatives and performance on environmental and social issues. This process is also part of a gradual alignment with the European Corporate Sustainability Reporting Directive (CSRD). AFYREN is not currently subject to this directive; nevertheless, the company has voluntarily drawn up its first sustainability report in the spirit of the ESRS (Environmental, Social, and Governance Reporting Standards). This document is available for consultation and download in a dedicated section of the company's website: https://Afyren.com/vision/.

Improvement in ECOVADIS rating

In November 2024, for the second year running, AFYREN was awarded a silver medal by the global reference platform EcoVadis. Its score of 68/100 places the company in the top 15% of companies in terms of sustainable development and in the top 8% of its industrial sector.

AFYREN's rating improved by 7 points compared with last year, despite a more demanding benchmark due to a change in category (from small to medium-sized company). This recognition testifies to AFYREN's ongoing efforts in the area of corporate social responsibility (CSR), with a significant improvement in its score in the social and ethical categories.

Governance

By letter dated 12 February 2024, VALQUEST PARTNERS notified the Company of the change of its permanent representative on the Company's Board of Directors, with Fadi Noureddine being replaced by Walid Sfeir with effect from 16 February 2024.

At the annual ordinary and extraordinary general meeting held on 19 June 2024, AFYREN recorded the renewal of the terms of office on the Board of Directors of Stefan Borgas and Nicolas Sordet and of the companies Sofinnova Partners, AFY Partners and Valquest Partners, as well as the ratification of the co-option of the company Bpifrance, each as director.

FINANCE AND FINANCIAL INSTRUMENTS

Financing

In July 2024, AFYREN took out a 36-month loan of €0.3 million from BNP to finance refurbishment work on its R&D premises.

In 2024, AFYREN contributed €10 million to the financing of its subsidiary AFYREN NEOXY through a contribution in the form of a shareholder loan.

In November 2024, AFYREN announced that it had obtained new financing from Bpifrance in the form of a €9 million New Industry Loan for its subsidiary AFYREN NEOXY to support the start-up of this pioneering plant. Disbursed in two tranches of €6 million and €3 million, this loan has a total term of 15 years, including a 3-year grace period. It is part of a Bpifrance programme developed as part of the France 2030 Plan to finance the industrialisation of an innovative technology.

At the end of 2024, AFYREN obtained a new Sustainability-Linked Loan of €10 million, of which a €6 million tranche had already been paid up in 2024 and a tranche of €4 million to be disbursed at a later date subject to conditions, on behalf of its subsidiary AFYREN NEOXY. This loan was obtained from a banking syndicate comprising both AFYREN's long-standing banks (BNP Paribas - also acting as arranger and ESG coordinator - and Banque Populaire Auvergne Rhône-Alpes) and new partners (Société Générale, Caisse d'épargne et de prévoyance Rhône-Alpes and Crédit Lyonnais).

Share buybacks / liquidity

AFYREN has had a liquidity contract with ODDO BHF SCA since 2021. The total cumulative funds made available under this liquidity contract are €0.45 million.
At 31 December 2024, the following resources were included in the liquidity account:

- Number of shares: 69,425 shares
- Cash balance of the liquidity account: €91,007

In December 2023, the Board of Directors used the authorisation granted to it under the sixth resolution adopted by the general meeting of 21 June 2023 to launch a new share buyback programme. This programme, for a maximum amount of €0.3 million, began on 18 January 2024 and ended on 6 May 2024. 151,947 shares were bought back under this programme. In a context of low share prices, this programme limits shareholder dilution resulting from multi-year share allotment plans, with no significant impact on cash.

Free share grants and BSPCE exercises

In 2024, the Board of Directors used the authorisations granted to it to make the following grants:

	Free shares granted	Beneficiaries	Resolutions
January 2024	12,868 2023 free share grants	2	Eighteenth resolution of the combined general meeting of 21 June 2023
March 2024	14,069 2023 free share grants[6]	1	Eighteenth resolution of the combined general meeting of 21 June 2023
March 2024	180,500 LTIP free share grants	13	Twenty-third resolution of the combined general meeting of 19 June 2024
July 2024	4,000 2024 free share grants	1	Twenty-third resolution of the combined general meeting of 19 June 2024
December 2024	266,500 2024-2 free share grants	22	Twenty-third resolution of the combined general meeting of 19 June 2024
December 2024	70,000 2024-3 free share grants	10	Twenty-third resolution of the combined general meeting of 19 June 2024

[6] Cancelled following the departure of the employee before the vesting date

It also recorded the definitive vesting of 29,553 shares granted in 2022 and 2023 to six employees and 25,762 free ordinary shares to each of the two directors, in accordance with the grant decided by the Board of Directors on 24 March 2022.

Lastly, it recorded the cancellation of 38,496 free shares following the departure of employees before the vesting date.

During the first half of 2024, capital increases linked to the exercise of BSPCEs were recorded for a total amount of €1,749.98, corresponding to 87,499 shares with a nominal value of €0.02 each.

AFYREN NEOXY

OPERATIONS

The recent developments of AFYREN NEOXY are described above.

FINANCING

In 2024, AFYREN contributed €10 million to the financing of its subsidiary AFYREN NEOXY through a contribution in the form of a shareholder loan.

In November 2024, AFYREN announced that it had obtained two new financings for its subsidiary AFYREN NEOXY, for a total amount of €19 million, of which €12 million will be disbursed in 2024, with the remainder to be disbursed at a later date subject to conditions. This funding is intended to support the start-up of this pioneering plant. They are described in detail above.

2.7 RESEARCH AND DEVELOPMENT ACTIVITIES

Research and development costs include expenses dedicated to the continuous improvement of fermentation and production processes, the preparation of future plants, the development of derivative and new products and the use of new substrates.

With over ten years' experience in fermentation, the R&D platform developed by AFYREN is focused on the development of the Group's business and is therefore very strategic.

In fact, the amounts dedicated to R&D are significant year on year.

At 31 December 2024, these expenses amounted to €1.9 million, stable compared with 2023.

The 2024 R&D budget represents approximately 20% of AFYREN's total budgeted expenses.

Research costs are expensed as incurred.

Development expenses are recognised as intangible assets if and only if the expenses can be measured reliably and the Company can demonstrate the technical and commercial feasibility of the product or process, the existence of probable future economic benefits and its intention as well as the availability of sufficient resources to complete development and use or sell the asset. Otherwise, they are expensed as incurred. Subsequent to initial recognition, development expenses are carried at cost less any accumulated depreciation and impairment losses.

In addition, a of €571 thousand research tax credit was recognised for this year in connection with the same research and development work.

PATENTS:

AFYREN has a patent portfolio consisting of 10 published patent families, representing 88 patent applications in 13 jurisdictions. 69 patents granted are derived from these applications, including eight US patents and five European patents. Once granted, EP patents are validated in major European markets (Belgium, Germany, France, United Kingdom, Ireland, Netherlands, Sweden). Most of the valuable inventions have a wide validation territory, including other important European countries such as Denmark, Spain, Italy, Finland, Norway, Poland, Portugal, etc. Including EP patent validation countries, AFYREN's patent portfolio comprises more than 140 titles that are maintained in force. The EP patents have not been the subject of any opposition proceedings by third parties.

TRADEMARKS

The Company has registered several trademarks: AFYNERIE (in France), AFYREN (with WIPO, in France and the European Union, in the United Kingdom, Norway and Switzerland, in China, Laos and the Philippines, in the United States, Brazil and Australia), METHAREN (in France) and AFYREN TECHNOLOGIE (in France). It has not granted any licence to any third party for the use of these trademarks. AFYREN NEOXY has registered the AFYREN NEOXY trademark in France, at the WIPO, in Switzerland, in the European Union, in the United Kingdom and in Norway. The Company has also registered the trademarks FLAVYREN™ (flavours and perfumes), LUBYREN™ (lubricants), VITAFYREN™ (human and animal nutrition) and AFYBIO™ (life sciences and materials science) in its target markets (Europe, the Americas and Asia).

2.8 SIGNIFICANT EVENTS AFTER 31 DECEMBER 2024

In March 2025, AFYREN was awarded a non-financial rating of 85/100 (Platinum Level) by EthiFinance[7], highlighting AFYREN's efforts to integrate responsible practices at the heart of its strategy.

2.9 RISK FACTORS

Investors are invited to take into account the following risk factors and other information contained in this Annual Financial Report before deciding to subscribe for or acquire AFYREN shares.

AFYREN is exposed to various risk categories, the occurrence of which could have a material adverse effect on its business, financial position, results or prospects. AFYREN has reviewed these risks; at the date of publication of this Annual Financial Report, AFYREN is not aware of any significant risks other than those presented in this chapter. It is possible that certain risks not mentioned or not identified to date may potentially affect the Group's business and results, its objectives, its image or its share price. AFYREN's assessment of the significance of risks may be changed at any time, particularly if new internal or external events materialise.

[7] *This ESG rating was carried out according to the 2024 evaluation framework and relates to the 2024 financial year. It is based on the methodology in force for the 2024 campaign and does not include the changes to the 2025 reference framework.*

AFYREN'S RISK MANAGEMENT SYSTEM

In its internal risk analysis, AFYREN distinguishes between two main risk categories: risks associated with the strategy and risks associated with its execution.

The first category is the responsibility of management (Executive Committee) and is based on three analyses that are reviewed annually: a SWOT analysis of AFYREN, a PESTEL macro analysis and a competitive analysis.

Strategy execution risks, which are more operational in nature, fall into three categories:

- Project risks, characterised by their cross-functional nature and limited duration, are placed under the responsibility of the Project Directors and are assessed on a regular basis, on a monthly or quarterly basis depending on progress;
- Operational risks associated with the Company's overall performance, under the responsibility of an "AFYREN Global Performance" programme manager, are reviewed every six months;
- Lastly, risks related to plant operations, under the responsibility of the plant management committees, are also reviewed on a quarterly basis.

Each manager is responsible for identifying and documenting risks in a dedicated reporting tool, which serves as a support for risk mapping. This is based in particular on risk rating, resulting from the assessment of the severity (5 levels on a scale of 1 to 16) multiplied by the probability (5 levels on a scale of 1 to 16) of the risk.

As a standard practice, risks are subject to a control system, with particular attention paid to rated risks (> or = 128), which are covered by action plans periodically reviewed by the Executive Committee.

Once the action plan is in place, regular reviews are organised to ensure continuous improvement.

SUMMARY TABLE OF THE MAIN RISKS

In accordance with the provisions of Article 16 of Regulation (EU) 2017/1129 of the European Parliament and of the Council, the risk factors that may have a significant impact on the long-term value of the company, as identified as of the date of this Annual Financial Report, are presented below and then in the detailed description.

Name of the risk
Risks related to the Group's business sector
Risks associated with the competitive environment in which AFYREN operates
Risks associated with the specifications, certification standards and quality standards of the Group's products
Risks associated with the supply of raw materials and energy, including climate risk
Risks associated with the lack of commercial outlets or dependence on certain customers
Risks associated with the Group's strategy
Risks associated with building and start-up of plants

Risks associated with future development, including internationally
Risks associated with the ownership structure of the NEOXY plant
Risks associated with the Group's financial position
Risks associated with liquidity, financing needs and debt
Foreign exchange risks
Risks of damage to the Group's image
Human resources risks
Risks associated with the Group's recruitment needs
Risks associated with the need to retain key people
Risks associated with cybercrime and information systems
Legal and regulatory risks
Risks associated with the regulatory environment
Intellectual property risks

RISKS ASSOCIATED WITH AFYREN'S BUSINESS SECTOR

RISKS ASSOCIATED WITH THE COMPETITIVE ENVIRONMENT IN WHICH AFYREN OPERATES

The Group operates in a market where the petrochemical industry has traditionally been the dominant player, with producers of biobased products being new entrants (see section 3.4 for a presentation of this competitive environment). As a result, the Group competes directly with large groups that have significant resources and long experience in operating industrial sites and marketing carboxylic acids to often long-established customers. Therefore, it cannot be ruled out that the Group may encounter aggressive pricing policies or multi-product offerings from existing petrochemical players in the market, made possible by their size and their established presence in multiple market sectors. Nor can it be ruled out that these same players may actively campaign to influence public policies that could be implemented in the market, and which may therefore affect the Group.

The Group is also exposed to competition in the biobased products segment, and some competitors potentially have greater resources than the Group, or may even be backed by large groups with more resources than the Group to devote to R&D work and the marketing of their products. If the Group were unable to defend its competitive advantages, it could be more difficult to compete with players already present in the biobased carboxylic acids segment or new market entrants who have developed more efficient technologies.

These various factors could have the effect of reducing the Group's expected sales volume and revenues and could therefore adversely affect the Group's business, financial position, results and/or financial prospects.

Risk management: AFYREN regularly reviews its competitive environment and has not identified any players likely to present a short-term threat. The Group markets a portfolio of products with a range that it is the only one to offer to date, limiting the impact of an aggressive pricing policy by a competitor on a given product. Thanks to its innovative processes developed over many years, the Group is already favourably positioned compared to its competitors producing carboxylic acids, as few players are capable of producing several acids in a single plant. This therefore assumes that new entrants have very significant financing capacity to build multiple plants or are limited to the production of a single acid. To maintain the innovative dimension of its offering, the Group allocates budgets to R&D aimed at developing its know-how and intellectual property. In addition, the Group aims to deploy industrial assets that are sufficiently economically efficient enough to withstand aggressive pricing policies. In its projections, the Group monitors the performance of its business model on the basis of the prices of petroleum-based acids.

RISKS ASSOCIATED WITH SPECIFICATIONS, CERTIFICATION STANDARDS AND QUALITY STANDARDS FOR THE GROUP'S PRODUCTS

The products developed by the Group are aimed at customers who have precise and demanding expectations. The Group is therefore expected to be able to justify its level of specification requirements. With this in mind, and to avoid losing sales opportunities, the Group is committed to implementing an integrated Quality, Food Safety, Environment and Security management system, taking into account the regulatory aspects of these very specific markets. During the launch phase of its products, the Group regularly has samples validated by its customers.

This structured organisation enables the Group to take account of changes in industry standards and the requirements of all our stakeholders: any tightening of these standards will inevitably have an impact on the Group's activities, forcing it to adapt its internal processes and, where necessary, its manufacturing processes. Any delay in obtaining a given certification or any delay resulting from the need to adapt a quality process to a newly introduced standard, compliance with which would be required by AFYREN's customers, and more generally any discrepancy noted between the products delivered and customer expectations (physico-chemical/olfactory/organoleptic discrepancy) could have the effect of delaying the sale of products, and therefore adversely affect the Group's margins, business, financial position, results and/or financial prospects.

Risk management. To limit this risk, the Group strives to anticipate the expectations of the market and its customers, in particular by ensuring that its sales team maintains a regular dialogue with them. In 2024, AFYREN made several shipments of acids manufactured on the plant site to its customers and prospects. These were in line with customer specifications and received positive feedback from prospective customers. In addition, the Group has implemented a voluntary certification policy aimed at obtaining all the standards required by its customers, but also at obtaining additional certifications that may prove decisive in the future. As part of its operational excellence programme, the Group has already obtained Ecocert, Kosher and Halal certification for its products, and is implementing an ambitious certification programme (ISO 9001, ISO 14001, FSSC22000, GMP+), with the first audits scheduled for 2025.

RISKS ASSOCIATED WITH THE SUPPLY OF RAW MATERIALS AND ENERGY, INCLUDING CLIMATE RISK

The Group conducts its business by sourcing various raw materials and requires energy (electricity/steam) and water to operate its industrial site. If the Group and/or the industry have difficulty passing on higher raw material and energy prices to its selling prices, this could have an impact on the Group, its business, financial position, results and/or financial prospects.

The raw materials used by the Group, in particular plant-based and other raw material inputs, are naturally available and correspond to local agricultural residues that cannot be used directly in the human food chain and are usually treated as waste or low-value by-products. These by-products are therefore more generally used in the animal feed (livestock) sector or methanisation. Nevertheless, it cannot be ruled out that the Group could be exposed to (i) an excessive dependence on some of its raw material suppliers, (ii) uneven quality of the raw materials supplied, or (iii) a shortage of raw materials in the event that the number of new entrants in the carboxylic acid sector or new companies using these raw materials for other purposes were to be greater than expected, increasing demand and reducing the supply of raw materials.

Moreover, as these raw materials are naturally available, they are potentially affected by any sudden climatic event and, more generally, by any climate change that could result in a drop in crop yields.

Accordingly, it cannot be ruled out that a specific type of material will become scarce in the area where a Group production site is located, forcing it to source supplies outside the regional supply chain, and therefore at higher prices. In such cases, the reduction in raw material supply would increase production costs, which could affect the Group's financial position, results and/or prospects.

In addition, the Group has developed a technology that allows it to use several raw materials. However, any change in inputs would require negotiating new contracts with suppliers and adapting production facilities. Such adaptation could lead to longer-than-expected delivery times to the Group's customers and could affect the profitability of production.

Lastly, in order to operate its industrial sites (including AFYREN NEOXY), the Group must also obtain energy supplies (electricity and steam) and its financial performance will depend in part on the prices charged by suppliers, partly in deregulated markets for its European activities, which have become far more volatile as a result of wars involving gas and/or oil exporting countries. A shortage of water could also have an impact on the Group's activities.

Risk management: Faced with these risks, the Group has several advantages. It has developed a technology that allows it to use several raw materials. Currently, its raw materials requirements represent only a fraction of available resources. It also works to negotiate and secure long-term raw materials supply contracts. AFYREN NEOXY has entered into an exclusive multi-year contract with German sugar group Südzucker AG to supply its molasses and beet pulp needs. This raw material is particularly resilient in a contained global warming scenario. In addition, the choice of location for each site is determined based on access to competitive and consistent energy and by the availability of raw materials in the regional supply chain in order to control the risk of scarcity of raw materials at controlled prices. The internationalisation of operations will also limit the impacts specific to Europe's energy situation.

In the specific case of water resources, the process makes it possible to greatly limit water input after the fermentation cycle, since the water then circulates in a closed loop. Currently, the plants and planned plants are not located in areas particularly exposed to climatic risk (coastal, flood or seismic zones, for example).

Overall, the Group is more exposed to the risk of short- and medium-term price increases than to shortages. The Group’s ability to pass on certain cost increases to its selling prices should make it possible to limit the financial impact of such increases, in particular by including price renegotiation clauses linked to energy costs in contracts.

RISKS ASSOCIATED WITH THE LACK OF COMMERCIAL OUTLETS OR DEPENDENCE ON CERTAIN CUSTOMERS

As the Group is in the start-up phase of large-scale production, it is not yet certain of the depth of the market for its entire product range. In addition, certain contracts signed to date with the Group's customers involve significant volumes, including an exclusive contract for all of AFYREN NEOXY's fertilisers.

If the Group were unable to secure sales of its production or sufficiently diversify its customer base, its business, financial position, results and/or financial prospects could be adversely affected.

Risk management. To limit this risk, the Group has an experienced international sales team and a positive track record in this area, with commercial commitments for acids and fertilisers totalling secured revenues of over €165 million at the date of this Annual Financial Report.

These contracts cover all of the Group's target markets. The commercial pipeline is also satisfactory, confirming the existence of a market for future international operations. Diversifying and building loyalty among counterparties (customers, sectors) has been identified as a key strategic area.

RISKS ASSOCIATED WITH THE STRATEGY

To become a commercial player, AFYREN needs to deploy production capacity. This involves building and operating plants via subsidiaries that use the Company's technology and intellectual property. This model requires raising significant capital and exposes the Company directly to certain operational risks at the development, construction and start-up stages, as well as to financing risks.

RISKS ASSOCIATED WITH BUILDING AND START-UP OF PLANTS

With the commissioning of its first plant, the Group is scaling up processes that have been proven in the pilot and pre-industrial stages. During both the construction and operating phases, the Group may encounter difficulties of various kinds, including (but not limited to) i) construction times that are longer than expected and therefore delayed commissioning; ii) plant start-up and ramp-up times that are longer than expected, particularly due to equipment problems (necessary modifications, breakages, etc.); iii) yields that are lower than anticipated in the Group's projections; iv) increases in the cost of materials and equipment, particularly between the investment decision and the construction of the plant.); iii) lower yields than anticipated in the projections made by the Group; iv) an increase in the cost of materials and equipment, particularly between the investment decision and the construction of the plant, which may lead to an upward revision of the anticipated cost of the project; and v) other unforeseen difficulties, particularly in the context of its international expansion.

Potential dependence on certain suppliers (of technologies, equipment, etc.) may exacerbate these difficulties. This risk, which is inherent in the transition to industrial scale, is expected to diminish as the Group's production and development progress. Such a risk may adversely affect the Group's business, financial position, results and/or financial prospects.

At the beginning of 2025, AFYREN announced a target of continuous production at the plant by 2025, compared with 2024 in its latest projections.

Risk management: To limit the risk, AFYREN carries out tests at the pilot and pre-industrial stages, in particular with certain suppliers. In addition, the Group has chosen to use equipment that has already been operated and industrially tested at significant sizes and scales. AFYREN's provisional budget also takes into account the ramp-up times for its plants, in particular for the first AFYREN NEOXY, and includes buffers to cope with a sudden rise in the cost of materials and equipment. Lastly, the Group's international expansion will benefit from the experience gained from the first plant, and from the recruitment of staff with experience in international project management.

RISKS ASSOCIATED WITH FUTURE DEVELOPMENT, INCLUDING INTERNATIONALLY

The regular start-up of new plants means that the Company must regularly deal with operational difficulties of the same nature: preparation of the administrative applications relating to the construction and start-up of the plant (building permit, administrative approvals, etc.), implementation of new quality processes, management of new internal procedures relating to the operation of the site, recruitment of new teams, and time to adapt to customer expectations. These constraints can be more or less significant depending on the country of operation.

The delays inherent in these different stages may impact a site's start-up schedule and therefore production, with potentially material financial implications.

Furthermore, the efficiency and performance of any new plant depends in part on its location, especially since the Group favours an approach that makes it possible to achieve synergies by building its plants on existing industrial sites. This approach makes it possible to control start-up costs and benefit from synergies with partners, but may impose certain constraints related to sites (age of industrial sites, method of ownership and operation of the relevant site, etc.) or partners (options for the location of future plants, possible restrictions on activity, etc.).

Also, in the context of the Group's international expansion, it could face specific risks related to the country of establishment (political or regulatory instability causing, inter alia, fluctuations in the applicable tax framework, recruitment difficulties, currency risk, etc.), and it cannot be ruled out that the Group's profitability and prospects could be affected by a slowdown in its productivity caused by these difficulties.

If these risks materialise, they could adversely affect the Group's business, financial position, results and/or financial prospects.

Risk management: To limit this risk, the Group (i) systematises its internal processes so that they can be easily duplicated from site to site; (ii) recruits employees with international experience; (iii) implements a global HR policy and plans for upgrading the skills and training of future recruits at sites to be established abroad; (iv) ensures that the location of future sites is chosen in such a way as to limit as far as possible the constraints imposed by the site on the production schedule; (v) involves, where appropriate, the local partner in the ownership of the plant to align its long-term interests.

The Group pays particular attention to the choice of its partners: due diligence work is carried out, sometimes with the support of third-party organisations, including on ethical issues. Exit clauses are systematically included in partnership documentation, particularly in the early stages of the project.

RISKS RELATING TO THE OWNERSHIP STRUCTURE OF THE FIRST AFYREN NEOXY PLANT

The Group's first plant, AFYREN NEOXY, is the result of a joint venture between AFYREN, 51% shareholder, and the SPI fund of Bpifrance, 49% shareholder. This structure made it possible to finance this first plant as part of a long-term partnership. It is consistent with the investment philosophy of the SPI fund, which is to invest in the form of equity stakes in project companies set up in partnership with industrialists, to take projects through to the industrialisation phase.

However, this structure entails a risk in the event of misalignment between the partners, such as the inability, temporary or otherwise, of one of the partners to meet the joint venture's financing requirements, or in the event of strategic differences between the co-shareholders that could lead to a deadlock in the decision-making bodies.

Risk management: AFYREN NEOXY has set up an organisation to ensure that its co-shareholders are properly informed, and there is a shareholders' agreement governing the company's governance and possible exits.

FINANCIAL RISKS

RISKS ASSOCIATED WITH LIQUIDITY, FINANCING NEEDS AND DEBT

- Liquidity risk

As part of their day-to-day activities, AFYREN and its subsidiaries consume cash, particularly for fixed costs (salaries, maintenance, insurance, etc.). Liquidity risk is particularly acute for AFYREN's subsidiaries during the start-up period for new plants, since they have to make disbursements in the absence of cash inflows. If the start-up budget has been underestimated, or if the start-up requires more time and funds than anticipated, these subsidiaries must draw on the Group's financial support, as was the case in April 2023 and again in the second half of 2024.

Risk management: To limit liquidity risk, the Group draws up a forecast of its needs and ensures that its funding is adequate at all times. At 31 December 2024, AFYREN had cash and cash equivalents of €33 million, with financial liabilities of €3.3 million, including a short-term portion of €1.3 million. This positive financial position is the result of a capital increase as part of AFYREN's IPO on Euronext Growth Paris in October 2021, in order to finance its strategic developments. For 2024, AFYREN used cash of €6 million, excluding subsidiary financing transactions, of which approximately €2 million will be attributable to R&D and development costs for future plants. AFYREN also contributed €10 million to its subsidiary AFYREN NEOXY in 2024 to enable it to cope with the delay in the start-up of production. The annual cash requirements of AFYREN and AFYREN NEOXY are covered at the date of the Annual Financial Report.

- Risks associated with financing requirements and debt

The business model chosen by AFYREN entails significant financing requirements to build new plants and finance product development and marketing. This model therefore assumes that the Group is able to (i) have access to various sources of financing (equity contributions, borrowing of all kinds, grants) and (ii) optimise its financial structure.

AFYREN is exposed to a number of risks in connection with its debt, including the unavailability of the necessary funds, and a deterioration in borrowing conditions, whether financial (interest rates, etc.) or in terms of the specific conditions attached to it (covenants, guarantees, etc.). This risk will evolve as the Group's overall debt level increases.

Equity financing also entails risks, linked in particular to the opening of markets for so-called "primary" deals and to the conditions under which a deal can be envisaged (stock market price and dilution).

If the funds needed for its development are not available under satisfactory conditions, the Group may have to limit its production or development in new markets, which would affect its activities, financial position, results and/or financial prospects.

Risk management: To limit the risks associated with financing needs, the Group seeks to diversify its sources of financing. In addition to bank debt, AFYREN's initial public offering in October 2021 gave it access to new sources of financing. The Group is committed to maintaining strong relationships with its existing investors (shareholders, banking partners) and to developing new ones to prepare for the future. The Group pays particular attention to the distribution of its financing lines and the specific conditions attached to them (covenants, guarantees). In 2024 AFYREN NEOXY secured two new financing contracts for a total of €19 million (of which €12 million was disbursed in 2024) with Bpifrance and a syndicate of banking partners, demonstrating AFYREN's ability to engage its financial partners alongside it.

- Foreign exchange risks

The Group's international expansion outside the Eurozone means that it is exposed to currencies other than the euro, AFYREN's reporting currency, in particular the US dollar and other currencies with varying degrees of correlation. Once its international subsidiaries are in operation, the Group will be exposed to operational transaction risk and translation risk.

Risk management: the Group will examine ways of establishing a natural hedge for its activities, for example by obtaining financing in local currency, and by establishing an appropriate hedging policy for the residual part.

REPUTATIONAL RISK

The Group conducts its business by emphasising its technology, which is as environmentally friendly as possible, and its concern to contribute to the global effort to reduce CO2 emissions, and in particular the estimates showing that greenhouse gas emissions from its production are only one-fifth of those generated by equivalent petroleum-based acids on the market. This issue is of great interest to the new generations and generates considerable media attention. The dissemination of information is also amplified by the use of social media that allow real-time reactions and, consequently, immediate aggregation of information from multiple sources for a given audience.

In this context, the Group is naturally exposed to the risk of general criticism (in particular "greenwashing") affecting an entire industry and (i) based on erroneous, truncated or oversimplified information (ii) that concerns the Group's competitors to whom it is mistakenly compared. It should also be noted that the Group itself contributes to CO2 emissions, due to its industrial activity (such emissions are nevertheless reduced by 80% compared to equivalent petroleum-based acids on the market).

In the normal development of its activities, the Group work s closely with external stakeholders (customers, suppliers, partners). It cannot be ruled out that a reputational attack - whether justified or not - on one of these stakeholders could harm the Group's image.

Nor can it be ruled out that comments made by employees or former employees, particularly on social media, may also harm AFYREN's image.

Lastly, on the occasion of its IPO in October 2021, and regularly since, the Group has unveiled medium-term objectives and a roadmap to achieve them. It cannot be ruled out that the Group may encounter difficulties in the execution of its strategy, exposing itself to criticism, particularly from the financial community and its representatives (specialised press, stock market forums, etc.).

Criticism or attacks could have a negative impact on the Group's image, with consequences for its business, financial position, results and/or financial prospects.

Risk management: To limit this risk, the Group ensures that it regularly provides information and education on its activities. This work aims to ensure that the information published about the Group is accurate by relying, inter alia, on external expertise or reports. To this end, AFYREN has recruited a CSR, Communication and Public Affairs Director. In this way, the Group ensures that the markets it targets are aware of its approach and that it regularly provides relevant information on the nature of its business. The Group also uses social networks to communicate about its activities and therefore remains particularly vigilant about the nature of the information circulating about it, so that it can react quickly with the appropriate action plan. A crisis management plan is in place, including a communications component.

The Group is particularly committed to ensuring that all its employees respect its core values (commitment, agility, humility), thereby limiting the risk of criticism from dissatisfied employees. Lastly, AFYREN has established various reference documents (ethics charter, sustainable and responsible purchasing policy, supplier code of conduct) and set up a system for reporting and handling complaints. Employees are informed of these policies and made aware of these tools during information sessions organised in the form of webinars.

HUMAN RESOURCES RISKS

RISKS ASSOCIATED WITH THE MANAGEMENT OF THE GROUP'S RECRUITMENT NEEDS

Thanks to its growth, AFYREN is recruiting a large number of people, some of whom are considered crucial for the company. By way of illustration, the Group created around ten permanent jobs in 2023 and strengthened its management team at Group level.

The Group could find it difficult to attract the best talent and to get its new employees to adhere to the core values highlighted since its creation (commitment, agility, humility), which could have the effect of reducing the overall productivity and overall motivation of the Group's employees, as a result of a weakening of the link that enables employees to make a major contribution to the Group's project.

In such a case, the Group's results could be affected, which would have the effect of adversely affecting its business, financial position, results and/or financial prospects.

Risk management. To limit this risk, AFYREN is committed to a consistent and proactive human resources policy, based on strong internal communication. To strengthen this dialogue, in 2024 AFYREN organised its second internal survey for all employees, with a participation rate of 98%. From the time of recruitment, the Group’s core values are emphasised. The Group also wants to implement a policy to develop and retain talent, by working on the quality of life at work, benefits policies and skills development. In addition, the Group's highly innovative nature and the ambition of its model, which respects the planet and the environment, and the agility of its modes of governance are strong factors in enhancing the Group's employer brand and attracting highly qualified people who share this ambition. This effort on the Human Resources policy is also reflected in the recruitment of a Group Human Resources Director in December 2022, to structure the organisation and implement a global human resources policy within the Group, in line with the company's strong culture and values.

RISKS ASSOCIATED WITH THE NEED TO RETAIN KEY PEOPLE

AFYREN's performance still relies heavily on the strategy developed by the Group's founding team (CEO and CTO) and its close colleagues. In this respect, in the event of a departure, the loss of skills could hinder the Company's ability to achieve its objectives and implement its strategic plan.

Risk management. To limit this risk, the Company has taken care to recruit a management team made up of diverse profiles that complement those of the founders, and to implement a dynamic compensation policy. In this context, AFYREN is gradually implementing a compensation policy to recognise individual and collective performance and retain key talent with multi-year objectives. The Group is also working to develop the skills of its employees to secure the organisation's key skills and positions.

RISKS ASSOCIATED WITH CYBERCRIME AND INFORMATION SYSTEMS

AFYREN's information system is exposed to the risk of hacking, which may be aimed at obtaining a ransom or stealing AFYREN's sensitive data and, more generally, to attack the Group's digital security, as current events show that all business sectors are potential targets. Furthermore, the plant operated by AFYREN NEOXY and future plants operate automated systems, based on the use of data required for the steering and control of production, maintenance management, sales activity and finance. Incorrect use of the systems due to a lack of technical expertise or their failure due to obsolescence or lack of updating could have an impact on the proper functioning of the plant.

In the event of a cyber-attack on AFYREN or its plants, the Group could be exposed to the risk of paying a potentially significant ransom, losing sensitive data or disrupting automated systems, leading to a paralysis of production. Automated systems could also be subject to a breakdown, slowdown or interruption, which could have a significant impact on production.

This would have the effect of adversely affecting the Group's business, financial position, results and/or financial prospects.

More generally and regardless of the means used, the Group is exposed to the risk of fraud, including, but not limited to “CEO Fraud ” (an unknown third party impersonating the CEO making a request for an urgent payment), etc.

Risk management: To limit this risk, AFYREN has implemented measures to ensure the reliability and security of its IT systems, in particular by contracting out the design, maintenance and operation of the Information System to a specialist facilities management company. The industrial network used to control the plant's equipment is physically separate from the 'office' IT network, and the interface between these two networks is reduced and controlled by cybersecurity equipment.

In addition, all software and IT solutions (firewall, routers, Wi-Fi repeaters) hardware and software (antivirus, hard disk encryption solutions) used to manage the company's activities have been selected and integrated into the overall architecture by the facilities management company. Fake phishing campaigns are carried out at regular intervals to test the teams, and more generally, employee training on the security aspect is an integral part of the company's IT and cybersecurity policy. AFYREN also relies heavily on the recommendations of the ANSSI. Also, AFYREN has taken out a Group-wide cyber insurance policy with an international insurer covering the digital risks to which the Group may be exposed, and has prepared a remediation plan in the event of a cyber attack.

LEGAL AND REGULATORY RISKS

RISKS ASSOCIATED WITH THE REGULATORY ENVIRONMENT

As AFYREN operates in an emerging market (production of biobased carboxylic acids), it cannot rule out the risk of a change in regulations that would increase the constraints to which it is exposed in its production activity, in the operation of an industrial site dedicated to the manufacture of such products, and in the marketing with access to the market for its products.

The Company's performance therefore depends on its compliance with regulatory requirements in terms of product compliance (in the targeted market sectors), environmental protection, and public health and safety on an industrial site.

AFYREN targets the marketing of its products in highly regulated business sectors: flavours and fragrances (cosmetics), human and animal food, fine chemicals, etc.

Changes in existing regulations and the implementation of new regulations may have an impact on the Group's control over its product production and sales schedules, and therefore on its ability to meet deadlines with customers.

Risk management: To improve its understanding of the regulatory context in which it operates, AFYREN has set up an in-house working group under the responsibility of a regulatory affairs manager recruited in 2022, and also relies on external expertise (leading specialised consulting firms) and the Legal Department. AFYREN pays particular attention to provisions relating to regulatory obligations in commercial contracts.

INTELLECTUAL PROPERTY RISKS

AFYREN's innovative and unique positioning is based on the patents and know-how it holds and the know-how it has developed. In this respect, the Company's intellectual property protection policy is essential to the achievement of its strategic plan.

AFYREN's success therefore depends, among other things, on its ability to obtain, retain and protect its patents, trademarks, logos and know-how. It cannot be ruled out that AFYREN may be unable to develop new patentable inventions, that the validity of its patents may be challenged, that it may not be granted patents for which it has filed applications (which constitute a significant part of its current protection portfolio), or that the patents filed will not provide it with sufficiently broad protection to secure its competitive position.

Furthermore, the Company cannot be certain that the confidentiality of its know-how (by definition non-patentable) or its industrial secrets will be effectively guaranteed by the protections put in place, and that in the event of a breach, satisfactory remedies may be exercised. The confidentiality of this know-how could also be affected in the event of theft or loss of computer data.

In addition, AFYREN's competitors could infringe its patents or other intellectual property rights or circumvent them through design innovations. To prevent counterfeiting, the Group could take actions that would be costly and mobilise its teams. AFYREN may not be able to prevent the misappropriation of its intellectual property rights, the unauthorised use of which is difficult to control.

It should also be noted that the process developed by AFYREN is based on the production of natural, non-genetically modified microorganisms that cannot, by their very nature, be patented. It cannot therefore be ruled out that competitors will incorporate the use of these natural microorganisms into their own processes.

Any exploitation of a new technology presents the risk of being faced with third-party rights that hold patents on key elements of the technology and hinder its development. AFYREN has not identified any third party rights likely to oppose the use of its innovations. Technological monitoring of patent databases depends on the accuracy of the information in these databases, and there is always a risk that third-party patents may not have been identified. The occurrence of one of these events concerning intellectual property rights could have a significant adverse effect on AFYREN, its business, financial position, results, prospects or development.

Risk management: To limit this risk, AFYREN has entrusted the management of its patent portfolio, consisting of nine families published to date, to a firm of intellectual property advisors who ensure that they are filed in the relevant countries in order to provide the right level of protection and carry out and maintain regular watch on published patent applications in the field. The active policy pursued by the Company to protect its innovations creates a favourable context for minimising risks to potential patents and patent applications from third parties. The procedures for examining the various patent families and patent applications have not revealed any previous patents that could prevent AFYREN from exploiting its innovations.

AFYREN limits as much as possible the granting of licences on its know-how (in its model, these licences will only be granted within the Group) and ensures that its employees' employment contracts contain enforceable intellectual property rights assignment clauses and confidentiality clauses limiting the risk of disclosure of know-how. The actions taken to strengthen the IT security of AFYREN's system make it possible to prevent theft or loss of computer data.

2.10 RISK MANAGEMENT AND INTERNAL CONTROL PROCEDURES IMPLEMENTED BY AFYREN FOR THE PREPARATION AND PROCESSING OF ACCOUNTING AND FINANCIAL INFORMATION

AFYREN ensures that internal control and risk management measures relating to the preparation and processing of accounting and financial information are properly implemented. AFYREN gives priority to risk control at each stage of the preparation and processing of accounting and financial information.

2.11 ALTERNATIVE PERFORMANCE INDICATORS

In addition to accounting aggregates, management has identified several alternative performance indicators ("APIs") to monitor the performance of its activities, including two financial indicators, production revenues and EBITDA margin (current and current production). These financial indicators are not representative in 2024, as the Company did not record any significant net income, but they should eventually make it possible to monitor the economic performance of each of the production units, and the Group's overall development.

(I) Production revenue indicator

Production revenues are understood to be at the level of the plants owned by the Company's subsidiaries or holdings, and are used to measure both the operational and commercial performance of production.

The Company's revenues, as an accounting aggregate, are based on a different logic since they also depend on the plant consolidation policy.

(II) Current EBITDA margin indicator

The current EBITDA margin is measured in relation to revenues.

Current production EBITDA is defined at plant level and corresponds to current operating income adjusted for depreciation, amortisation and net impairment of property, plant and equipment and intangible assets and, where applicable, the annual fixed amount of royalties relating to the remuneration of a technology licence granted by AFYREN (including both the fixed and variable portions). This APM measures the asset's operating profitability, including all operating costs, regardless of its financing or investment policy.

Current EBITDA is understood to be at the Company level and corresponds to current operating profit restated for depreciation and amortisation and net impairment of property, plant and equipment and intangible assets. This API, which also depends on the plant consolidation policy, is also used to measure of the Company's ability to manage its structural costs to continue to develop technology and to develop and operate its plants.

(III) Non-financial indicators

In addition to financial indicators, AFYREN publishes or plans to publish indicators of a more operational nature or relating to its ESG performance. These indicators are likely to change as the Group develops.

Committed and installed capacity indicator

This indicator tracks acid production capacity (in kilotonnes) according to two stages of progress: (i) committed capacity (for projects that have validated a certain number of stages (market study, feasibility, site selection, etc.) in the plant preparation process), and (ii) installed capacity (i.e. after industrial commissioning).

ESG performance monitoring indicator(s)

At the date of this Annual Financial Report, the Company is in the process of analysing its ESG (environmental, social and governance) performance indicators in the light of future CSRD requirements (Gap Analysis). A selection of non-financial indicators has been detailed in the AFYREN sustainability report, which is prepared on a voluntary basis and is scheduled for publication on an annual basis.

2.12 REVIEW OF FINANCIAL POSITION

The reader is invited to read the following information relating to the Company's financial position and results together with the Annual Financial Report as a whole and in particular the Company's annual financial statements (Appendix 1) prepared for the purposes of the Annual Financial Report for the financial years ended 31 December 2024 and 31 December 2023, which have been audited by the statutory auditor whose reports are presented in Appendix 2.

The comments on the financial statements below are based solely on these financial statements.

The Company has prepared financial statements in accordance with International Financial Reporting Standards (IFRS) for the purposes of the Annual Financial Report for the financial years ended 31 December 2024 and 31 December 2023.

In € thousands	2024.12	2023.12
Revenues	**2,862**	**3,379**
Other income	666	527
Purchases and external expenses	(3,035)	(3,035)
Personnel costs	(5,578)	(5,835)
Depreciation of fixed assets and rights of use	(851)	(814)
Other expenses	(142)	(132)
Current operating income	**(6,078)**	**(5,928)**
Non-current operating income	-	-
Operating income	(6,078)	(5,928)
Net financial income	1,891	1,142
Share in income of equity-accounted company (net of tax)	(5,567)	(4,800)
Income tax	-	-
Net income for the year	**(9,754)**	**(9,586)**

REVENUES

In € thousands	2024.12	2023.12
Licence and development of industrial know-how	1,370	1,417
Other services	1,492	1,962
Total revenues	**2,862**	**3,379**

The Company's revenues amounted to €2.9 million in 2024, compared with €3.4 million in 2023, in line with the decline in services provided to the subsidiary AFYREN NEOXY.

CHANGE IN REVENUES BY TYPE

Revenues are essentially made up of:

- income from patent and know-how licenses granted to AFYREN NEOXY since December 2018 for a total of €1.4 million in 2024, stable compared with 2023.
- various contracts for provision and other service provision (technical, commercial, administrative, etc.) signed with AFYREN NEOXY for a total of €1.5 million, down on 2023 due to the reduction in administrative services, which are now largely carried out by on-site teams.

The accounting treatment and components of revenues are detailed in note 6.2 to the IFRS financial statements for the year ended 31 December 2024 in Appendix 2.

CURRENT OPERATING INCOME

OPERATING EXPENSES AND CURRENT OPERATING INCOME

Net current operating expenses[8] amounted to €8.9 million in 2024, compared with €9.3 million at the end of 2023, a decrease of €0.4 million.

This decrease was mainly due to:

- an increase in other income (+€0.1 million), linked to operating grants;
- personnel expenses, down €0.3 million, due to lower costs for share-based payments. The average number of full-time equivalents (FTEs) rose slightly over the year (+4) to 44.
- purchases and other external expenses were stable and reflect the constant effort to control costs.

Furthermore, research and development expenditure recognised as an expense remained stable at €1.9 million in 2024.

These items are detailed in Notes 6.4 and 6.5 to the IFRS financial statements for the year ended 31 December 2024 in Appendix 2.

Current operating income was €6.1 million, with tight control of operating expenses partially offsetting the fall in revenues.

FORMATION OF NET INCOME

NET FINANCIAL INCOME (EXPENSE)

Net financial income (expense) improved by €0.75 million, thanks in particular to financial income from cash investments and financing granted to the subsidiary AFYREN NEOXY.

SHARE IN INCOME OF EQUITY-ACCOUNTED COMPANY (NET OF TAX)

The share accounted for in AFYREN NEOXY's net income was €(5.6) million at the end of 2024, compared with €(4.8) million at the end of 2023. This result is mainly related to the plant's operating expenses, in the absence of revenues.

The reader is invited to refer to Note 5 of the IFRS financial statements for the year ended 31 December 2024 in Appendix 2.

In 2024, AFYREN NEOXY's overall net income was (€10.9) million compared with (€9.4) million in 2023.

At the end of 2024, AFYREN NEOXY's non-current assets amounted to €79.2 million, mainly including the plant's assets under construction as well as the know-how licence granted by AFYREN for €10.6 million. AFYREN NEOXY’s cash and cash equivalents amounted to €4.5 million.

Current assets amounted to €5.7 million at the end of December 2024, and mainly comprised grant receivables totalling €2.9 million.

NET INCOME

Net income was €(9.75) million at the end of 2024, compared with €(9.59) million at the end of 2023, reflecting an overall stable cost structure pending a positive contribution from continuous production at the AFYREN NEOXY plant.

[8] Net of other income, mainly operating grants including in particular the research tax credit. This item is detailed in note 6.4 "Other income" to the IFRS Financial Statements for the year ended 31 December 2024 in the Appendix

INFORMATION ON THE SHARE CAPITAL, CASH AND FUNDING SOURCES

AFYREN's sources of financing are mainly the capital increase carried out at the time of the Company's IPO in October 2021, and more generally the equity contributed by AFYREN's investors as well as bank loans taken out with credit institutions, repayable advances and loans from Bpifrance.

FINANCIAL DEBT AND CASH

In € thousands	2024.12	2023.12
Convertible bonds	-	-
Other borrowings	3,066	4,354
Of which State guaranteed loan (PGE)	*1,023*	1,688
Of which repayable advances	*55*	303
Of which other borrowings	*1,973*	2,121
Of which accrued interest	*16*	242
Total borrowings	**3,066**	**4,354**
Lease liabilities (IFRS 16)	250	**432**
Total borrowings and financial liabilities	**3,317**	**4,787**
Total cash and cash equivalents	**33,538**	**49,559**

At the end of 2024, AFYREN's total financial debt was very limited, at €3.3 million including lease liabilities and €3.1 million excluding lease liabilities.

The Group has a cash position of €33.5 million which enables it to meet its obligations and finance its future developments.

See Notes 13 (Cash and cash equivalents), 16 (Borrowings, financial liabilities and lease liabilities), and 18 (Financial instruments and risk management) to the IFRS Financial Statements for the year ended 31 December 2024 in Appendix 2.

CASH FLOW

SIMPLIFIED CASH FLOW STATEMENT

In € thousands	2024.12	2023.12
Net income for the year	**(9,754)**	**(9,586)**
Depreciation of fixed assets and rights of use	851	814
Net financial income	(1,891)	(1,142)
Share in income of equity-accounted company (net of tax)	5,567	4,800
Cost of share-based payments	767	1,270
Other	43	8
Cash flow	**(4,417)**	**(3,835)**
Net change in WCR	(1,205)	(1,206)
Net cash from operating activities	**(5,623)**	**(5,041)**
Net cash used in investing activities	(9,114)	(3,078)
Net cash used in financing activities	(1,284)	(4,655)
Net change in cash and cash equivalents	**(16,021)**	**(12,774)**

CHANGE IN WORKING CAPITAL REQUIREMENT (WCR)

In € thousands	2024.12	2023.12
Trade receivables	35	322
Customer contract liabilities	(1,321)	(1,319)
Trade payables	138	4
Provisions and employee benefits	13	(11)
Other current receivables/payables	(70)	(202)
Total changes	**(1,205)**	**(1,206)**

The change in WCR is mainly impacted by deferred income relating to the licence agreement between AFYREN and AFYREN NEOXY.

CASH FLOW FROM INVESTING ACTIVITIES

At 31 December 2024, the net cash used by investing activities corresponded mainly to AFYREN's contribution to the financing of its subsidiary AFYREN NEOXY via a shareholder loan (+€10 million), partially offset by interest received from the investment of cash (+€1.45 million).

CASH FLOW FROM FINANCING ACTIVITIES

At 31 December 2024, net cash used in financing activities mainly reflects repayments of loans and borrowings and financial liabilities (including lease liabilities). Cash consumption in 2023 included the redemption of convertible bonds subscribed in March 2020.

New borrowings and repayments are described in Note 16 (Borrowings, financial liabilities and lease liabilities) and Note 18.3.3 on liquidity risk in the notes to the IFRS financial statements in Appendix 2.

INFORMATION ON BORROWING CONDITIONS AND FUNDING STRUCTURE

GROUP FINANCIAL LIABILITIES AS OF 31 DECEMBER 2024

In € thousands	Currency	Variable/fixed interest rate	Maturity year	Nominal value	2024.12 Carrying amount	2023.12 Carrying amount
State guaranteed loan (PGE) - BNP	EUR	Fixed rate	2026	780	302	501
State guaranteed loan (PGE) - BPI	EUR	Fixed rate	2026	300	131	206
State guaranteed loan (PGE) - BPAR	EUR	Fixed rate	2026	780	296	491
State guaranteed loan (PGE) - CA	EUR	Fixed rate	2026	780	295	490
Total state guaranteed loans (PGE)				**2,640**	**1,023**	**1,688**
BPI PAI 2 repayable advance	EUR	Fixed rate	2024	150	-	15
BPI PAI 3 repayable advance	EUR	Fixed rate	2025	302	15	76
BPI PAI 3 repayable advance	EUR	Fixed rate	2025	198	40	79
BPI CMI2 repayable advance	EUR	Fixed rate	2024	573	-	134
Total repayable advances				**1,223**	**55**	**303**
BPI ADI Zero rate	EUR	Fixed rate	2024	690	-	138
BNP Investissement 2024	EUR	Variable rate	2027	260	239	
Total equity loan	EUR	Fixed rate	2024	400	-	45
BPI R&D Innovation loan	EUR	Fixed rate	2027	750	488	638
BPI R&D Innovation loan	EUR	Fixed rate	2028	200	160	200
BPI R&D Innovation loan	EUR	Fixed rate	2030	1,000	1,000	1,000
BPI Boehringer loan	EUR	Fixed rate	2027	75	34	49
BPI Prospecting insurance	EUR	Fixed rate	2029	52	52	52
Total other borrowings				**3,427**	**1,973**	**2,122**
Lease liability	EUR	Fixed rate		**250**	**250**	**432**
Accrued interest					**16**	**242**
Total				**7,540**	**3,317**	**4,787**

STATE GUARANTEED LOANS

The Company has taken out four state-guaranteed loans (PGEs) with Banque Populaire, Crédit Agricole, BNP and BPI on similar terms. These loans were taken out in May 2020 with BNP, and in June 2020 for the other banks for a total amount of €2.6m.

When they were taken out, these loans were on the following terms: 12-month grace period on principal and interest followed by an instalment in arrears comprising principal repayment and payment of interest and the cost of the State guarantee.

For the first year, the contractual financing rate corresponds only to the 25bp cost of the State guarantee.

In March 2021, the Company requested and obtained a five-year extension for the four PGEs, including an additional one-year deferral.

The instalments at the end of the grace period are quarterly (and monthly for Banque Populaire) at the end of the principal grace period, i.e. from July/August 2022. The interest rates applied over the repayment period corresponding to the bank's refinancing cost (annual rate between 0.25% and 1.5%) plus the cost of the State guarantee (0.25% per year).

REPAYABLE ADVANCES AND INTEREST-FREE LOANS

Repayable advances PAI 1, 2 and 3 benefit from deferred repayment of 12 quarters followed by repayment in 20 quarterly instalments in arrears.

- ✓ PAI 2: this repayable advance was taken out in August 2015 and has an annual interest rate of 5.84%. This advance was repaid in full in 2024
- ✓ PAI 3 (€302 thousand): this repayable advance was taken out in May 2016 and has an annual interest rate of 4.40%;
- ✓ PAI 3 (€198 thousand): this repayable advance was taken out in February 2017 and has an annual interest rate of 4.47%;

CMI 2: this repayable advance taken out in August 2017 is repayable in quarterly instalments and bears no interest. This advance was repaid in full in 2024.

OTHER BORROWINGS

AFYREN has taken out various loans with BPI and other long-term partners:

- ✓ BPI ADI zero rate: taken out in 2016 with an annual interest rate of 0%;
- ✓ BPI CMI: two tranches with a repayable advance and a grant, taken out in 2017. The repayable advance bears interest at an annual rate of 0%;
- ✓ A Total equity loan: taken out in 2018 with an annual interest rate of 1%;
- ✓ BPI Innovation R&D: taken out in 2019 with an annual interest rate of 0.63%;
- ✓ BPI Innovation R&D: taken out in 2021 with an annual interest rate of 0.71%;
- ✓ BPI Innovation R&D: taken out in 2023 with an annual interest rate of 4.05%;
- ✓ A Banque Populaire AURA loan under the BOEHRINGER revitalisation scheme taken out in 2022 at an annual rate of 0%;
- ✓ A prospecting insurance with BPI with a repayable advance taken out in 2022.
- ✓ A BNP loan taken out with BNP, for a period of 36 months, at the annual rate of 3-month EURIBOR + 1.95%.

LEASE LIABILITIES

Property leases and leases falling within the scope of IFRS 16 are restated as if the corresponding assets had been acquired and financed through loans. Non-current assets are recorded on the line "Right of use" in the balance sheet. The corresponding liabilities are recorded under "Lease liabilities".

INVESTMENTS

MAIN INVESTMENTS MADE

In 2024, the main investments made by AFYREN concern the financial support provided to its subsidiary AFYREN NEOXY, through a shareholder loan.

MAJOR INVESTMENTS UNDERWAY OR FIRMLY COMMITTED TO, AND HOW THEY WILL BE FINANCED

AFYREN is not planning any short-term investments, with the exception of financial support for its subsidiary AFYREN NEOXY.

2.13 INFORMATION ABOUT AFYREN

NEWS AND RESULTS

In € thousands	**2024.12**	**2023.12**
Revenues	488	1,015
Operating income	**(6,813)**	**(6,158)**
Net financial income (expense)	(4,664)	1,505
Non-current income	94	(130)
Corporate income tax	571	461
Net income	**(10,812)**	**(4,322)**
Equity	61,737	72,468
Of which share capital	*522*	*520*
Financial liabilities	3,066	4,354
Cash and cash equivalents	33,472	49,552

Revenues amounted to €488 thousand in 2024, down on 2023. These were administrative and commercial services invoiced to NEOXY.

Operating expenses were stable overall, with operating income of €(6,813) thousand in 2024.

The net loss was €(10,812) thousand.

NON-TAX-DEDUCTIBLE EXPENSES

In accordance with the provisions of Article 223 quater of the French General Tax Code, we hereby inform you that no non-tax-deductible expenses were incurred during the past financial year.

In addition, none of the general operating expenses referred to in Articles 39-5 and 223 quinquies of the French General Tax Code that do not appear on the special statement were incurred.

AMOUNT OF OVERHEADS REINTEGRATED FOLLOWING A TAX ADJUSTMENT

None.

TABLE OF FINANCIAL RESULTS

	2024.12	2023.12	2022.12	2021.12	2020.12
I. Financial position at year-end (in thousands of euros)					
a) Share capital	522,201	520,452	517,371	515,240	349,513
b) Number of shares comprising the share capital	26,110,089	26,022,590	25,868,568	25,762,024	3,495,133
Number of shares issued with a nominal value of €0.02	26,110,089	26,022,590	25,868,568	25,762,024	
Number of shares issued with a nominal value of €0.10		-			3,495,133
c) Number of bonds convertible into shares		-	346,274	346,274	346,274
II. Overall result of actual operations (in € thousands)					
a) Revenues excluding tax	487,500	1,015,369	859,999	882,264	1,870,966
b) Earnings before tax, depreciation, amortisation and provisions	4,192,782	-3,858,837	-3,552,660	- 2,464,643	-751,166
c) Corporate income tax	571,355	460,767	364,791	239,037	212,997
d) Earnings after tax, depreciation, amortisation and provisions	-10,812,002	- 4,321,755	-3,891,655	- 2,695,004	-992,121
e) Amount of distributed earnings	0	0	0	0	0
III. Earnings per share (in euros)					
a) Earnings after tax but before depreciation, amortisation and provisions	-0.12	-0.13	-0.12	- 0.09	-0.15
b) Earnings after tax, depreciation, amortisation and provisions	-0.41	-0.17	-0.15	-0.10	-0.28
c) Dividend paid per share	0	0	0	0	0
IV. Personnel (in € thousands)					
a) Number of employees	44	40	32	30	20
b) Payroll costs	3,497,572	3,425,608	2,821,804	2,224,746	1,835,998
c) Amount paid for social benefits (social security, services, etc.)	1,579,096	1,444,394	1,108,075	841,780	731,209

ACQUISITIONS OF EQUITY INTERESTS AND CONTROLLING INTERESTS AT YEAR-END

In June 2024, as part of its development in Asia, AFYREN created AFYREN SERVICES (THAILAND) CO. LTD, a wholly-owned subsidiary. At the date of this Annual Financial Report, the subsidiary has not commenced operations and its financial statements are not material.

REFERENCE TO PAYMENT TERMS FOR SUPPLIERS AND CUSTOMERS

Article D. 441-6, I-1°: Invoices received and due but not paid at year-end, by number of days overdue

	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day or more)
(A) Late payment lengths						
Number of invoices concerned	49	2	16	9	2	29
Total amount of invoices concerned incl. VAT (	€271,733	€239	€3,380	€1,105	€19	€4,742
Percentage of total purchases incl. VAT for the year	7.38 %	0.01 %	0.09 %	0.03 %	0.00 %	0.13 %
(B) Invoices excluded from (A) relating to disputed or unrecognised liabilities						
Number of invoices excluded						
Total amount of invoices excluded						
(C) Reference payment terms used (contractual or statutory - Article L. 441-6 or Article L. 443-1 of the French Commercial Code)						
Payment terms used to calculate late payments	30 days from invoice date					

Article D. 441-6, I-2°: Invoices issued and due but not paid at year-end, by number of days overdue

	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day or more)
(A) Late payment lengths						
Number of invoices concerned	3	0	0	0	0	0
Total amount of invoices concerned incl. VAT (1)	€366,534	€0	€0	€0	€0	€0
Percentage of total sales incl. VAT for the year	17.89 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
(B) Invoices excluded from (A) relating to disputed or unrecognised liabilities						
Number of invoices excluded						
Total amount of invoices excluded						
(C) Reference payment terms used (contractual or statutory - Article L. 441-6 or Article L 443-1 of the French Commercial Code)						
Payment terms used to calculate late payments		30 days from invoice date				

AMOUNT OF LOANS WITH A MATURITY OF LESS THAN THREE YEARS GRANTED BY THE COMPANY

None

INTERCOMPANY LOANS

During the 2023 financial year, AFYREN subscribed to €1,500,000 worth of convertible bonds issued by AFYREN NEOXY. At 31 December 2024, accrued interest on these convertible bonds amounted to €196,000, of which €120,000 was capitalised on the anniversary date.

During the 2024 financial year, AFYREN set up a shareholder loan in favour of its subsidiary AFYREN NEOXY, amounting to €10 million at 31 December 2024. Accrued interest on this shareholder loan amounted to €231,000.

2.14 FORESEEABLE DEVELOPMENTS AND OUTLOOK

BUSINESS TRENDS

AFYREN's ambition is to provide the market with a biobased alternative to organic acids, which are currently produced mainly from petroleum-based sources. The technology developed by AFYREN enables these molecules to be produced using biomass, with a carbon footprint divided by five compared to that of the petrochemical industry.[9] It therefore responds to the demand for naturalness and a reduced carbon footprint, two key trends for its industrial customers.

The Company's objective is to *build and operate* production capacity for these molecules, targeting regions that account for a significant share of the global market, including Europe (35% of global demand for C3 to C6[10]), Asia (25% of demand) and North America (27% of demand).

After announcing the first sales in 2024, AFYREN is continuing with the technical adaptations to ensure continuous operation of AFYREN NEOXY, targeted for 2025.

Once this stage has been completed, AFYREN NEOXY plans to gradually ramp up volumes to reach total annual revenues (including fertiliser sales) of around €35 million[11] and a target current production EBITDA margin of 25%. It should be noted that the plant is expected to reach breakeven (positive current production EBITDA margin) after a few quarters of continuous production.

For the future, AFYREN is preparing a plant on the Asian continent, in partnership with Mitr Phol (a leading group in the production of cane sugar and its derivatives in Asia), and is analysing a scenario for the expansion of AFYREN NEOXY. The aim of these projects is to build a second industrial-scale production unit (24,000 to 28,000 tonnes), with production revenues of around €60 million and a current production EBITDA margin in the 30-35% range at full capacity.

Finally, AFYREN also continues to invest in its R&D, in order to extend the portfolio of products offered beyond the seven organic acids already developed.

FINANCIAL OUTLOOK AND OBJECTIVES

The achievement of this milestone and, more generally, AFYREN NEOXY's experience feedback will enable further developments to be made, in particular concerning two projects:

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[9] Environmental footprint of AFYREN's products via Life Cycle Assessment, Sphera, March 2021(https://AFYREN.com/wpcontent/uploads/2021/04/210402-AFYREN-LCA-analysis-April2021.pdf)

[10] Source: "Carbioxylic Acids Market: Global Industry Analysis, Size, Share, Growth, Trends and Forecast, 2015-2023", Transparency Market Research.

[11] Before inflation-related price increases

a plant in Thailand aimed at the Asian market and the extension of the French plant to meet demand in Europe.

At the date of this Annual Financial Report, AFYREN confirms that it aims for:

- three production units with an installed capacity of around 70,000 tonnes of acids in 2028, at least two of which will be producing continuously (including the existing AFYREN NEOXY plant). These units will also produce a high added-value fertiliser to ensure the circularity of the model;

With all three units running at full capacity, AFYREN aims for:

- aggregate production revenues of more than €150 million;
- a target recurring EBITDA margin at Group level of around 30%.

2.15 SHARE CAPITAL AND SHARE OWNERSHIP

BREAKDOWN OF SHARE CAPITAL AND VOTING RIGHTS

At 31 December 2024, the Company's share capital consisted of:

	Total shares	
Number of shares:	31.12.2024	31.12.2023
Outstanding at 1 January of the financial year	26,022,590	25,868,568
Capital decrease	-	-
Capital increase	87,499	154,022
Outstanding as of 31 December - fully paid-up shares	26,110,089	26,022,590

In 2024, the Company's share capital was increased to €522,201.78 divided into 26,110,089 shares with a par value of €0.02 each (see 3.8 above).

In 2024, 29,553 shares were definitively vested under free share plans for which the Board of Directors made use of the delegation of authority granted by the combined general meeting of 11 June 2021.

No BSPCE were exercised during the financial year ended 31 December 2024.

The Company's share capital and voting rights as of 31 December 2024 are distributed as follows:

	Number of shares	% of share capital on a non-diluted basis	Number of voting rights	% voting rights on a non-diluted basis
Nicolas Sordet	464,235	1.8%	861,973	2.0%
Jérémy Pessiot	774,269	3.0%	1,497,014	3.4%
Régis Nouaille	1,549,250	5.9%	3,098,500	7.1%
AFY partners	4,703,918	18.0%	9,116,343	20.9%
Sofinnova Industrial Biotech I	3,313,273	12.7%	6,626,546	15.2%
Hedgescope Ltd	2,782,540	10.7%	5,565,080	12.7%
Sofimac	1,219,415	4.7%	1,219,415	2.8%
BPI	1,657,271	6.3%	3,314,542	7.6%
Public	9,418,755	36.1%	12,379,365	28.3%
Treasury shares	227,163	0.9%		
Total	**26,110,089**	**100%**	**43,680,170**	**100%**

THRESHOLDS CROSSED AT THE END OF THE FINANCIAL YEAR

None.

NOTICE OF HOLDING OF MORE THAN 10% OF THE CAPITAL OF ANOTHER JOINT STOCK COMPANY. DISPOSAL OF CROSS-SHAREHOLDINGS

None.

TREASURY SHARES

At 31 December 2024, the Company held 157,638 shares, mainly as a result of purchases made on the market by an investment services provider as part of a share buyback programme aimed at limiting the dilution of shareholders resulting from multi-year free share plans to corporate officers and employees. The share buyback programme implemented with Natixis Corporate & Investment Banking is described below.

The Company also held a portfolio of 69,425 shares intended to be used to stimulate the secondary market or ensure the liquidity of the share. These shares were purchased through an investment services provider under a liquidity contract that complies with accepted regulatory practice.

The liquidity agreement implemented with Natixis ODDO BHF is described below.

MAIN CHARACTERISTICS OF THE COMPANY'S TRANSACTIONS IN ITS OWN SHARES

LIQUIDITY AGREEMENT ENTRUSTED TO NATIXIS ODDO BHF

AFYREN entrusted NATIXIS and ODDO BHF SCA, with effect from 1 November 2021, with the implementation of a liquidity and market surveillance agreement for its ordinary shares. The purpose of this contract is for ODDO BHF SCA to promote the Afyren share on the regulated market of Euronext Growth in Paris. The amount allocated to its implementation is €300,000. By an amendment to the current liquidity contract with NATIXIS and ODDO BHF SCA, dated 18 April 2023, AFYREN increased the funds made available under this liquidity contract by a further €150,000.

In accordance with the provisions of Article L.225-211 of the French Commercial Code, AFYREN discloses the details of the liquidity account of the share buyback programme as of 31 December 2024:

- ✓ 69,425 Company shares with a value of €168,009 valued at the average purchase price of the shares (€2.42) and 152,041 valued at the price on 31/12/2024 (€2.19);
- ✓ the amount of available cash is €91,007.

During the year ended 31 December 2024, 541,628 shares were purchased and 546,126 shares were sold under this liquidity contract. The average purchase price was €2.27 and the average sale price was €2.31.

SHARE BUYBACK PROGRAMME ENTRUSTED TO NATIXIS CORPORATE & INVESTMENT BANKING

In December 2023, the Board of Directors used the authorisation granted to it under the sixth resolution adopted by the general meeting of 21 June 2023 to launch a new share buyback programme. This programme, for a maximum amount of €0.3 million, began on 18 January 2024 and ended on 6 May 2024. 151,947 shares were bought back under this programme. In a context of low share prices, this programme limits shareholder dilution resulting from multi-year share allotment plans, with no significant impact on cash.

DISPOSALS OF SHARES IN THE CASE OF CROSS-SHAREHOLDINGS

None.

EMPLOYEE SHAREHOLDING

As of 31 December 2024, 851,397 Company shares were held by Company employees.

As of 31 December 2024, no BSPCE or BSA had been exercised by current employees. The exercises involved former employees of the Company.

Programmes aimed at opening up the capital to employees were set up in 2024, corresponding to a total of 547,937 shares, including 180,500 shares under a long-term incentive plan (LTIP 2), 336,500 under a free share plan subject to attendance conditions and 33,368 free share grants to new employees.

The main grants to employees are detailed in note 6.5.4 "Share-based payments" to the IFRS financial statements in Appendix 2 of the Annual Financial Report.

Pursuant to Article L.225-102 of the French Commercial Code, it should be noted that at the end of the financial year, no shares in the Company's capital were held by employees as part of collective management.

TRANSACTIONS IN SECURITIES BY PERSONS WITH MANAGERIAL RESPONSIBILITIES

Summary statement of transactions referred to in Article L.621-18-2 of the French Monetary and Financial Code carried out during the last financial year:

Person concerned and position	Type of transaction	Date of the transaction	Amount of the transaction (in euros)	Number of shares
Nicolas Sordet, Chief Executive Officer	PURCHASE	04/01/2024	975	500

AMOUNT OF DIVIDENDS DISTRIBUTED OVER THE LAST THREE YEARS

There are no plans to introduce a dividend payment policy in the short or medium term, given the Company's stage of development, in order to mobilise the resources available to finance its development plan.

The Company has not paid any dividends in respect of the last three financial years.

PROPOSED APPROPRIATION OF 2024 NET INCOME

Noting that the Company's net income for the year ended 31 December 2024 amounted to €(10,812,002.26), the Board of Directors proposes that it be allocated in full to the "Retained earnings" account, which would be reduced from €(14,041,610.63) to €(24,853,612.89).

2.16 MAIN RELATED PARTY TRANSACTION

The main transactions entered into are detailed in note 19 to the IFRS financial statements in Appendix 2 of the Annual Financial Report.

03 CORPORATE GOVERNANCE REPORT

3 CORPORATE GOVERNANCE REPORT

This section is presented in accordance with the provisions of Article L.225-37 paragraph 6 of the French Commercial Code.

Middlenext Code recommendation	Applied	Not applied / Under consideration
1. "Supervisory" power		
R1: Ethics of Board members	X	
R2: Conflicts of interest	X	
R3: Composition of the Board - Presence of independent members	X	
R4: Information provided to Board members	X	
R5: Training of Board members		X
R6: Organisation of Board and Committee meetings	X	
R7: Establishment of committees	X	
R8: Establishment of a specialised committee on corporate social responsibility (CSR)	X	
R9: Establishment of internal rules for the Board	X	
R10: Selection of each Board member	X	
R11: Term of office of Board members	X	
R12: Compensation of Board members in respect of their offices	X	
R13: Establishment of an assessment of the Board's work	X	
R14: Relationships with the shareholders	X	
2. Executive power		
R15: Diversity and equity policy within the company	X	
R16: Definition and transparency of compensation of executive corporate officers	X	
R17: Preparation of management succession		X
R18: Combination of employment contract and corporate office	X	
R19: Severance pay	X	
R20: Supplementary pension schemes	X	
R21: Stock options and free share grants	X	
R22: Review of points of attention	X	

To organise its governance, the Company's Board of Directors has decided to refer to the corporate governance code for small and mid-sized companies as published in its latest version in September 2021 by Middlenext (the "**Middlenext Code**") and approved as a reference code by the French Financial Markets Authority (AMF). This code is available on the Middlenext website (https://www.middlenext.com). It includes recommendations and points of attention that the Compensation Committee and the Board of Directors will review each year.

Since its listing on Euronext Growth, the Company's objective has been to gradually comply with the relevant recommendations of the Middlenext Code regarding corporate governance, as it believes it is the most appropriate for its size and shareholder structure.

In accordance with the "*comply or explain*" principle, this Annual Financial Report sets out the Company's position in relation to the provisions of the Middlenext Code in the table below.

Comments:

- *On recommendations not yet implemented:*

R5: The Company is supported by Board members with first-rate experience, specific skills and/or who have already held several positions as members of a collegiate management body, particularly in the industry sector. The Company takes into account all the training needs expressed by members of the Board of Directors, particularly in the area of CSR. No specific training needs were identified in 2024.

R17: At its meeting on 9 December 2022, the Board of Directors indicated that a meeting would be held in 2024 to prepare for the succession of the CEO and the means to be implemented in the event of the CEO's total or partial inability to carry out his duties. This did not take place in 2024, and the Board of Directors is continuing to reflect on the matter, bearing in mind that the current management team is stable and committed to the long term, and that no departures or changes are planned in the short or medium term, making succession planning less of a priority for the time being.

3.1 BOARD OF DIRECTORS

COMPOSITION OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

Last name, first name, and title or office of Board members	Independent "Board members" Specify (yes/no)	Year of first appointment/renewal date	End of term of office	Committees			Experience and expertise provided
				Compensation committee	CSR Committee	Audit Committee	
Stefan Borgas *Director and Chairman of the Board of Directors*	YES	2024	General meeting to approve the financial statements for the year ended 31 December 2026	Member	N/A	Member	Executive management Industry
AFY Partners Represented by Christophe Calice *Director*	NO	2024	General meeting to approve the financial statements for the year ended 31 December 2026	Chairman	N/A	N/A	Executive management digital
Valquest Partners Represented by Walid Sfeir *Director*	NO	2024	General meeting to approve the financial statements for the year ended 31 December 2026	N/A	N/A	Member	Finance Executive management International
Sofinnova Partners Represented by Michael Krel *Director*	NO	2024	General meeting to approve the financial statements for the year ended 31 December 2026	N/A	N/A	N/A	Strategy Executive management Biotech

Nicolas Sordet *Chief Executive Officer and director*	NO	2024	General meeting to approve the financial statements for the year ended 31 December 2026	N/A	Member	N/A	Finance Executive management International
Bpifrance Represented by Caroline Lebel *Director*	NO	2022	General meeting to approve the financial statements for the year ended 31 December 2024	N/A	Chairman	N/A	CSR Finance Digital
Patrizia Marraghini *Director*	YES	2022	General meeting to approve the financial statements for the year ended 31 December 2024	N/A	Member	Chairman	Finance Legal International

3.2 EXPERTISE AND PROFESSIONAL EXPERIENCE OF BOARD MEMBERS

In accordance with recommendation No. 10 of the Middlenext Code, the biography including the experience and skills provided by each proposed member as well as the list of their offices are presented below and on the Company's website.

The Company also undertakes to provide a biography of a director upon appointment or reappointment.

Lastly, each appointment of a director, when applicable, will be the subject of a separate resolution submitted to the general meeting.

- Stefan Borgas, Chairman of the Company's Board of Directors

Mr Stefan Borgas started his career with BASF in Germany in 1990, holding several positions in various sectors (plastics, animal nutrition and vitamins) in different countries (Germany, USA, Ireland and China). He ended his career at BASF as Group Vice President, first for Europe and Africa, then for the Fine Chemicals and NAFTA division. He then became CEO of Lonza Group (a listed Swiss biotech company specialising in health, nutrition and ingredient manufacturing) until 2016, before becoming CEO of ICL (an Israeli company specialising in fertiliser production) for four years. Since 2016, he has been the CEO of RHI Magnesita, a listed Austrian company specialising in materials manufacturing. In parallel, he has held several directorships including at Syngenta, Sibelco and Yunnan Yuntianhua.

- Nicolas Sordet: co-founder and CEO of AFYREN

Nicolas Sordet holds a Master's degree in Corporate Finance and Financial Markets from the Grenoble Management School. He has also obtained capital market trading qualifications from various financial markets (HK SFC License 1, 2 and 3, Eurex & Euronext Exam Trader). He put his financial knowledge into practice by working as a trader at Société Générale from 2000 to 2002, then as a sales trader at BNP Paribas from 2002 to 2006. He was Deputy Chief Executive Officer of Link Securities from 2006 to 2013 and Private Equity, Venture Capital and Financing Advisor from 2013 to 2014 and has been able to apply his expertise within the Company thanks to his training and experience. In In 2023, he trained on the challenges of transforming business models by participating in the Business Convention for the Climate - CEC (Lyon area).

- Christophe Calice, permanent representative of AFY Partners, member of the Company's Board of Directors

Christophe Calice began his professional career with commercial functions at the advertising agency of France Telecom's directories, Yellow Pages, allowing him very early on to understand the internet revolution to come. His motivation on the subject drove him into the path of entrepreneurship, with the creation in 1997 of a first digital publishing company, then in parallel the co-creation in 2008 of "Mister Auto" (an online company for car spare parts purchased in 2015 by the PSA group). These entrepreneurial successes led to the creation of the Ecilac Capital family office. Investment choices have been made over the years, in particular to support project owners in digital, education, automotive, real estate and chemicals companies, with a first investment in AFYREN in 2015.

- Walid Sfeir, permanent representative of Valquest Partners, member of the Company's Board of Directors:

Investor, founder and managing partner (since January 2014) of Valquest Partners and Valquest Partners Europe (Ltd.), private venture capital and private equity investment management companies, mainly in the energy, Medtech and industrial biotechnology sectors in Europe and the Gulf.

Walid Sfeir has 28 years' diversified experience in industry, strategy consulting, general management and growth equities, gained with companies such as Valeo and McKinsey & Company in Europe, Latin America and the Middle East.

He holds a degree in Industrial engineering from the University of Technology in Compiègne, a degree in Business Administration from ESSEC and an MBA from INSEAD.

- Michael Krel, permanent representative of Sofinnova Partners, member of the Company's Board of Directors

Mr Michael Krel joined Sofinnova Partners in 2013 and is a partner in Industrial Biotech investment strategy. He focuses primarily on identifying early-stage deals in Europe and North America with applications in the fields of chemistry, materials, agriculture, human and animal nutrition and synthetic biology. In addition to his role as a member of the AFYREN Board of Directors, Michael Krel is or has been a member of the Board of Directors of Bon Vivant, EnobraQ, Elicit Plant, EnginZyme, Meiogenix, Microphyt and Werewool. He is an observer on the Board of Directors of GF Biochemicals. For two years he was also the CEO of EnobraQ, a Sofinnova Partners' Green Seed Fund portfolio company. Prior to joining Sofinnova, Michael spent six years at industrial biotech start-ups in business development management positions. He has also worked in a strategic R&D and organisational consulting firm. He is an engineer who graduated from Ecole Polytechnique in Paris and holds a Ph.D. in organic chemistry from Paris X Orsay University.

- Caroline Lebel, permanent representative of Bpifrance, member of the Company's Board of Directors

Caroline Lebel has been Investment Director in Bpifrance Investissement's Large Venture team since 2019 and joined Bpifrance in 2013 in the mid-cap (growth capital) teams. After starting her career at General Electric in the Finance Management Program and then in the Corporate Audit Staff (France - Ireland - USA), she joined strategy consulting firm L.EK. Consulting and notably worked on strategic due diligences for companies and investment funds including the Strategic Investment Fund. Caroline Lebel is a director of 360learning, Ringover and Virtuo Technologies and a non-voting director of Deepki, Fermentalg and iAdvize. She is a graduate of ESCP Europe. Caroline Lebel obtained Company Director certification from the French Institute of Directors (IFA) and professional certification from the French Financial Markets Authority (AMF). She has also attended France Invest's "Being an ESG Director" training course, and taken part in support workshops on the carbon footprint and the Climate and Biodiversity Fresk.

- Patrizia Marraghini, independent member of the Company's Board of Directors

Ms Patrizia Marraghini began her career as a lawyer in various large firms in Paris, where she worked on stock exchange listings and project financing. She then turned to international project development in the field of infrastructure and public service concessions within large French groups (water, waste, energy services, renewable energies and transport). After working for the EdF and Bouygues groups, she worked for Veolia from 2003 to 2006 in the international department of Veolia Eau, and then from 2007 to 2009 as head of legal affairs for Veolia Environnement's Major Projects. From 2009 to 2011, she held the position of legal director "new business lines" and corporate secretary of the group's renewable energy subsidiary (photovoltaic, wind and biomass) and member of its Management Board. From 2011 to 2022, she was in charge of the International Legal Department of Keolis (SNCF group) and the development of international projects for all legal-financial, commercial and contractual aspects. She was also a member of the International Board of Keolis and of the Dubai metro JV with Mitsubishi. Since 2016, she has also held a number of positions as an independent director and member of the Audit and Remuneration Committee of E.P.C. (an international group listed on the Paris stock exchange), and currently holds the position of Independent Supervisor of the Board of Directors of SAIPEM SA, SPFrance and Bos Congo (since 2020) as well as Independent Director of STOA (JV Caisse des Dépôts et Consignations and AFD) and member of the Accounts and Risk Committee (since June 2023).

PRESENCE OF INDEPENDENT MEMBERS ON THE BOARD

In accordance with recommendation No. 3 of the Middlenext Code, and since the general meeting on 15 June 2022, the Company's Board of Directors has two independent directors, Stefan Borgas and Patrizia Marraghini, respectively Chairman of the Board of Directors and Chairman of the Audit Committee.

In accordance with the Middlenext Code, five (5) criteria are used to presume the independence of the members of the Board of Directors, which is characterised by the absence of a significant financial, contractual, family or close relationship that could affect the independence of their judgment.

At its meeting of 12 May 2021, the Board of Directors examined the situation of its members with regard to these independence criteria and considered that Mr Stefan Borgas was independent. At its meeting of 7 December 2021, the Board of Directors considered that Mrs Patrizia Marraghini also qualifies as an independent member since her appointment as director by the general meeting on 15 June 2022.

Company analysis	Independence criteria defined by the Middlenext Code				
	Not having been and not being an employee or executive corporate officer of the company or of a company in its group during the last five years	Not having been and not being in a significant business relationship with the Company or its group (customer, supplier, competitor, service provider, creditor, banker, etc.) during the last two years	Not being a reference shareholder in the company or holding a significant percentage of voting rights	Not having any close relationship or family ties with a corporate officer or reference shareholder	Not having been a statutory auditor of the company for the last six years;
Stefan Borgas	✓	✓(1)	✓(2)	✓	✓
AFY Partners	✓	✓		✓	✓
Valquest Partners	✓	✓		✓	✓
Sofinnova Partners	✓	✓		✓	✓
Nicolas Sordet		✓		✓	✓
Patrizia Marraghini	✓	✓	✓(3)	✓	✓
Bpifrance	✓			✓	✓

(1) Please refer to section 4.1.6 of the annual financial report.

(2) Mr. Stefan Borgas holds 192,500 founder share warrants, of which 175,000 were granted by the Board of Directors on 15 December 2020 and 17,500 were granted by the Board of Directors on 4 February 2022. On 18 December 2024, the Board of Directors also granted 20,000 free shares to Stefan Borgas. As of 31 December 2022, he also held 25,000 ordinary shares. Given the low level of ownership that the ownership of these warrants is likely to represent in the event of exercise, Mr. Stefan Borgas is not considered to be a reference shareholder in the Company or to hold a significant percentage of voting rights.

(3) Ms Patrizia Marraghini holds 7,500 founder share warrants granted by the Board of Directors on 5 July 2022. As of 31 December 2024, Patrizia Marraghini did not hold any ordinary shares. Given the low level of ownership that the ownership of these warrants is likely to represent in the event of exercise, Patrizia Marraghini is not considered to be a reference shareholder in the Company or to hold a significant percentage of voting rights.

There are no family ties between members of the Board of Directors.

The Company's ultimate goal is to increase the number of independent directors and to improve the gender balance of the Board of Directors.

ESTABLISHMENT OF INTERNAL REGULATIONS FOR THE BOARD

In accordance with recommendation no. 9 of the Middlenext Code, the Board of Directors has established internal rules, adopted on 12 May 2021, ratified at the meeting of the Company's Board of Directors on 28 September 2021 and amended at the meeting of the Company's Board of Directors on 27 September 2022 in order to incorporate the operating procedures of the CSR Committee (the "Internal Rules") and amended at the meeting of the Board of Directors on 13 March 2024 to reduce the number of members of the Remuneration Committee to two (the "**Internal Regulations**").

The Internal Regulations are available on the Company's website (https://afyren.com/investisseurs/).

TERM OF OFFICE OF BOARD MEMBERS

Directors are appointed for a term of three (3) years, expiring at the close of the general meeting called to approve the accounts for the previous financial year and held in the year in which their term of office expires. This term is adapted to the specific characteristics of the Company, within the limits set by law.

In this respect, recommendation no. 11 of the Middlenext Code has been applied, with the exception of the staggering of terms of office, which does not seem appropriate given the size of the Company.

ETHICS OF BOARD MEMBERS

The Internal Regulations set out the ethical obligations of the members as well as the operating procedures of the Board of Directors and its committees.

In accordance with recommendation no. 1 of the Middlenext Code, each director is made aware of his or her responsibilities at the time of appointment and is encouraged to comply with the ethics rules relating to his or her mandate.

ORGANISATION OF BOARD MEETINGS

In accordance with recommendations 6 and 17 of the Middlenext Code, the Board of Directors meets at least four (4) times a year.

The Board of Directors determines the Company's strategic policies, ensures that they are implemented in accordance with its corporate interest, taking into account the social and environmental challenges of its business, and also approves the corporate and consolidated financial statements, convenes shareholders to general meetings, sets the agenda and the text of resolutions.

Subject to the provisions of Article 4.2 of the Internal Regulations, the Board of Directors may use videoconferencing facilities for its meetings, by the transmission of the voice and image of each of the participants, or teleconferencing, by the transmission of the voice of each of the participants. In this case, the conditions set by the Company's Internal Regulations must be met.

Wherever possible, the Board of Directors will endeavour to give preference to the physical presence of directors and, if this is not possible, to the use of video-conferencing rather than telephone exchanges.

During the financial year ended 31 December 2024, the Board of Directors met ten (10) times on the days and months listed below:

Date of the Board of Directors' meeting	1 January 2024	13 March 2024	28 March 2024	18 June 2024	8 July 2024	27 Septemb er 2024	7 Novemb er 2024	11 Novemb er 2024	3 Decemb er 2024	18 Decemb er 2024
Number of directors present	7 out of 7	7 out of 7	7 out of 7	7 out of 7	7 out of 7	7 out of 7	7 out of 7	7 out of 7	7 out of 7	7 out of 7
Attendance rate	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The attendance rate for all directors is 100%.

In 2024, the topics discussed by the Board of Directors focused primarily on the Company's business and development priorities.

CONFLICTS OF INTEREST

To the best of the Company's knowledge, as of the date of this Annual Financial Report, there is no actual or potential conflict of interest between the duties of each member of the Board of Directors and senior management with respect to the Company in their capacity as corporate officer and the private interests and/or duties of the persons making up the Board of Directors and the management bodies.

Their shareholdings in AFYREN's share capital are detailed in this section.

The Board of Directors reviews known conflicts of interest at least once a year.

ESTABLISHMENT OF COMMITTEES

In accordance with recommendations no. 7 and no. 8 of the Middlenext Code, the Company has a Compensation Committee, an Audit Committee and a CSR Committee.

COMPENSATION COMMITTEE

The Company, then in the form of a société par actions simplifiée, had already set up a Compensation Committee on 22 January 2019, which made recommendations to the Company's Board of Directors regarding the compensation of the Company's senior executives and corporate officers. However, its existence had never been formalised.

- *Composition*

At its meeting of 28 September 2021, the Board of Directors confirmed the creation of the Compensation Committee, whose members currently are:

Name, *Offices*	Date of appointment
AFY Partners - *Director* PERMANENT representative: Christophe Calice	Appointed as a member by the Board of Directors on 28 September 2021
Stefan Borgas - *Chairman of the Board of Directors, Independent Director*	Appointed as a member by the Board of Directors on 28 September 2021

No executive corporate officers are members of the Compensation Committee.

- *Operation*

The Compensation Committee, whose operation is governed by the provisions of the Internal Regulations, meets as often as it deems necessary, and at least twice a year, before the Board of Directors' meeting to be held to approve the Company's annual financial statements, consolidated financial statements and half-yearly financial statements.

The Compensation Committee is responsible for:

- reviewing the compensation and the main performance objectives proposed by senior management for the compensation of the Company's non-executive directors, including free share plans and share subscription or purchase option plans;
- reviewing the compensation and the main performance objectives proposed by senior management for the compensation of the Company's corporate officers, including free share plans and share subscription or purchase option plans;
- reviewing the total amount of the compensation granted by the general meeting to the directors and the system for distributing it among the directors, as well as the conditions for reimbursing any expenses incurred by the members of the Board of Directors.

The Compensation Committee may assist the Board of Directors, at its request, in identifying, assessing and proposing the appointment of independent directors.

Audit Committee

- *Composition*

At its meeting of 4 February 2022, the Board of Directors confirmed the creation of the Audit Committee, it being specified that all members of the Audit Committee were chosen from among the members of the Company's Board of Directors, excluding those holding management positions.

Name, *Offices*	Date of appointment
Patrizia Marraghini - *Independent director*	Appointed as a member by the Board of Directors on 4 February 2022 Appointed as Chairman by the Audit Committee
Stefan Borgas - *Chairman of the Board of Directors, Independent Director*	Appointed as a member by the Board of Directors on 13 September 2021
Valquest Partners - *Director* Permanent representative: Fadi Noureddine (replaced by Mr Walid Sfeir with effect from 16 February 2024)	Appointed as a member by the Board of Directors on 13 September 2021

- *Operation*

The operation of the Audit Committee is governed by the provisions of the Internal Regulations and the Charter on the operation of the Audit Committee approved by the Board of Directors when it was set up.

The Audit Committee monitors matters relating to the preparation and control of accounting and financial information. In any event, the Audit Committee has only advisory powers.

The Audit Committee meets as often as it deems necessary and at least two (2) times a year before the Board of Directors' meeting called by its Chairman to approve the annual financial statements, the consolidated financial statements, the half-yearly financial statements and, where applicable, the quarterly financial statements.

CSR COMMITTEE

- *Composition*

The Board of Directors, at its meeting of 5 July 2022, confirmed the creation of a CSR Committee composed of members of the Company's Board of Directors and a Company employee, Ms Caroline Petigny, Director of CSR, Communication and Public Affairs.

Name, *Offices*	Date of appointment
Patrizia Marraghini - *Independent director*	Appointed as a member by the Board of Directors on 5 July 2022
Caroline Lebel - Permanent representative of Bpifrance Investissement *Director*	Appointed as a member by the Board of Directors on 5 July 2022
Nicolas Sordet - *Chief Executive Officer, Director*	Appointed as a member by the Board of Directors on 5 July 2022
Caroline Petigny - *Director of CSR, Communication and Public Affairs*	Appointed as a member by the Board of Directors on 5 July 2022

- *Operation*

The operation of the CSR Committee is governed by the provisions of the Internal Regulations and the Charter on the operation of the CSR Committee approved by the Board of Directors when it was set up.

The CSR Committee is responsible for:

- reviewing the Company's CSR strategy and verifying its consistency with its overall strategy;
- providing critical analysis and recommendations and/or remediation plans;
- proposals on the direction of the Company's CSR strategy;
- review of CSR reporting and reporting procedures;
- monitoring of CSR performance;
- reporting to the Board on CSR strategy and performance and submitting proposals;
- supporting the Company's CSR manager on specific projects.

3.3 EXECUTIVE MANAGEMENT

CHOICE OF METHODS OF EXERCISING GENERAL MANAGEMENT

At its meeting on 28 March 2024, the Company's Board of Directors decided to continue to separate the roles of Chairman of the Board of Directors and Chief Executive Officer.

Name, Offices	Date of appointment/renewal of term of office	Date of end of term of office
Stefan Borgas *Chairman of the Board of Directors* *Director*	Board of Directors' meeting of 28 March 2024	Annual ordinary general meeting to be held in 2027 to approve the financial statements for the financial year ending 31 December 2026
Nicolas Sordet *Chief Executive Officer* *Director*	Board of Directors' meeting of 28 March 2024	Annual ordinary general meeting to be held in 2027 to approve the financial statements for the financial year ending 31 December 2026
Jérémy Pessiot *Chief Operating Officer* *Director of Technology and Innovation (employee)*	Board of Directors' meeting of 28 March 2024	Annual ordinary general meeting to be held in 2027 to approve the financial statements for the financial year ending 31 December 2026

OFFICES AND POSITIONS HELD IN ANY COMPANY BY EACH CORPORATE OFFICER DURING THE 2024 FINANCIAL YEAR

Name *Office*	Current office or position held outside the Company
Stefan Borgas *Chairman of the Board of Directors* *Independent director*	CEO of RHI Magnesita Founder of Borgas advisory GmbH
AFY Partners whose permanent representative is Christophe Calice *Director*	Manager of Ecilac Capital Manager of XL2C Invest Manager of AFY Partners
Valquest Partners whose permanent representative is Walid Sfeir *Director*	Director of Valquest Partners s.a.l. (Holding company) Director of Valquest Partners Europe (Ltd) Director of VQ One S.à.r.l. Director of Valquest (VQ) One Power SAOC Director of VQ Biotech One s.a.l. Director of VQ Biotech One (Ltd) Director of VQ Biorenewables One Ltd. Director of Al Jizzi Transformers & Switchgears Company SAOC Chairman of OPP Holding s.a.l. (Holding company) Director of OPP s.a.l. Director of Primary Holding s.a.l.(Holding)
Sofinnova Partners whose permanent representative is Michael Krel *Director*	Director of Bon VIvant SAS Director of Enginzyme AB Director of Elicit Plant SAS Director of Meiogenix SAS Director of Microphyt SA Director of Werewool Inc Non-voting director of GF BIochemicals SAS
Bpifrance whose permanent representative is Caroline Lebel *Director*	Director of 360learning, Ringover and Virtuo Technologies and censor at Deepki, Fasst, Fermentalg and IAdvize
Patrizia Marraghini *Independent director*	Independent supervisor of the Board of Directors of SAIPEM SA, SPFrance and Bos Congo Independent director of STOA (JV Caisse des Dépôts et Consignations and AFD) and member of the CCR - Accounts and Risks Committees

Name *Office*	Current office or position held outside the Company
Nicolas Sordet *Chief Executive Officer and director*	Permanent representative of AFYREN, itself Chairman of the Board of Directors of AFYREN Neoxy
Jérémy Pessiot *Chief Operating Officer*	Chairman of AFYREN Investment Chairman of AFYREN Neoxy and member of the Board of Directors of AFYREN Neoxy

In accordance with recommendation no. 1 of the Middlenext Code, executive directors do not hold more than two (2) other offices in listed companies, including foreign companies, outside their group.

COMBINATION OF EMPLOYMENT CONTRACT AND CORPORATE OFFICE

CORPORATE OFFICE OF JÉRÉMY PESSIOT

Jérémy Pessiot is bound to the Company by an employment contract entered into on 22 September 2019, amended by an amendment dated 19 February 2021, as Chief Technology and Innovation Officer of the Company.

In accordance with recommendation no. 18 of the Middlenext Code, on 28 September 2021 the Board of Directors authorised the combination of Mr Jérémy Pessiot's employment contract with his corporate office.

This decision was motivated by the fact that Mr Jérémy Pessiot's duties as an employee of the Company are technical, distinct from those related to his position as Chief Operating Officer, and consist in particular of defining the Company's innovation strategy (determination of the Company's development areas in terms of processes and innovation, initiation of all the Company's major research projects, organisation and management of laboratories, demonstrators and pilot sites, supervision of technological watch), management of processes and resources related to innovation (development of relations with academic partners, definition of the Company's intellectual property acquisition and development strategy, in particular), coordination of innovation projects and management of patents and innovations. These duties as an employee are performed under the supervision of the Company's Chief Executive Officer.

CORPORATE OFFICE OF NICOLAS SORDET

In a decision dated 26 March 2019, the Company's Board of Directors decided that Mr Nicolas Sordet's permanent employment contract dated 1 June 2015, as Chief Financial Officer and International Business Development Director, would be suspended from 1 January 2019 and during the performance of his term of office as Chief Executive Officer of the Company.

COMPANY DIVERSITY AND EQUITY POLICY

In accordance with recommendation no. 15 of the Middlenext Code, the Company implements the principles of equity and respect for gender balance at each level of the Company's hierarchy.

COMPENSATION OF CORPORATE OFFICERS

The compensation of corporate officers is determined by the Board of Directors on the recommendation of the Compensation Committee.

COMPENSATION OF NON-EXECUTIVE CORPORATE OFFICERS

None of the directors, with the exception of Mr. Stefan Borgas and Ms Patrizia Marraghini (as specified in section 4), received any compensation for their duties. The total compensation for Stefan Borgas and Ms Patrizia Marraghini for the 2024 financial year amounted to €58,000 out of a total package of €100,000, as set by the combined general meeting of 11 June 2021.

COMPENSATION OF EXECUTIVE CORPORATE OFFICERS

On 28 March 2024, the Board of Directors renewed the terms of office of:

- Nicolas Sordet as the Company's Chief Executive Officer;
- Jérémy Pessiot as the Company's Chief Operating Officer;
- Stefan Borgas, as the Company's Chairman of Board of Directors

For the accounting period presented, the compensation of Nicolas Sordet, Jérémy Pessiot and Stefan Borgas for their respective terms of office was as follows.

- Compensation of Nicolas Sordet for the financial year ended 31 December 2024

Since 1 January 2024 and in accordance with the terms of the corporate office agreement entered into between Nicolas Sordet and the Company on 4 February 2022 and the decision of the Board of Directors on 28 March 2024, Nicolas Sordet receives gross fixed annual compensation of €180,000, variable annual compensation representing a maximum amount equal to 25% of his fixed annual compensation (i.e. a maximum amount of €45,000) and multi-year variable compensation representing an amount equal to 50% of his annual compensation.

On 28 March 2024, the Board of Directors approved the recommendations of the Compensation Committee dated 13 March 2024 regarding the achievement of the performance criteria relating to annual variable compensation and the payment to Nicolas Sordet of the sum of €22,500 in respect of annual variable compensation for the 2023 financial year.

Under the terms of this corporate officer agreement, Nicolas Sordet is also entitled to a non-competition indemnity equal to 50% of his gross monthly compensation during the last 12 months preceding the decision to terminate his contract as a corporate officer.

On 7 December 2021, the Board of Directors, on the proposal of the Compensation Committee meeting of December 2021, decided that the amount of severance pay to which the Chief Executive Officer will be entitled in the event of termination of his duties for any reason other than resignation, dismissal for serious misconduct or dismissal for gross misconduct will amount to 18 months of gross compensation. He also benefits from a social guarantee for company directors insurance policy taken out by the Company in the event of the loss of his corporate office.

- Compensation of Jérémy Pessiot for the financial year ended 31 December 2024

Jérémy Pessiot has been bound to the Company by an employment contract since 1 October 2012.

It should be noted that the Board of Directors on 28 September 2021 decided on the appropriateness of authorising the combination of Jérémy Pessiot's employment contract as Chief Technology and Innovation Officer of the Company and his corporate office as Chief Operating Officer, described in more detail in section 4.

In accordance with the terms of the employment contract entered into between Mr Jérémy Pessiot and the Company on 22 September 2019 in replacement of the employment contract entered into with the Company on 1 October 2012, as amended by an amendment dated 19 February 2021, and the decisions of the Board of Directors on 21 January 2021 and 4 February 2022, it is agreed that Jérémy Pessiot receives a gross fixed annual compensation of €160,000, an annual variable compensation that may represent a maximum amount equal to 25% of his annual fixed compensation (i.e. a maximum amount of €40,000) and a multi-year variable compensation representing an amount equal to 50% of his annual compensation. Jérémy Pessiot does not receive compensation for his duties as a corporate officer of the Company.

On 28 March 2024, the Board of Directors approved the recommendations of the Compensation Committee dated 13 March 2024 regarding the achievement of the performance criteria relating to annual variable compensation and the payment to Jérémy Pessiot of the sum of €26,000 in respect of annual variable compensation for the 2023 financial year.

Under the terms of his contract as a corporate officer, Nicolas Sordet is also entitled to a non-competition indemnity equal to 50% of his gross monthly compensation as Chairman during the last 12 months preceding the decision to terminate his contract as a corporate officer.

On 7 December 2021, the Board of Directors, on the proposal of the Compensation Committee meeting of 3 December 2021, decided that the amount of severance pay to which the Chief Executive Officer will be entitled in the event of termination of his duties for any reason other than resignation, dismissal for serious misconduct or dismissal for gross misconduct will amount to 18 months of gross compensation.

- Compensation of Stefan Borgas for the year ended 31 December 2024

On 4 February 2022, Stefan Borgas and the Company entered into a corporate office agreement, which was authorised by the Board of Directors on 4 February 2022. Under the terms of this corporate officer agreement and the decisions of the Board of Directors dated 24 March 2022, Stefan Borgas receives an annual compensation of €30,000.

At 31 December 2024, Stefan Borgas also held 192,500 founder share warrants and 20,000 free shares.

The table shows both the compensation awarded and paid in respect of and during the financial year ended 31 December 2023, as presented above, and the compensation awarded and paid in respect of and during the financial year ended 31 December 2024 presented above.

Table 1: Summary of compensation paid to each executive corporate officer

	Financial year ended 31 December 2023		Financial year ended 31 December 2024	
	Amounts granted	Amounts paid	Amounts granted	Amounts paid
Nicolas Sordet - *Chief Executive Officer*				
Fixed compensation[12]	€180,000	€180,000	€180,000	€180,000
Annual variable compensation[13]	€45,000	€33,750[14]	€45,000	€22,500[15]

[12] Under the terms of the corporate mandate agreement entered into on 4 February 2022, Nicolas Sordet receives gross annual fixed compensation of €180,000 for the current financial year. On 28 March 2024, the Board of Directors approved the continuation of Nicolas Sordet's fixed compensation.

[13] Under the corporate mandate agreement entered into on 4 February 2022, Nicolas Sordet receives variable compensation equal to 25% of his fixed compensation (i.e. a maximum amount of €45,000 for the 2022 financial year, the achievement of which will be reviewed by the Board of Directors during the 2023 financial year).

[14] On 21 March 2023, the Board of Directors approved the recommendations of the Compensation Committee of 6 March 2023 regarding the achievement of the performance criteria relating to annual variable compensation and the payment of the sum of €33,750 to Nicolas Sordet in respect of annual variable compensation for the 2022 financial year.

[15] On 28 March 2024, the Board of Directors approved the recommendations of the Compensation Committee dated 13 March 2024 regarding the achievement of the performance criteria relating to annual variable compensation and the payment of the sum of €22,500 to Nicolas Sordet in respect of annual variable compensation for the 2023 financial year.

	Financial year ended 31 December 2023		Financial year ended 31 December 2024	
	Amounts granted	Amounts paid	Amounts granted	Amounts paid
Multi-year variable compensation[16]	€90,000	€26,000[17]	-	-
Exceptional compensation and various bonuses	N/A	N/A	N/A	€6,900
Compensation granted for serving as a director	N/A	N/A	N/A	N/A
Benefits in kind[18]	€4,767	€4,767	€4,811.88	€4,811.88
TOTAL	**€319,767.00**	**€245,517.00**	**229,811.88**	**€214,211.88**
Jérémy Pessiot - *Chief Operating Officer*				
Fixed compensation[19]	€160,000	€160,000	€160,000	€160,000
Annual variable compensation[20]	€40,000	€30,000[21]	€40,000	**€26,000**[22]
Multi-year variable compensation[23]	€80,000	24,000[24]	-	-

[16] Under the terms of the corporate officer agreement dated 4 February 2022 and in accordance with the decisions of the Company's Board of Directors on 21 March 2023, Nicolas Sordet may receive, by way of multi-year variable compensation, an amount equal to a maximum of 50% of his fixed compensation per year (i.e. up to €90,000 for fixed compensation of €180,000), subject to achieving the targets set by the Board of Directors.
[17] On 21 March 2023, the Board of Directors approved the recommendations of the Compensation Committee dated 6 March 2023 regarding the achievement of the performance criteria relating to the multi-year variable compensation and the payment of the sum of €27,000 to Nicolas Sordet in respect of the multi-year variable compensation.
[18] Provision of a company car
[19] Under the terms of the employment contract entered into between Mr Jérémy Pessiot and the Company on 22 September 2019, amended by an amendment dated 19 February 2021, and the decisions of the Board of Directors on 21 January 2021, Jérémy Pessiot will receive gross annual fixed compensation of €160,000 during the 2022 financial year.
[20] In accordance with the terms of the employment contract entered into between Mr Jérémy Pessiot and the Company on 22 September 2019, as amended by an amendment dated 19 February 2021, and the decisions of the Board of Directors dated 21 January 2021, Jérémy Pessiot receives annual variable compensation representing a maximum amount equal to 25% of his annual fixed compensation (i.e. a maximum amount of €40,000 euros for fixed compensation of €160,000).
[21] On 21 March 2023, the Board of Directors approved the recommendations of the Compensation Committee dated 6 March 2023 regarding the achievement of the performance criteria relating to annual variable compensation and the payment of the sum of €30,000 to Jérémy Pessiot in respect of annual variable compensation for the 2022 financial year.
[22] On 28 March 2024, the Board of Directors approved the recommendations of the Compensation Committee dated 13 March 2024 regarding the achievement of the performance criteria relating to annual variable compensation and the payment of the sum of €26,000 to Jérémy Pessiot in respect of annual variable compensation for the 2023 financial year.
[23] Pursuant to the decisions of the Company's Board of Directors on 4 February 2022, Mr Jérémy Pessiot may receive, as multi-year variable compensation, a maximum of 50% of his fixed compensation per year (i.e. up to €80,000 for a fixed compensation of €160,000), subject to achieving the targets set by the Board of Director
[24] On 21 March 2023, the Board of Directors approved the recommendations of the Compensation Committee dated 6 March 2023 regarding the achievement of the performance criteria relating to the multi-year variable compensation and the payment of the sum of €24,000 to Jérémy Pessiot in respect of the multi-year variable compensation.

	Financial year ended 31 December 2023		Financial year ended 31 December 2024	
	Amounts granted	Amounts paid	Amounts granted	Amounts paid
Exceptional compensation and various bonuses	€1,907.45	€1,907.45	€1,735.58	€46,235.58
Compensation granted for serving as a director	N/A	N/A	N/A	N/A
Benefits in kind[25]	€7,188.60	€7,188.60	€7,188.60	€7,188.60
TOTAL	€289,096.05	€223,096.05	€208,924.18	€239,424.18
Stefan Borgas - *Chairman of the Board of Directors*				
Fixed compensation	N/A	N/A	N/A	N/A
Annual variable remuneration	N/A	N/A	N/A	N/A
Multi-year variable compensation	N/A	N/A	N/A	N/A
Exceptional compensation	N/A	N/A	N/A	N/A
Compensation granted for serving as a director	€30,000[26]	€30,000	€30,000[27]	€30,000
Benefits in kind	N/A	N/A	N/A	N/A
TOTAL	€30,000	€30,000	€30,000	€30,000

Table 3: Summary table of allowances or benefits for corporate officers for the financial year ended 31 December 2024

[25] Provision of a company car
[26] In a decision taken on 24 March 2022, the Board of Directors decided to award €30,000 to Stefan Borgas in respect of his office as an independent director.
[27] In a decision taken on 28 March 2024, the Board of Directors decided to award €30,000 to Stefan Borgas in respect of his office as an independent director.

Executive corporate officers	Employment contract		Supplementary pension plan		Allowances or benefits due or likely to be due as a result of termination or change of position		Compensation relating to a non-competition clause	
	yes	no	yes	no	yes	no	yes	no
Nicolas Sordet *Chief Executive Officer*	Suspended[28]			X	X[29]		X[30]	
Jérémy Pessiot *Chief Operating Officer*	X			X	X[31]		X[32]	
Stefan Borgas *Chairman of the Board of Directors*		X		X		X		X

INCENTIVE PROGRAMME

- BSPCE[33] granted to each executive corporate officer during their term of office

number and date of general meeting	Type of warrants	Value of warrants according to the method used for the financial statements	Number of warrants granted[34]	Exercise price (€)	Exercise period
Nicolas Sordet - *Chief Executive Officer*					
BSPCE 2 3 June 2015	Founder share warrants	€41,400	103,500	€0.40	N/A

[28] In a decision dated 26 March 2019, the Company's Board of Directors decided that Nicolas Sordet's permanent employment contract dated 1 June 2015, as Chief Financial Officer and International Business Development Director, would be suspended from 1 January 2019 and during the performance of his term of office as Chief Executive Officer of the Company.
[29] Please refer to the section "Compensation of Nicolas Sordet for the financial year ended 31 December 2024".
[30] Compensation equal to 50% of his gross compensation over the last 12 months preceding the decision to terminate the corporate officer agreement entered into between Nicolas Sordet and the Company on 4 February 2022.
[31] Please refer to the section "Compensation of Jérémy Pessiot for the financial year ended 31 December 2024".
[32] Compensation equal to 50% of his gross compensation over the last 12 months preceding the decision to terminate the employment contract entered into between Jérémy Pessiot and the Company on 22 September 2019.
[33] The Company has not granted any share subscription or purchase options or share purchase warrants to corporate officers.
[34] It should be noted that the general meeting of 11 June 2021, pursuant to its thirtieth resolution, approved the division of the nominal value of an ordinary share and, consequently, noted that the securities giving access to the share capital in force within the Company will henceforth give the right to the number of shares to which they previously gave right multiplied by five (5) as a result of the division of the of the nominal value of the shares by five (5). The exercise price was therefore divided by five (5).

number and date of general meeting	Type of warrants	Value of warrants according to the method used for the financial statements	Number of warrants granted[34]	Exercise price (€)	Exercise period
BSPCE 3 29 December 2015	Founder share warrants	€68,985	109,500	€0.63	N/A
BSPCE 5 26 June 2019	Founder share warrants	€22,760	20,000	€2.06	[6,666] BSPCEs exercisable from 1 July 2020 and until 1 July 2029 6,666 BSPCE exercisable from 1 July 2021 and until 1 July 2029 [6,667] BSPCEs exercisable from 1 July 2022 and until 1 July 2029
Jérémy Pessiot - *Chief Operating Officer*					
BSPCE 2 3 June 2015	Founder share warrants	€31,400	78,500	€0.40	N/A
BSPCE 3 29 December 2015	Founder share warrants	€22,760	110,000	€0.63	N/A
BSPCE 5 26 June 2019	Founder share warrants	€22,760	20,000[35]	€2.06	[6,666] BSPCEs exercisable from 1 July 2020 and until 1 July 2029 6,666 BSPCE exercisable from 1 July 2021 and until 1 July 2029 [6,667] BSPCEs exercisable from 1 July

[35] It should be noted that the general meeting of 11 June 2021, pursuant to its thirtieth resolution, approved the division of the nominal value of an ordinary share and, consequently, noted that the securities giving access to the share capital in force within the Company will henceforth give the right to the number of shares to which they previously gave right multiplied by five (5) as a result of the division of the of the nominal value of the shares by five (5).

number and date of general meeting	Type of warrants	Value of warrants according to the method used for the financial statements	Number of warrants granted[34]	Exercise price (€)	Exercise period
					2022 and until 1 July 2029
Stefan Borgas - *Chairman of the Board of Directors*					
BSPCE 5 26 June 2019	Founder share warrants	€198,800	175,000	€2.06	58,333 BSPCE exercisable since 16 September 2021 until 16 September 2030 58,333 BSPCE exercisable since 16 September 2022 until 6 September 2030 58,333 BSPCE exercisable since 16 September 2022 until 6 September 2030
BSPCE 2021 11/06/2021	Founder share warrants	€66,905	17,500	€8.02	5,833 BSPCEs exercisable from 4 February 2023 until 4 February 2032 5,833 BSPCEs exercisable from 4 February 2024 until 4 February 2032 5,833 BSPCEs exercisable from 4 February 2025 until 4 February 2032

No BSPCEs granted to each corporate officer in the course of their duties were exercised during the year ended 31 December 2024.

- Stock options

The Company has not granted any share subscription or purchase options to executive corporate officers.

- Share subscription warrants

The Company has not granted any share purchase warrants to executive corporate officers.

- Free shares granted to each corporate officer during their term of office

2021 free share grants

By decisions dated 7 December 2021 and 24 March 2022, the Board of Directors implemented the delegation of authority granted by the twenty-ninth resolution of the combined general meeting of 11 June 2021, which authorised the Board of Directors, pursuant to the provisions of Articles L.225-197-1 et seq. of the French Commercial Code, to grant, on one or more occasions and solely pursuant to its decisions and in accordance with the terms and conditions that it shall determine in this resolution, 2021 free share grants as a bonus linked to the completion of the capital increase decided with a view to the admission to trading of the Company's shares on Euronext Growth.

The Board of Directors thus awarded 2021 free share grants to the following corporate officers:

Free shares granted to each corporate officer					
Free shares granted by the general meeting during the financial year to each corporate officer	plan number and date	Number of shares granted during the year	Value of shares according to the method used for the consolidated financial statements	Vesting date	Availability date
Nicolas Sordet	No. 1 07/12/2021	22,444	€203,567	07/12/2022	07/12/2023
	No. 2 24/03/2022	257,620	€1,380,024	Tranche 1: 24/03/2023 Tranche 2: 24/03/2024 Tranche 3: 24/03/2025 Tranche 4: 24/03/2030[36]	Tranche 1: 24/03/2024 Tranche 2: 24/03/2025 Tranche 3: 24/03/2026 Tranche 4: 24/03/2031
Jérémy Pessiot	No. 1 07/12/2021	19,951	€180,956	07/12/2022	07/12/2023
	No. 2 24/03/2022	257,620	€1,380,024	Tranche 1: 24/03/2023 Tranche 2: 24/03/2024	Tranche 1: 24/03/2024 Tranche 2: 24/03/2025

[36] On 18 December 2024, the Board of Directors decided to extend the vesting period for the 2021 free share grants to 24 March 2030, so that the holding period would end on 24 March 2031.

Free shares granted to each corporate officer					
Free shares granted by the general meeting during the financial year to each corporate officer	plan number and date	Number of shares granted during the year	Value of shares according to the method used for the consolidated financial statements	Vesting date	Availability date
				Tranche 3: 24/03/2025 Tranche 4: 24/03/2030[25]	Tranche 3: 24/03/2026 Tranche 4: 24/03/2031

The 42,395 free share grants 2021 awarded by the Board of Directors on 7 December 2021 to Nicolas Sordet and Jérémy Pessiot vested on 7 December 2022 in accordance with plan no. 1 and have been transferable since 7 December 2023.

51,524 2021 free share grants awarded under Tranche 1 by the Board of Directors on 24 March 2022 to Nicolas Sordet and Jérémy Pessiot vested on 24 March 2023 in accordance with plan no. 2.

51,524 2021 free share grants awarded under Tranche 2 by the Board of Directors on 24 March 2022 to Nicolas Sordet and Jérémy Pessiot vested on 28 March 2024 in accordance with plan no. 2.

All of the 2021 free share grants awarded under plan no. 2 are subject to a retention period as of the date of this report.

2023 free share grants

By decisions dated 18 September 2023, the Board of Directors implemented the delegation of authority granted by the eighteenth resolution of the combined general meeting of 21 June 2023, which authorised the Board of Directors, pursuant to the provisions of Articles L.225-197-1 et seq. of the French Commercial Code, to grant, on one or more occasions and solely pursuant to its decisions and in accordance with the terms and conditions that it shall determine in this resolution, with the allocation of 2023 free share grants under a long-term free share plan.

The Board of Directors thus awarded 2023 free share grants to the following corporate officers:

Free shares granted to each corporate officer					
Free shares granted by the general meeting during the financial year to each corporate officer	plan number and date	Number of shares granted during the year	Value of shares according to the method used for the consolidated financial statements	Vesting date	Availability date
Nicolas Sordet	No. 1	48,632	€239,756	31/03/2026	31/03/2027

Free shares granted to each corporate officer					
Free shares granted by the general meeting during the financial year to each corporate officer	plan number and date	Number of shares granted during the year	Value of shares according to the method used for the consolidated financial statements	Vesting date	Availability date
Jérémy Pessiot	18/09/2023	48,632	€239,756		

2024 free share grants

By decisions dated 18 December 2024, the Board of Directors implemented the delegation of authority granted by the twenty-third resolution of the combined general meeting dated 19 June 2024, which authorised the Board of Directors, pursuant to the provisions of Articles L.225-197-1 et seq. of the French Commercial Code, to proceed, on one or more occasions and at its sole discretion and in accordance with the terms and conditions it will determine in this resolution, with the allocation of 2024 free share grants.

The Board of Directors thus awarded 2024 free share grants to the following corporate officers:

Free shares granted to each corporate officer					
Free shares granted by the general meeting during the financial year to each corporate officer	plan number and date	Number of shares granted during the year	Value of shares according to the method used for the consolidated financial statements	Vesting date	Availability date
Stefan Borgas	2024-2 18/12/2024	20,000	-[37]	01/01/2027	01/01/2028
Nicolas Sordet	2024-2 18/12/2024	35,000	-[26]	01/01/2027	01/01/2028
	2024-3 18/12/2024	15,000	-[26]	01/01/2026	01/01/2027
Jérémy Pessiot	2024-2 18/12/2024	35,000	-[26]	01/01/2027	01/01/2028

[37] On 18 December 2024, the Board of Directors decided to award 253,000 2024-2 free share grants and 70,000 2024-3 free share grants with effect from 1 January 2025. As the free share grants will be awarded as from 1 January 2025, the valuation of the shares will be as reflected in the financial statements for the year ended 31 December 2025.

	2024-3 18/12/2024	15,000	-[26]	01/01/2026	01/01/2027

3.4 AGREEMENTS REFERRED TO IN ARTICLES L.225-38 ET SEQ. OF THE FRENCH COMMERCIAL CODE

In its special report on the agreements referred to in Articles L.225-38 of the French Commercial Code, your statutory auditor examines the agreements entered into by the Company or performed by it during the past year. This report is available to you. The regulated agreements for the year ended 31 December 2024 were as follows:

- Subordination agreement between the Company and AFYREN NEOXY dated 6 December 2024, previously authorised by the Board of Directors on 3 December 2024,
- Loan agreement between the Company and AFYREN NEOXY dated 6 December 2024, previously authorised by the Board of Directors on 3 December 2024.

3.5 AGREEMENTS ENTERED INTO BETWEEN A SUBSIDIARY OF THE COMPANY AND A CORPORATE OFFICER OR A SHAREHOLDER HOLDING MORE THAN 10% OF THE COMPANY'S SHARE CAPITAL

None.

3.6 SUMMARY OF CURRENT DELEGATIONS OF AUTHORITY AND POWERS TO INCREASE THE SHARE CAPITAL

Resolutions approved by the combined general meeting of 19 June 2024				
Purpose of the resolution	*Duration*	*Ceilings*	*Price determination procedures*	*Implementation*
Delegation of authority to the Board of Directors to decide to issue ordinary shares and/or securities giving immediate and/or subsequent access to equity securities to be issued by the Company, with cancellation of the shareholders' preferential subscription right by public offering (other than an	26 months Expires on 19 August 2026	Nominal amount of capital increases: €225,000[1] Nominal amount of debt securities: €80,000,000[2]	For capital increases, the issue price of the new shares shall be set by the Board of Directors and shall be at least equal to the weighted average price over the last five (5) trading sessions prior to its setting, which may be reduced by a maximum discount of 20%.	X

offering referred to in Article L.411-2 (1) of the French Monetary and Financial Code)			For securities giving access to the share capital, including share subscription warrants, the issue price shall be set by the Board of Directors such that the amounts immediately received by the Company upon issue of the securities in question, plus any amounts that may subsequently be received by the Company for each share attached to and/or underlying the issued securities, shall be at least equal to the minimum price provided for above. The conversion, redemption and transformation into shares of each security giving access to the share capital shall be carried out, taking into account the nominal value of said security, into a number of shares such that the amount received by the Company for each share is at least equal to the minimum price referred to above.	
Delegation of authority to the Board of Directors to decide to issue ordinary shares and/or securities giving immediate and/or future	26 months Expires on 19 August 2026	Nominal amount of capital increases: €225,000[1]		X

access to equity securities to be issued by the Company, while maintaining shareholders' preferential subscription rights		Nominal amount of debt securities: €80,000,000[2]		
Delegation of authority to the Board of Directors to decide to issue ordinary shares and/or securities giving immediate and/or future access to equity securities to be issued by the Company, with cancellation of shareholders' preferential subscription rights in favour of categories of beneficiaries	18 months Expires on 19 December 2025	Nominal amount of capital increases: €225,000[1] Nominal amount of debt securities: €80,000,000[2]	For capital increases, the issue price of the new shares shall be set by the Board of Directors and shall be at least equal to the weighted average price over the last five (5) trading sessions prior to its setting, which may be reduced by a maximum discount of 20%. For securities giving access to the share capital, including share subscription warrants, the issue price shall be set by the Board of Directors such that the amounts immediately received by the Company upon issue of the securities in question, plus any amounts that may subsequently be received by the Company for each share attached to and/or underlying the issued securities, shall be at least equal to the minimum price provided for above. The conversion, redemption and	X

			transformation into shares of each security giving access to the share capital shall be carried out, taking into account the nominal value of said security, into a number of shares such that the amount received by the Company for each share is at least equal to the minimum price referred to above.	
Delegation of authority to the Board of Directors to decide to issue ordinary shares and/or securities giving immediate and/or subsequent access to equity securities to be issued by the Company, with cancellation of the shareholders' preferential subscription right, to be issued in the context of offering referred to in Article L.411-2 (1) of the French Monetary and Financial Code, and within the limit of 20% of the share capital per year	26 months Expires on 19 August 2026	Nominal amount of capital increases: 20% of the share capital (as existing on the date of the transaction) per year and €225,000[1] Nominal amount of debt securities: €80,000,000[2]	For capital increases, the issue price of the new shares shall be set by the Board of Directors and shall be at least equal to the weighted average price over the last 5 trading sessions prior to its setting, which may be reduced by a maximum discount of 20%. For securities giving access to the share capital, including share subscription warrants, the issue price shall be set by the Board of Directors such that the amounts immediately received by the Company upon issue of the securities in question, plus any amounts that may subsequently be received by the Company for each share attached to and/or underlying	X

			the issued securities, shall be at least equal to the minimum price provided for above. The conversion, redemption and transformation into shares of each security giving access to the share capital shall be carried out, taking into account the nominal value of said security, into a number of shares such that the amount received by the Company for each share is at least equal to the minimum price referred to above.	
Authorisation to be granted to the Board of Directors to increase the number of securities issued in accordance with the provisions of Article L.225-135-1 of the French Commercial Code, in the event of the implementation of the delegations of authority referred to in the preceding resolutions, with cancellation of preferential subscription rights	26 months Expires on 19 August 2026	15% of the amount of the initial issue under the above-mentioned delegations		X
Delegation of authority to the Board of Directors to decide to capitalise profits, reserves, premiums or other amounts whose	26 months Expires on 19 August 2026	Nominal amount of capital increases: €225,000[1]		X

capitalisation is permitted				
Delegation of authority to be granted to the Board of Directors to decide to issue warrants to subscribe for ordinary shares ("2024 free share grants") with cancellation of preferential subscription rights in favour of a category of persons	18 months Expires on 19 December 2025	1,202,731 024 free share grants giving rise to the issue of 1,202,731 ordinary shares representing a maximum nominal amount of €24,054.62 by way of a capital increase (Ceiling common to 2024 free share grants, 2024 free share grants and 2024 Options).	The subscription price of the 2024 free share grants will be determined by the Board of Directors on the date of issue, in accordance with the conclusions of the report of the expert appointed by the Company to value the subscription price of said 2024 free share grants in accordance with the valuation methods applicable to this type of tool. The exercise price of the 2024 free share grants will be determined by the Board at the time when the 2024 free share grants are awarded and shall be equal to the weighted average price of the last twenty (20) trading sessions preceding the date of award of said 2024 free share grants by the Board of Directors.	X
Authorisation to the Board of Directors to grant ordinary Company shares free of charge to salaried employees and executive corporate officers	38 months Expires on 19 August 2027	The total number of ordinary shares that may be allocated free of charge under this authorisation may not exceed 10% of the share capital on		Implemented by the Board of Directors on 8 July 2024 and 18 December 2024.[38]

[38]See section 4.4.3.

(the "2024 free share grants")		the date of the decision by the Board of Directors to grant shares, subject to a limit of 1,202,731 free shares, each with a par value of €0.02.		

[1] Under the terms of the seventh resolution of the General Meeting of 19 June 2024, the general meeting decided to set the overall ceiling applicable to authorisations and delegations for the purpose of issuing ordinary shares and/or securities giving access, immediately and/or in the future, to equity securities to be issued by the Company at €350,000.

[2] Under the terms of the seventh resolution of the General Meeting of 19 June 2024, the general meeting decided to set the overall ceiling applicable to authorisations and delegations for the purpose of issuing debt securities to be issued by the Company at €80,000,000.

AWARDS OF FREE SHARE GRANTS IN FINANCIAL YEAR 2024

In decisions dated 1 January 2024 and 28 March 2024, the Board of Directors implemented the delegation of authority granted by the seventeenth resolution of the combined general meeting of 21 June 2023, which authorised the Board of Directors, pursuant to the provisions of Articles L.225-197-1 et seq. et seq. of the French Commercial Code, to grant existing or future free shares in the Company (‘ **2023 free share grants**’), on one or more occasions, at its sole discretion and in accordance with the terms and conditions set out in this resolution.

History of free share grants			
Information on free shares granted			
	2023-4 free share grants	2023-5 free share grants	2023-LTIP2 free share grants
Date of the shareholders' meeting	21 June 2023		
Date of the Board of Directors	1 January 2024	28 March 2024	28 March 2024
Total number of free shares granted	12,868	14,069	180,500
Nominal value of a share	€0.02	€0.02	€0.02
Value of a share	€2.22	€1.90	€1.90
Total number of shares granted to corporate officers	-	-	-
Nicolas Sordet	-	-	*37,500*
Jérémy Pessiot	-	-	*37,500*
Share vesting date	1 January 2026	28 March 2025	31 March 2027
End of retention period	1 January 2027	28 March 2026	31 March 2028
Number of shares definitively granted as of the date of this Annual Financial Report	-	-	-
Total number of shares cancelled or lapsed as of the date of this Annual Financial Report	-	-	-
Free shares that may be granted as of the date of this Annual Financial Report	-[39]		

[39] By resolution dated 19 June 2024, the combined general meeting set a common ceiling for 2024 free share grants, BSPCE 2024 free share grants and 2024 Options, which was set at 1,202,731. The authorisation granted by the twenty-third resolution of the combined general meeting of 19 June 2024, which authorised the Board of Directors under the provisions of Articles L.225-197-1 et seq. et seq. of the French Commercial Code, to grant, on one or more occasions and at its sole discretion and in accordance with the terms and conditions set out in this resolution, existing or future free shares in the Company ("**2024 free share grants**") cancelled and replaced the authorisation granted by the seventeenth resolution of the combined general meeting of 21 June 2023, which authorised the Board of Directors, pursuant to the provisions of Articles L.225-197-1 et seq. of the French Commercial Code, to grant existing or future free shares in the Company ("**2023 free share grants**"), on one or more occasions, at its sole discretion and in accordance with the terms and conditions set out in this resolution.

In decisions dated 8 July 2024 and 18 December 2024, the Board of Directors implemented the delegation of authority granted by the twenty-third resolution of the combined general meeting of 19 June 2024, which authorised the Board of Directors, pursuant to the provisions of Articles L.225-197-1 et seq. of the French Commercial Code, to grant existing or future free shares in the Company ("**2024 free share grants**"), on one or more occasions, at its sole discretion and in accordance with the terms and conditions set out in this resolution.

History of free share grants			
Information on free shares granted			
	2024-1 free share grants	2024-2 free share grants	2024-3 free share grants
Date of the shareholders' meeting	19 June 2024		
Date of the Board of Directors	8 July 2024	18 December 2024	18 December 2024
Total number of free shares granted	4,000	266,500	70,000
Nominal value of a share	€0.02	€0.02	€0.02
Value of a share	€2.09	-[40]	-[28]
Total number of shares granted to corporate officers	-	-	-
Nicolas Sordet	-	*35,000*	*15,000*
Jérémy Pessiot	-	*35,000*	*15,000*
Share vesting date	8 July 2025	1 January 2027	1 January 2026
End of retention period	8 July 2026	1 January 2028	1 January 2027
Number of shares definitively granted as of the date of this Annual Financial Report	-	-	-
Total number of shares cancelled or lapsed as of the date of this Annual Financial Report	-	-	-
Free shares that may be granted as of the date of this Annual Financial Report	862,231[41]		

[40]On 18 December 2024, the Board of Directors decided to grant 266,500 2024-2 free share grants and 70,000 2024-3 free share grants with effect from 1 January 2025. As the free share grants will be awarded as from 1 January 2025, the valuation of the shares will be as reflected in the financial statements for the year ended 31 December 2025.
[41] By resolution dated 19 June 2024, the combined general meeting set a common ceiling for 2024 free share grants, BSPCE 2024 free share grants and 2024 Options, which was set at 1,202,731.

In accordance with Article L.225-197-1 of the French Commercial Code, during the year ended 31 December 2024, the Board of Directors decided to allocate 352,937 free shares (of which 216,500 will be allocated with effect from 1 January 2025) to 23 employees who are not corporate officers, it being specified that the ten employees who received the largest number of free shares received 256,344 free shares.

AWARDS OF STOCK OPTIONS IN FINANCIAL YEAR 2024

In accordance with Article L.225-184 of the French Commercial Code, no stock options were granted in 2024.

GRANTS OF BSPCE FOR THE CURRENT FINANCIAL YEAR

During the year ended 31 December 2024, the Board of Directors did not implement the delegation of authority granted by the seventeenth resolution of the combined general meeting of 21 June 2023, which authorised the Board of Directors, pursuant to the provisions of Articles L.225-138, L.225-129-2, L.228-91 and L.228-92 of the French Commercial Code, to issue, on one or more occasions and at its sole discretion and in accordance with the terms and conditions set out in this resolution, founder share warrants in the Company.

GRANTS OF FREE SHARE GRANTS FOR THE CURRENT FINANCIAL YEAR

During the financial year ended 31 December 2024, the Board of Directors did not implement the delegation of authority granted by the sixteenth resolution of the combined general meeting of 21 June 2023 and by the twenty-third resolution of the general meeting of 19 June 2024, which authorised the Board of authorised the Board of Directors, pursuant to the provisions of Articles L.225-138 I, L.225-129-2, L.228-91 and L.228-92 of the French Commercial Code, to issue Company share subscription warrants, on one or more occasions and at its sole discretion and in accordance with the terms and conditions it shall determine in this resolution.


04
SUSTAINABILITY

4 SUSTAINABLE DEVELOPMENT

4.1 PREAMBLE AND METHODOLOGICAL NOTE

Preamble

As AFYREN's industrial activities are in their start-up phase, the environmental, social and governance issues are part of a particular context. Nevertheless, the Company has already taken a number of steps to ensure that ESG issues are at the heart of its business model, strategy and policies.
The company has been disclosing its CSR commitments in its annual Financial Report since 2021 (chapter 5) and now wishes to share these issues even more widely through a dedicated sustainability report, drawn up on a voluntary basis and scheduled for publication in the second quarter of each year, starting in 2024. **Chapter 5 of the Company's Annual Financial Report has therefore been adapted in the light of the information that will be shared in the sustainability report.**

Methodological note on the forthcoming report

Under EU Directive 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation 537/2014 and Directives 2004/109/EC, 2006/43/EC and 2013/34/EU as regards corporate sustainability reporting, known as the CSRD Directive, companies listed on a regulated market are required to draw up a sustainability report.

As AFYREN is a company whose shares are admitted to trading on Euronext Growth, an organised market, and does not fall within the scope of large companies, AFYREN will not be subject to the obligations to publish a sustainability report.

However, mindful of its impact, the Company has chosen to publish a sustainability report based on the working draft of the ESRS for "Listed Small-and-Medium-sized Enterprises" (ESRS LSME).

4.2 SUSTAINABLE DEVELOPMENT AT THE HEART OF AFYREN'S VALUE CREATION MODEL

AFYREN has placed sustainable development at the heart of its purpose, a purpose that was slightly adapted following the company's participation in the Businesses for Climate Convention, to include the company's regenerative dimension:

> ***"We enable low-carbon, circular and regenerative industry by providing biobased solutions built with our partners to benefit the environment"***

The AFYREN business model is built around this purpose with unique resources and know-how, which allow us to create value for our economy and our environment, while relying on a clear mission, a well-defined strategy and strong values.

The AFYREN Group is fully aligned with the principles of the United Nations Global Compact in the areas of human rights, labour, the environment and anti-corruption, and its business model also contributes to achieving a number of the United Nations Sustainable Development Goals.

CSR governance

From the company's inception, AFYREN's managers have wanted to give sustainable development a central place. CSR was therefore integrated into the heart of the operational strategy at a very early stage, with a Chief Sustainability Officer on AFYREN's Executive Committee since 2021, in order to guarantee it maximum impact.

AFYREN continues to work on strengthening its CSR governance system with the establishment of a CSR committee within its Board of Directors in 2022. This committee supports the company in building its CSR strategy, using an ambitious approach adapted to its level of development, with a gradual roadmap:

- 2021 - 2022: Vision, strategy/fundamentals and governance (COMMITTED start-up)
- 2023-2025: Implementation, certification, monitoring of commitments and action plans using indicators (Contributing company)
- 2026-2030: Improvement/embedding impact-driven industrial SME, regenerative model)

Roles and responsibilities of the Board of Directors and the CSR Committee in monitoring the procedure for managing material impacts, risks and opportunities

- The Board of Directors determines the Company's strategic guidelines, and ensures that they are implemented in accordance with its corporate interest, taking into account the social and environmental challenges of its business.
- The CSR Committee deals with issues relating to the 5 pillars of CSR: governance, economic, social, societal and environmental.

It meets three or four times a year, and presents the identified ESG risks to AFYREN's Board of Directors twice a year, as well as the results and effectiveness of ESG policies, actions, metrics and targets.

The main ESG issues addressed by the company in 2024 and discussed by the Board of Directors were:

- The first sustainability report, in preparation for gradual compliance with the CSRD
- Deployment of Climate Fresks for all employees
- Obtaining its first "Sustainability linked" loan
- The second HR survey (AFYREN Global People Survey), with 98% participation
- AFYREN's second carbon footprint;
- The second Ecovadis certification: silver medal with a clear improvement on 2023

A clear definition of CSR commitments and objectives

To ensure that the Group's commitments and ambitions are aligned with the main impacts of its business and the expectations of its stakeholders, AFYREN conducted a consultation with its internal and external stakeholders in 2021. This has enabled us to position the main CSR issues identified by AFYREN in relation to its value creation model. At the same time, a reflection was undertaken to define AFYREN's purpose: its outcome is the result of consultation between employees and external stakeholders, carried out in order to define the Company's development course.

AFYREN's defined purpose is to enable ***low-carbon, circular and regenerative industry by providing biobased solutions built with our partners to benefit the environment***. Three priority areas of commitment and nine CSR commitments are derived from this purpose and materiality analysis.

	3 general commitments	9 operational commitments
PILLAR I Products and innovation	100% of our solutions offer a sustainability advantage for industry and consumers	1.1. Placing eco-design at the heart of our innovation
		1.2 Offering low-carbon alternatives to fossil-based products
		1.3. Bringing to market biobased or natural products with high societal value
PILLAR II Operations and governance	Industrial development perfectly suited to the "Net Zero" trajectory and the optimisation of circularity	2.1. Reducing our carbon footprint
		2.2. Preserving the planet and its resources by making our business part of the circular economy
		2.3 Striving for excellence in all our operations
PILLAR III A safe, committed and connected team	Employees and stakeholders	3.1. Ensuring a safe environment for all our employees and our neighbourhood
		3.2. Providing a motivating and fulfilling working environment for all our employees, without distinction
		3.3. Being fully committed to our operating regions by developing the bioeconomy sector and working with our external stakeholders

In 2024, AFYREN continued its structuring actions to meet its strong commitments to these three pillars. Among the new projects were:

- Production and publication of the first sustainability report based on the CSRD guidelines to prepare for gradual compliance.
- Launch of Responsible Care with signature of the charter by management, completion of the self-diagnostic and the project group for the deployment of the guidelines.
- Updating the risk review to include CSR issues more systematically, particularly climate change.
- Team training: systematic training of teams in business ethics and responsible communication on AFYREN products.
- Involvement of teams: Climate Fresks deployed on AFYREN's three sites, with over 90% participation, and organisation of idea generation workshops to support AFYREN's CSR commitments.
- Obtaining a "Sustainability Linked'" syndicated loan incorporating 3 CSR criteria. These elements and the associated KPIs will be described in more detail in the sustainability report. In addition, it should be noted that for the 2024 financial year, 15% of the variable compensation and long-term incentive plans of all employees with such a scheme

- (including members of the Executive Board) were determined by collective non-financial objectives linked to safety and the annual HR survey.

4.3 AFYREN CORPORATE REPORTING

Workforce

At the end of 2024, the AFYREN Group 130 employees and is committed to maintaining a diversified and balanced team, in a spirit of equal opportunities between women and men, younger and older people, and employees with very different professional backgrounds and qualifications.

	2021	2022	2023	2024
Total workforce (end-of-period FTE)[42]	**70**	**114**	**122**	**130**
Of which % women	**33%**	**36%**	**39%**	**39%**
Of which % young people (<30 years old)	**29%**	**32%**	**29%**	**29%**
Of which% seniors (>50 years old)	**13%**	**14%**	**13%**	**14%**
Share of permanent contracts in the workforce (in %)	**91%**	**90%**	**89.5%**	**88%**

ORGANISATION

The arrival of a Human Resources Director in 2023 has made it possible to launch structural programmes to improve the way our teams operate, including:

- an advanced onboarding programme that enables new arrivals to be effectively integrated into AFYREN, giving them very quickly all the tools they need to understand the company's culture, take ownership of its challenges and fully understand its mission.
- a tailor-made management programme for AFYREN teams to improve operational efficiency, dialogue and interaction between teams.

AFYREN is committed to promoting the professional development of its employees by offering each of them a personalised training programme, and by offering them career prospects that value their skills, creativity, innovative potential and entrepreneurial energy. To this end, a Group training programme has been launched, with core courses on QHSE, ethics and cybercrime. Climate Fresks have been produced at the company's three sites for all employees, to help them share an understanding of environmental and societal issues and come up with concrete ideas for improvements at their sites.

[42] including permanent contracts, fixed-term contracts and work-study contracts

ACCIDENTS

In 2024, AFYREN recorded two accidents at work with lost time and two accidents without lost time. Although not serious, these accidents were nevertheless analysed in depth in order to implement appropriate immediate corrective and preventive actions.

	2021	2022	2023	2024
Number of lost-time accidents - AFYREN employees	0	0	0	**2**
Number of accidents without time off work - AFYREN employees	0	2	6	**2**

Developing a high-performance safety culture is one of AFYREN's main commitments. To this end, "safety talks" are organised on a very regular basis within the teams to observe work situations collectively, to remind people of the rules of behaviour and to reinforce best practices.

Furthermore, feedback of observations is strongly encouraged via a dedicated, easy-to-use tool: the number of observations is a KPI that is monitored on a monthly basis.

4.4 NON-FINANCIAL ASSESSMENT AND REPORTING

Five years ago, AFYREN initiated a process of non-financial evaluation by EthiFinance, to provide a working framework in line with current best practice in the sector. This assessment enables the Company to guide its CSR approach as part of a continuous improvement process, and has shown that, on the one hand, its performance is well above the market and, on the other, that it is making constant progress.

	2020	2021	2022	2023	2024
EthiFinance non-financial assessment	**55** (56 rebased)[43]	**66** (72 rebased)	**78** (79 rebased)	**83**	**85**

In 2024, Ethifinance rated AFYREN's CSR performance at 83/100 for the 2023 financial year, which corresponds to a PLATINUM level, the highest distinction awarded by Ethifinance.

In 2025, Ethifinance rated AFYREN's CSR performance at 85/100 for the 2024 financial year, showing a new progression of the overall rating.

For the second year running, AFYREN was awarded a silver medal by the global reference platform EcoVadis. Its score of 68/100 places the company in the top 15% of companies in terms of sustainable development and in the top 8% of its industrial sector. AFYREN's rating improved by 7 points compared with last year, despite a more demanding benchmark due to a change in category (from small to medium-sized company). This recognition testifies to AFYREN's ongoing efforts in the area of corporate social responsibility (CSR), with a significant improvement in its score in the social and ethical categories.

AFYREN also responds to the specific non-financial reporting requirements of all its investors, particularly its historical investors.

[43] Change in the reference framework between 2021 and 2022 leading to a revaluation of ratings

4.5 OUTLOOK

In 2025, AFYREN will publish its second sustainability report on a voluntary basis, with an improved version of its first report, enriched indicators and a clearer vision of stakeholders' expectations in terms of sustainability reporting.
The Company will continue to work on its climate strategy, monitor its CSR performance using the performance indicators approved by the Board of Directors, develop the commitment of its teams and work on concrete action plans in line with its regenerative roadmap.

05

APPENDIX 1

AFYREN ANNUAL FINANCIAL STATEMENTS AND STATUTORY AUDITOR'S REPORT

ANNEXE 1 – AFYREN ANNUAL ACCOUNTS AND STATUTORY AUDITOR'S CERTIFICATION REPORT

Assets

Assets			At 31/12/2024 Gross Amount	At 31/12/2024 Depr. or Allow.	At 31/12/2024 Net amount	At 31/12/2023
Uncalled subscribed capital						
Fixed assets	Intangible fixed assets	Start up costs				
		Research and development costs	3 681 511	2 221 010	1 460 501	1 828 652
		Franchises, patents and similar assets	798 661	375 227	423 433	467 990
		Goodwill				
		Other intangible fixed assets				
		Intangible assets in progress	1 056 166		1 056 166	1 036 279
		Advance payments on intangible fixed assets				
		TOTAL	**5 536 339**	**2 596 238**	**2 940 101**	**3 332 922**
	Tangible fixed assets	Land				
		Buildings				
		Industrial fixtures and equipment	666 630	517 073	149 556	204 925
		Other tangible fixed assets	216 787	118 575	98 212	132 604
		Tangible fixed assets in progress				
		Advance payments on tangible fixed assets	77 030		77 030	
		TOTAL	**960 447**	**635 648**	**324 798**	**337 529**
	Financial fixed assets	Investments measured using the equity method				
		Other investments	25 562 939	6 600 000	18 962 939	25 507 812
		Loans to group and related companies				
		Investments held in portfolio for the long term				
		Other investments	1 779 157	10 988	1 768 169	1 647 107
		Loans				
		Other financial assets	234 807		234 807	234 238
		TOTAL	**27 576 905**	**6 610 988**	**20 965 917**	**27 389 158**
Total fixed assets			**34 073 693**	**9 842 875**	**24 230 817**	**31 059 610**
Current assets	Inventories	Raw materials and supplies				
		Work in progress (goods)				
		Work in progress (services)				
		Finished goods and by-production				
		Merchandise				
		TOTAL				
	Advances to suppliers					
	Receivables	Trade accounts receivable	431 656		431 656	466 387
		Other receivables	10 905 945		10 905 945	649 282
		Unpaid called capital				
		TOTAL	**11 337 602**		**11 337 602**	**1 115 669**
	Other	Marketable securities	449 088		449 088	380 065
		(of which own shares : 449 088)				
		Cash instruments				
		Available funds	33 472 214		33 472 214	49 552 186
		TOTAL	**33 921 302**		**33 921 302**	**49 932 251**
Prepaid expenses			145 753		145 753	197 261
Total current assets			**45 404 658**		**45 404 658**	**51 245 182**
Deferred charges						
Premiums on redemption of borrowings						
Exchange rate differences assets						
TOTAL ASSETS			**79 478 351**	**9 842 875**	**69 635 476**	**82 304 793**

Liabilities

		At 31/12/2024	At 31/12/2023
Shareholder's funds	Share capital (of which paid up : 522 201)	522 201	520 451
	Share premiums (mergers, contributions)	85 384 457	85 263 676
	Revaluation variance		
	Equity reserve		
	Reserves		
	Legal reserves	1 150	1 150
	Statutory reserves		
	Tax regulated reserves	21 966	
	Other reserves		
	Profit and loss account brought forward	-14 041 610	-9 719 856
	Previous results not yet alloted		
	Result for the financial year (profit or loss)	-10 812 002	-4 321 754
	Net worth before allocation	**61 076 163**	**71 743 667**
	Investment grants	660 558	724 697
	Special provision for tax purposes		
	Total	**61 736 722**	**72 468 365**
Other funds	Subordinated equity		
	Advances subject to covenants		
	Total		
Provisions	Provisions for risks	13 900	13 900
	Provisions for future costs	397 381	379 897
	Total	**411 281**	**393 797**
Liabilities	Financial liabilities		
	Convertible debenture loans		
	Other debenture loans		
	Borrowing from credit institution	1 262 816	1 688 077
	Other borrowings	1 803 594	2 666 086
	Total	**3 066 410**	**4 354 164**
	Advances received on orders		
	Trade accounts payable and related liabilities	521 758	385 236
	Taxes and social debts	923 962	977 888
	Liabilities related to fixed assets		
	Other debts		
	Cash instruments		
	Total	**1 445 720**	**1 363 124**
	Deferred income	2 975 342	3 725 342
	Total liabilities and income recorded in advance	**7 487 473**	**9 442 630**
	Exchange rate differences liabilities		
TOTAL LIABILITIES		**69 635 476**	**82 304 793**
	Leasing for buildings		
	Leasing for other equipment	87 002	132 283
	Non expired discounted notes receivable		

		France	Export	From 01/01/2024 At 31/12/2024 12 months	From 01/01/2023 At 31/12/2023 12 months
Operating income	Sales of purchased goods				
	Sales of manufactured goods				
	Sales of services	487 500		487 500	1 015 368
	Net sales	**487 500**		**487 500**	**1 015 368**
	Changes in stock of manufactured goods and work in progress				
	Production of fixed assets capitalised			19 887	131 335
	Partial profits on long term contracts				
	Trading incentive grants			26 679	14 502
	Write-back of depreciation, provisions and transferred charges			530 247	303 483
	Other income			1 756 488	1 702 276
	Total			**2 820 802**	**3 166 966**
Operating expenses	Goods – Purchases				
	Goods – Changes in inventory				
	Raw materials and other supplies – Purchases			157 752	130 028
	Raw materials and other supplies – Changes in inventory				
	Other purchases and expenses			3 390 341	3 357 702
	Taxes			80 016	51 146
	Wages and salaries			3 497 572	3 425 608
	Social security charges			1 579 096	1 444 393
	Depreciation and Provisions • on fixed assets – Depreciation			626 650	595 920
	Depreciation and Provisions • on fixed assets – Provisions				
	Depreciation and Provisions • on current assets: provisions				
	Depreciation and Provisions • for risks and future costs: provisions			257 028	263 216
	Other expenses			45 575	56 961
	Total			**9 634 034**	**9 324 978**
	Operating result A			**-6 813 231**	**-6 158 011**
Joint venture oper.	Profit attributed or loss transferred B				
	Loss attributed or profit transferred C				
Financial income	From shares in group companies				
	From other investments				
	Interests and similar incomes			1 801 014	1 406 778
	Write-back of provisions and transferred charges				
	Exchange gain			2 471	13 209
	Net profit on disposals of current financial investments				
	Total			**1 803 486**	**1 419 987**
Financial expenses	Increase of provisions against financial assets			6 600 000	
	Interests payable and similar charges			-133 126	-103 948
	Exchange loss			899	18 814
	Net losses on disposals of current financial investments				
	Total			**6 467 772**	**-85 133**
	Net financial result D			**-4 664 286**	**1 505 121**
RESULT OF ORDINARY OPERATIONS BEFORE CORPORATE TAX ON PROFIT (±A+B-C±D) E				**-11 477 517**	**-4 652 890**
Exceptional income	On operating items				
	On capital items			195 502	114 995
	Write-back of provisions and transferred charges			295 523	67 544
	Total			**491 025**	**182 539**
Exceptional expenses	On operating items			139	125
	On capital items			385 737	247 498
	Depreciation and provisions			10 988	64 548
	Total			**396 864**	**312 171**
	Net exceptional result F			**94 160**	**-129 631**
Employees' profit sharing plan G					
Corporate tax on profit H				-571 355	-460 767
PROFIT OR LOSS (± E ± F - G -H)				**-10 812 002**	**-4 321 754**

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1. Significant events of the year

1.1. Main events of the year

The purpose of AFYREN, created in April 2012, is research and development in the field of environmental and industrial biotechnologies and ecotechnologies.

- **Operations**

In April 2024, AFYREN announced that it had delivered its first tonnes of fertiliser produced by its AFYREN NEOXY plant to its partner Terrial. The AFYREN NEOXY fertiliser is derived from the manufacturing process for biobased organic acids, which transforms local biomass from agricultural residues not used in human food. This ensures the perfect circularity of the AFYREN model, because by returning to the earth, it contributes to a new biomass generation cycle.

In addition to contributing to the circularity of AFYREN's offer with a "return to the soil", fertiliser makes a positive contribution to AFYREN NEOXY's economic performance. The outlook for future plants is equally promising.

In June 2024, AFYREN announced the production of several tonnes of acid at its AFYREN NEOXY site, confirming the progress made in improving the reliability of equipment, combined with the development of employee skills at a critical stage in the process.

At the end of August 2024, Afyren announced the signature of a new multi-year commercial contract with a US-based manufacturer of nutraceutical products. As part of the contract, AFYREN will supply the customer with its biobased acids, produced using its unique natural fermentation process and used as preservatives or flavourings for food supplements. Initially based on limited volumes, this contract may evolve towards larger quantities.

By the second half of 2024, AFYREN NEOXY had produced and sold several dozen tonnes of biobased acids of the quality expected in its strategic markets. At the same time, the work of validating the acids with customers and prospects is continuing, with positive feedback from many players, particularly in the Nutrition and Flavours and Fragrances sectors.

Some of the equipment used to extract the products has been technically adapted to ensure continuous, stable operation over the long term.

As a result, the aim is for the plant to be operating in continuous production by 2025, compared with the initial forecast of 2024, enabling it to break even quickly after just a few quarters of activity.

- **Partnership(s)**

In March 2024 AFYREN and SUEZ announced that they would be continuing their collaboration on a new way of recovering biowaste. The aim of this collaboration is to use this waste from SUEZ's collection and treatment activities in the AFYREN process to manufacture products of interest that can be used to replace petroleum-based molecules It opens up an attractive recycling option and a concrete, circular solution to the challenges of decarbonising a wide variety of industrial sectors. It marks a significant step forward in the collaboration between the two companies, initiated in 2020 as part of the AFTER-BIOCHEM consortium, and is fully in line with Europe's ambitious policy on these issues.

- **Signing of the global Responsible Care® charter attesting to the commitment of all AFYREN sites**

In April 2024, AFYREN was awarded the national Responsible Care® 2024 trophy in the "Societal" category for its innovative recruitment programme: "Sustainable industrial jobs for all".

Built in partnership with a number of local players, including the employment agency, this programme has proved effective in terms of recruitment, while promoting inclusion and diversity and enabling unskilled people to return to work and/or retrain.

At the same time, AFYREN signed the global Responsible Care® charter and is committed to applying its key principles at both global and strategic levels, particularly in its industrial operations.

- **Improvement of the Gaia non-financial rating**

In March 2024, AFYREN recorded a further improvement in its EthiFinance non-financial rating to 83/100 (Platinum Level), highlighting a level of ESG maturity superior to that of comparable companies.

- **Publication of AFYREN's first sustainability report**

In June 2024, AFYREN published its first sustainability report to assess its initiatives and performance on environmental and social issues. This process is also part of a gradual alignment with the European Corporate Sustainability Reporting Directive (CSRD). AFYREN is not currently subject to this directive; nevertheless, the company has voluntarily drawn up its first sustainability report in the spirit of the ESRS (Environmental, Social, and Governance Reporting Standards). This document is available for consultation and download in a dedicated section of the company's website: https://Afyren.com/vision/.

- **Wholly-owned subsidiary in Thailand:**

The subsidiary AFYREN SERVICES (THAILAND) CO., LTD. ("AFYREN THAILAND") was created during the 2024 financial year. At the date of this report, the subsidiary has not commenced operations and its financial statements are not material.

- **Wholly-owned subsidiary in Quebec:**

In September 2024, AFYREN decided to close 9478-2687 Québec Inc, a subsidiary created during the 2022 financial year, which had remained inactive and whose accounts were not material.

- **Financing:**

In July 2024, AFYREN took out a 36-month loan of €0.3 million from BNP to finance refurbishment work on its R&D premises.

In 2024, AFYREN contributed €10 million to the financing of its subsidiary AFYREN NEOXY through a contribution in the form of a shareholder loan.

- **Liquidity contract / share buybacks:**

AFYREN has had a liquidity contract with ODDO BHF SCA since 2021. The total cumulative funds made available under this liquidity contract are €0.45 million.

At 31 December 2024, the following resources were included in the liquidity account:

- Number of shares: 69,425 shares
- Cash balance of the liquidity account: €91,007

In December 2023, the Board of Directors used the authorisation granted to it under the sixth resolution adopted by the general meeting of 21 June 2023 to launch a new share buyback programme. This programme, for a maximum amount of €0.3 million, began on 18 January 2024 and ended on 6 May 2024. 151,947 shares were bought back under this programme. In a context of low share prices, this programme limits shareholder dilution resulting from multi-year share allotment plans, with no significant impact on cash.

- **Capital transactions linked to free share grants and BSPCE**

During 2024, capital increases linked to the exercise of BSPCEs were recorded for a total amount of €1,750, corresponding to 87,499 shares with a nominal value of €0.02 each.

- **Equity instrument plans:**

During 2024, the Board of Directors decided to award free shares. Details of these transactions are provided in Note 4.5.

The 2024 financial year also saw the definitive vesting of 29,553 shares granted in 2022 and 2023 to six employees and 51,524 free ordinary shares for the two executives, in accordance with the grant decided by the Board of Directors on 24 March 2022.

Lastly, the 2024 financial year saw the cancellation of 38,496 free shares following the departure of employees before the vesting date.

- **Long-term incentive plan:**

In March 2024, AFYREN introduced a new long-term incentive plan, in the form of free shares, for certain employees and corporate officers. It is based on performance targets, including a non-financial component, to be achieved by 2026, provided that the beneficiary is still employed by the Company on that date. This plan corresponds to a total potential volume of 180,500 shares.

1.2. Subsequent events

None.

1.3. Accounting principles, rules and methods

The annual financial statements have been prepared in accordance with the provisions of the French Commercial Code and ANC Regulation 2014-03 of 5 June 2014, updated by ANC Regulation 2018-07 of 10 December 2019.

General accounting conventions have been applied in accordance with the principle of prudence, using the following standard assumptions: going concern, consistency of accounting methods from one year to the next, and independence of financial years, in accordance with the general rules for preparing and presenting annual financial statements.

2. Balance sheet information

2.1. Assets

2.1.1. Intangible assets

Intangible assets are valued at their acquisition cost after deducting rebates, discounts and refunds, or at their production cost.

An impairment loss is recognised when the present value of an asset is less than the net carrying amount

With the exception of trademarks, which are not amortised, amortisation of intangible assets is calculated using the straight-line method over 10 years

2.1.1.1- R&D costs

The method used for research and development costs is to capitalise them. These expenses are thus amortised over a period of 10 years.

Intangible assets in progress correspond to R&D costs relating to the R&D Booster project.

Capitalised production comprises internal staff costs, valued at €378,020.

2.1.2. Property, plant and equipment

Property, plant and equipment are valued at their acquisition cost, consisting of directly attributable costs incurred to bring these assets into working order according to their intended uses.

Depreciation is calculated on a straight-line basis according to useful life or expected useful life:

- Industrial equipment and tools	3 years
- Equipment and tools	1 to 3 years
- Furniture	2 to 5 years

2.1.2.1. Main movements during the financial year

	Start of year	Acquisitions	Disposal / scrapping	Gross value at end of year	Depreciation at the beginning of the year	Depreciation for the year	Accumulated depreciation at end of year	NBV at end of year
Development costs	3,681,511	-	-	3,681,511	-1,852,860	-368,151	-2,221,011	1,460,501
Concessions, patents	767,313	31,348	-	798,661	-299,323	-75,905	-375,227	423,434
Intangible assets in progress	1,036,280	19,887		1,056,167	-	-	-	1,056,167
Technical installations and industrial equipment and tools	584,757	81,874	-	666,630	-379 831	-137,242	-517 073	149,557
General fixtures and fittings	134,259	10,961	-	145,220	-39,108	-26,582	-65,691	95,151
Office and IT equipment, furniture	71,568	-	-	71,568	-34,114	-18,771	-52,885	37,453
Property, plant and equipment in progress	-	77,030	-	77,030		-	-	77,030
TOTAL	**6,275,689**	**221,100**	**-**	**6,496,789**	**-2,605,236**	**-626,651**	**-3,231,887**	**3,264,902**

2.1.3. Financial fixed assets

	Start of year	Acquisition of contributions Transfers	Decrease	End of financial year
Equity-accounted investments	2,5507,812	61,940	-6,812	25,562,940
Convertible bonds	1,570,356	196,192	-70,570	1,695,978
Receivables from equity investments	-	-	-	-
Treasury shares	211,655	95,260	-147,950	158,965
Other fixed assets	98,981	308,151	-299,998	107,134
Loans and other financial fixed assets	64,902	980	-13,994	51,888

Equity investments are valued at their acquisition cost excluding incidental expenses.

The carrying amount of the securities corresponds to the value in use for the company. It is determined on the basis of the subsidiary's net assets, profitability and future prospects. When the carrying amount is lower than the acquisition cost, an impairment loss is recognised for the amount of the difference.

During the 2021 financial year, AFYREN signed a liquidity and market surveillance agreement to ensure the liquidity of transactions and regular trading of its shares. For the performance of this contract, Afyren made available to the co-contractor a sum of €300,000. During 2023, a cash contribution of €150,000 was made to this liquidity account. As of 31 December 2024, the value of this account was divided between "Treasury shares" for the portion invested in securities and "Other fixed assets" for the portion in cash available in the liquidity account.

A €10,988 impairment loss on treasury shares was recognised during the year to take into account their actual value.

As part of the annual impairment test of AFYREN NEOXY's equity securities in AFYREN's accounts, an impairment of €6.6 million was recognised. In particular, this reflects the postponement of continuous production until 2025.

2.1.3.1. Information on subsidiaries and affiliates

2.1.3.1.1. Detailed information on subsidiaries and affiliates

Subsidiaries (+50% share capital held)	Share capital Result and carryforwards before appropr.	Share % Dividends	Carrying amount of securities held Gross Net	Revenues excl. taxes Results	Loans/advances not repaid Guarantees
SAS AFYREN NEOXY 841,603,350	49,600,999 -25,559,634	51.08% -	23,501,000 18,901,000	67,657 -12,208,359	10,230,631 1,200,000
AFYREN SERVICES (THAILAND) CO.	68,564 -	100% -	61,940	- -9,077	

The exchange rate of the THB used at 31/12/2024 was: €0.0281

2.1.4. Accrued income

Headings	Amount
ACCRUED INTEREST	
Financial fixed assets	75,786
Group shareholdings	-
Non-group shareholdings	-
Trade receivables	-
Associates	-
Marketable securities	44,594
OTHER INCOME	
Invoices to be issued	65,123
Discounts, rebates and refunds to be obtained; credit note to be received	-
Staff	-
Social security	3,624
State	-
Other	29,015
TOTAL	**218,141**

2.1.5. Receivables

Receivables are measured at their nominal value and an impairment loss is recognised when the inventory value is lower than the book value.

	STATEMENT OF RECEIVABLES		Gross amount	Due within 1 year	Due in more than 1 year
OF FIXED ASSETS	Receivables from equity investments		-	-	-
	Loan		-	-	-
	Other financial fixed assets		127,674	75,786	51,888
	Treasury shares and related liquidity account		266,100	266,100	-
OF CURRENT ASSETS	Doubtful or disputed trade receivables		-	-	-
	Other trade receivables		431,656	431,656	-
	Employee-related payables		166	166	-
	Social security and other social bodies		3,624	3,624	-
	State and other public authorities	Corporate income tax	571,355	460,767	-
		Value added tax	66,721	66,721	-
		Other duties, taxes and similar payments	-	-	-
		Other	-	-	-
	Groups and associates		10,230,631	10,230,631	-
	Sundry debtors		33,448	33,448	-
Prepaid expenses			145,753	144,653	1,100
		TOTAL	11,877,128	11,824,140	52,988

2.2. Liabilities

2.2.1. Equity

2.2.1.1. Statement of changes in equity

The share capital consists of 26,110,089 shares with a nominal value of €0.02.

Headings	N-1	+	-	N
Share capital	520,452	1,750	-	522,202
Premiums, reserves and differences	85,264,827	164,715	21,967	85,407,575
Retained earnings	-9,719,856	-4 321 755	4,321,755	-14,041,611
Result	- 4,321,755	-10,812,002	- 4,321,755	-10,812,002
Investment grants	724,698	-	64,139	660,559
Regulated provisions	-	-	-	-
TOTAL	**72,468,365**	**-10,645,538**	**86,106**	**61,736,722**

Capital transactions during the 2024 financial year were as follows:

- On 18 June 2024, a capital increase was recorded as a result of the exercise of 62,499 BSPCEs for a total amount of €1,250, through the issue of 62,499 new ordinary shares with a nominal value of €0.02 each. The total exercise price is €128,747, i.e. an issue premium of €127,498.

- On 27 September 2024, a capital increase was recorded as a result of the exercise of 25,000 BSPCEs for a total amount of €500, through the issue of 25,000 new ordinary shares with a nominal value of €0.02 each. The total exercise price is €15,750, representing an issue premium of €15,250.

Investment grants break down as follows:

	31/12/2024	31/12/2023
Ademe 2016 grant	68,390	68,390
- Of which share transferred to profit or loss	*-41,262*	*-34,423*
BPI-CMI grant phase 2 (1)	573,000	573,000
- Of which share transferred to profit or loss	*-345,710*	*-288,410*
R&D Booster grant	€406,141	€406,141
Total	**660,559**	**724,697**

These grants will be reintegrated at the same rate as the depreciation of the related fixed assets.

2.2.2. Table of provisions

Nature of Provisions	Amount at the beginning of the year	Increase: Charges for the year	Decrease: Reversal for the year	Amount at year-end
Provisions for disputes	13,900	-	-	13,900
Provisions for fines and penalties	-	-	-	-
Provisions for pensions and similar obligations	-	-	-	-
Provisions for taxes (1)	-	-	-	-
Provisions for renewal of fixed assets*	-	-	-	-
Provisions for social security and tax charges on paid leave*	379,897	257,028	239,544	397,381
Other provisions for risks and charges	-	-	-	-
TOTAL	**393,797**	**257,028**	**239,544**	**411,281**

	Breakdown of allocations		
	Operation	Financial	Exceptional
Charges for the year	257,028		
Reversal for the year	239,544		
TOTAL	496,572	-	-

2.2.3. Financial and other liabilities

	Gross amount	Due within 1 year	More than 1 year and 5 years or more	Due in more than 5 years
Convertible bonds	-	-	-	-
Bank loans and borrowings	1,262,816	770,625	492,191	-
Other borrowings and other financial liabilities	1,803,594	326,094	1,277,500	2,000
Trade payables	521,759	521,759	-	-
Employee-related payables	393,042	393,042	-	-
Social security and other bodies	432,916	432,916	-	-
Corporate income tax	-	-	-	-
VAT	59,304	59,304	-	-
Guaranteed bonds	-	-	-	-
Income tax and other tax payables	38,701	38,701	-	-
Fixed asset liabilities and related accounts	-	-	-	-
Group and associates	-	-	-	-
Other liabilities	-	-	-	-
Deferred income	2,975,342	750,000	2,225,342	-
TOTAL	7,487,473	3,292,440	3,995,033	200,000

2.2.4. Accrued expenses

Headings	Amount
LEAVE TO BE PAID	
Provisioned leave	229,546
Provisions for social security contributions	94,501
ACCRUED INTEREST	
Borrowings and similar liabilities	15,644
OTHER EXPENSES	
Invoices to be received	245,282
Staff	163,411
Social security bodies	76,059
Other tax expenses	6,675
TOTAL	**831,118**

2.2.5. Deferred income

Deferred income consists of the deferral over 10 years, prorata temporis, of the advance payment of 10 years of fixed royalties (€7,500,000 excl. VAT) for the licence concession, amounting to €2,975,342.

3. Information on the income statement

3.1. Revenues

	France	Export and community	Total
Sales of goods	-	-	-
Production sold: - Goods - Services	- 487,500	- -	- 487,500
Net revenues	487,500	-	487,500

3.2. Capitalised production

Capitalised production amounts to €19,887 and consists of personnel costs related to the Booster R&D project over the financial year.

3.3. Research tax credit

The research tax credit item, i.e. €€571,355, consists of the research tax credit (CIR) declared for 2024.

4. Other information

4.1. Provisions for retirement benefits and other post-employment liabilities

The company does not make provision for retirement benefits. The amount of the commitment is estimated in accordance with ANC Recommendation 2013-02, taking into account the changes made to this recommendation in 2021. These changes have no material impact on the amount of the commitment.

Pension liabilities	Provisioned	Not provisioned	Total
Retirement benefits	-	72,660	72,660

The main assumptions used are as follows:

- The discount rate used is 3.50%
- The social security contribution rate used is 42%
- The rate of salary change used is 1.50%

4.2. Leasing commitments

	Land	Buildings	Plant, machinery and equipment	Other	Total
Original value			94,500		94,500
Depreciation - Prior year totals			9,432		9,432
- Charges for the year			18,711		18,711
TOTAL			**28,143**		**28,143**
Royalties paid: - Prior year totals			15,181		15,181
- Financial year			25,464		25,464
TOTAL			**40,645**		
Outstanding royalties: - Due within 1 year	-	-	25,464	-	25,464
- Due in more than 1 year and less than 5 years	-	-	61,538	-	61,538
- Due in more than 5 years	-	-	-	-	-
TOTAL	**-**	**-**	**87,002**	**-**	**87,002**
Residual value: - Due within 1 year			-		-
- Due in more than 1 year and less than 5 years			945		945
- Due in more than 5 years			-		-
TOTAL			**945**		**945**

4.3. Off-balance sheet commitments

	N	N-1
Pledges given	32,500	32,500
Guarantee received: National Guarantee Fund - Start-up equity loan for SMEs and VSEs	11,880	57,880
Guarantee received: Auvergne PPA Fund	-	6,000
Guarantee received: European Investment Fund	11,880	81,880
Personal, joint and several guarantee given for 20% of the SSL loan to Afyren Neoxy	1,200,000	-
TOTAL	**1,256,260**	**178,260**

4.4 Information relating to the workforce

	Salaried staff
Managers	31
Non-managers	13
Total	**44**

4.5 Information on warrants and free share grants

The following shares were granted during the year:

Category of security	Date created	Validity deadline	At the beginning of the financial year	Granted during the year	Cancelled or exercised during the financial year	At the end of the financial year	Exercise value
BSPCE 2	03/06/2015	31/12/2025	182,000			182,000	0.40
BSPCE 3	29/12/2015	31/12/2025	257,000		-25,000	232,000	0.63
BSPCE 5	26/06/2019	10 years from date of grant(1)	545,000		-62,499	482,501	2.06
2021 free share grants	11/06/2021	Minimum vesting period set at 1 year from the grant date(2)	473,791		-61,599	412,192	N/A
2022 free share grants	15/06/2022	1 year from date of grant(3)	20,000			20,000	7.19
2023 free share grants	21/06/2023	1 year from date of grant	19,479	26,937	-33,548	12,868	N/A
2023-LTIP free share grants	21/06/2023	Until 31/03/2026	190,206		-17,927	172,279	N/A
2023-LTIP2 free share grants	28/03/2024	Until 31/03/2027		180,500	-6,500	174,000	N/A
2024 free share grants	19/06/2024	2 years from the date of grant(4)		340,000		340,000	N/A

(1) the BSPCE 5 were granted from 01/07/2019

(2) the 2021 free share grants were awarded from 07/12/2021

2) the 2022 BSA were awarded from 27/09/2022

(2) the 2021 free share grants were awarded from 08/07/2024

AFYREN

Head office : 9-11 RUE GUTENBERG - 63000 CLERMONT-FERRAND

Limited company with a share capital of 522 201 euros

STATUTORY AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

To the Afyren shareholders' meeting

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying financial statements of AFYREN for the year ended December, 31th 2024.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December 2023 and of the results of its operations for the year then ended in accordance with French accounting principles.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence rules provided for by the French Commercial Code and by the French Code of ethics for statutory auditors, for the period from January 1st, 2024to the date of issue of our report.

Justification of Assessments

In accordance with the requirements of Articles L. 821-53 and R. 821-180 of the French Commercial Code relating to the justification of our assessments, we inform you of the following assessments that, in our professional judgment, were of most significance in our audit of the financial statements of the current period.

These assessments were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on specific items of the financial statements.

Investments in subsidiaries and affiliates, whose net book value at December 31th, 2024 was 18 962 939 euros, are valued at acquisition cost and written down to their value in use, as described in note “2.1.3 Immobilisations financières” in the financial statements.

Our work consisted in assessing the data and assumptions on which these estimates are based, in particular the cash flow forecasts prepared by the Company's management, reviewing the calculations made by the Company and examining management evaluation procedures for these estimates.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

Information given in the management report of Board of Directors and in the other documents on the financial position and the annual accounts addressed to the shareholders.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of Board of Directors and in other documents on the financial situation and the annual accounts addressed to the shareholders.

We certify the fairness and consistency with the financial statements of the information relating to the payment periods mentioned in Article D. 441-6 of the French Commercial Code.

Report on corporate governance

We attest to the existence, in the report on corporate governance of board of directors, of the information required by Article L. 225-37-4 of the French Commercial Code.

In accordance with the law, we have ensured that the various information relating to the identity of the holders of the capital or voting rights have been communicated to you in the management report.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and the fair presentation of the financial statements in accordance with French accounting principles as well as for the implementation of the internal control that management considers necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’ s ability to continue its activities as a going concern, for disclosing in the financial statements (if applicable) the necessary information related to going concern, and for using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in the Article L.821-55 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit. Furthermore, the statutory auditor:

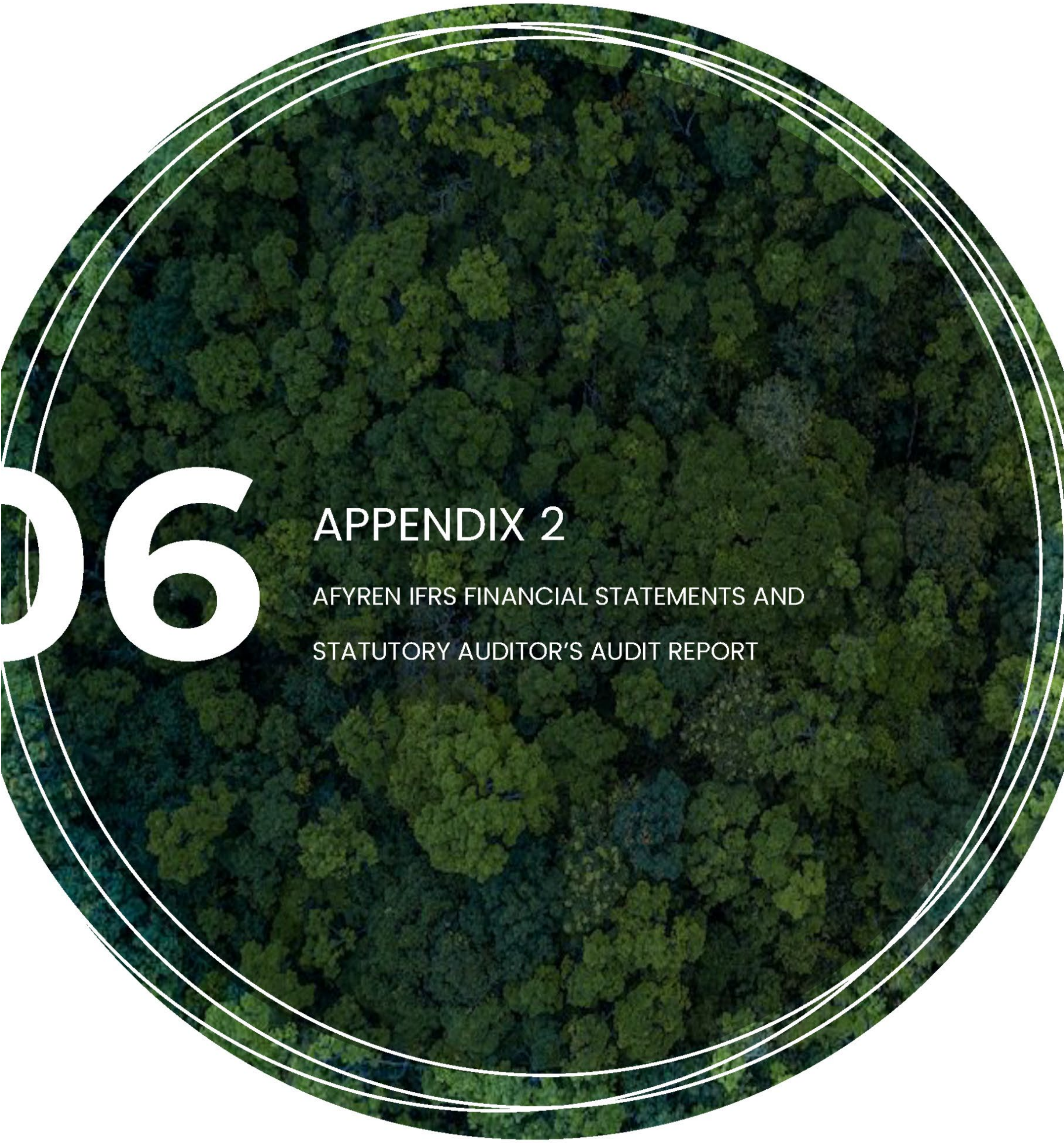
- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management as well as the related disclosures provided in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company' s ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Lyon, March 26th 2025

The statutory auditor

RSM Rhône-Alpes

Gael DHALLUIN



06 APPENDIX 2

AFYREN IFRS FINANCIAL STATEMENTS AND STATUTORY AUDITOR'S AUDIT REPORT

• INCOME STATEMENT

In €k	Notes	2024.12	2023.12
Revenues	6.2	2,862	3,379
Other income	6.3	666	527
Purchases and external expenses	6.4	-3,035	-3,053
Payroll costs	6.5	-5,578	-5,835
Depreciation of fixed assets and rights of use	9. & 10.	-851	-814
Other expenses	6.4	-142	-132
Current operating income		**-6,078**	**-5,928**
Non-current operating income		-	-
Operating income		**-6,078**	**-5,928**
Financial income	7.	1,826	1,439
Financial expenses	7.	65	-297
Net financial income		**1,891**	**1,142**
Share in income of equity-accounted company (net of tax)	5.	-5,567	-4,800
Income before tax		**-9,754**	**-9,586**
Income tax	8.1	-	-
Net income for the year		**-9,754**	**-9,586**
Earnings per share			
Basic earnings per share (in euros)	14.3	- 0.37	- 0.37
Diluted earnings per share (in euros)	14.3	- 0.37	- 0.37

• STATEMENT OF COMPREHENSIVE INCOME

In €k	Notes	2024.12	2023.12
Net income for the year		**-9,754**	**- 9,586**
Other comprehensive income			
Revaluations of defined benefit liabilities (actuarial gains and losses)	6.5.3.	2	- 4
Related tax		- 0	1
Equity-accounted company - share of other comprehensive income (actuarial gains and losses, net of tax)			
Translation reserves		4	
Total items that will not be reclassified subsequently to profit or loss		**5**	**- 3**
Total items that will be reclassified subsequently to profit or loss		**-**	**-**
Other comprehensive income for the period, net of tax		**5**	**- 3**
Comprehensive income for the period		**- 9,749**	**- 9,589**

- ## BALANCE SHEET

In €k	Note	2024.12	2023.12
Intangible assets	9.1.	2,940	3,333
Property, plant and equipment	9.2.	325	338
Rights of use	10.	254	441
Equity-accounted securities	5.	8,618	14,185
Non-current financial assets	11.	1,317	1,182
Non-current assets		**13,454**	**19,479**
Trade receivables	12.	432	466
Current financial assets	12.	107	99
Other current assets	12.	11,030	824
Cash and cash equivalents	13.	33,538	49,559
Current assets		**45,106**	**50,948**
Total assets		**58,560**	**70,427**

1		2024.12	2023.12
Share capital	14.	522	520
Issue premiums	14.	85,406	85,264
Reserves	14.	- 9,435	- 4,679
Retained earnings	14.	- 14,042	- 9,720
Net income for the year	14.	- 9,754	- 9,586
Equity attributable to the owners of the Company		**52,698**	**61,799**
Non-current borrowings and financial liabilities	16.	1,972	2,952
Non-current lease liabilities	16.	62	224
Defined benefit liabilities	6.5.3.	73	61
Non-current provisions	15.	14	14
Non-current deferred income (customer contract liabilities)	6.2.	-	-
Deferred tax liabilities	9.3.	-	-
Non-current deferred income (grant)	17.	898	962
Non-current liabilities		**3,019**	**4,213**
Current borrowings and financial liabilities	16.	1,093	1,402
Current lease liabilities	16.	188	208
Trade payables	17.	526	388
Current deferred income (customer contract liabilities)	6.2.	-	1,321
Other current liabilities	17.	1,035	1,095
Current liabilities		**2,842**	**4,414**
Total liabilities		**5,862**	**8,627**
Total equity and liabilities		**58,560**	**70,427**

- STATEMENT OF CHANGES IN EQUITY

In €k	Note	Attributable to owners of the Company							
		Share capital	Issue premiums	Equity component of convertible bonds	Treasury share reserve	Other reserves	Retained earnings	Profit (loss) for the year	Total shareholders' equity
Position as of 31 December 2022		**517**	**85,089**	**227**	**- 173**	**346**	**- 5,828**	**- 9,200**	**70,977**
									-
Net income for the year								- 9,586	- 9,586
Other comprehensive income for the year						- 3			- 3
Comprehensive income (loss) for the year		**-**	**-**	**-**	**-**	**- 3**	**-**	**- 9,586**	**- 9,589**
Appropriation of earnings from previous year						- 5,309	- 3,892	9,200	-
Capital increase	14.	3	175						178
Repaid convertible bonds	16.			- 227					- 227
Share-based payments settled in equity instruments	6.5.2.					1,078			1,078
Purchases/sales of treasury shares					- 419	- 194			- 613
Other items						- 5			- 5
Total transactions with the Company's owners		**3**	**175**	**- 227**	**- 419**	**- 4,430**	**- 3,892**	**9,200**	**412**
Position as of 31 December 2023		**520**	**85,264**	**-**	**- 592**	**- 4,087**	**- 9,720**	**- 9,586**	**61,799**
									-
Net income for the year								- 9,754	- 9,754
Other comprehensive income for the year						5			5
Comprehensive income (loss) for the year		**-**	**-**	**-**		**5**	**-**	**- 9,754**	**- 9,749**
Appropriation of earnings from previous year						- 5,265	- 4,322	9,586	-
Capital increase	14.	2	143						144
Repaid convertible bonds	16.			-					-
Share-based payments settled in equity instruments	6.5.2.					767			767
Purchases/sales of treasury shares					- 16	- 251			- 267
Other items									-
Total transactions with the Company's owners		**2**	**143**	**-**	**- 16**	**- 4,748**	**- 4,322**	**9,586**	**645**
									-
Position as of 31 December 2024		**522**	**85,406**	**-**	**- 608**	**- 8,827**	**- 14,042**	**- 9,754**	**52,698**

• CASH FLOW STATEMENT

In €k	Note	2024.12	2023.12
Net income for the year		**- 9,754**	**- 9,586**
Adjustments for:			
– Depreciation of fixed assets and rights of use	9.2 & 10	851	814
– Net financial income	7.	- 1,891	- 1,142
– Share in income of equity-accounted company (net of tax)	5.	5,567	4,800
– Cost of share-based payments	6.5.2.	767	1,270
– Income tax	8.1	- 0	-
– Gains or losses on disposals of fixed assets		14	11
– Other items		29	- 3
Total elimination of expenses and income with no impact on cash		**5,337**	**5,751**
Total cash flow		**- 4,417**	**- 3,835**
Changes in:			
– Trade receivables	12.	35	322
– Customer contract liabilities	6.2	- 1,321	- 1,319
– Trade payables	17.	138	4
– Provisions and employee benefits	6.5.3	13	- 11
– Other current receivables/payables	12. & 17.	- 70	- 202
Total changes		**- 1,205**	**- 1,206**
Cash flows from operating activities		**- 5,623**	**- 5,041**
Taxes paid	8.1	**-**	**-**
Net cash from operating activities		**- 5,623**	**- 5,041**
Acquisition of property, plant and equipment and intangible assets, excluding development costs	9.	- 201	- 428
Proceeds from the disposal of property, plant and equipment and intangible assets	9.	2	12
Capitalised development expenses	9.	- 20	- 131
Investment grants (incl. CIR offsetting capitalised expenses)	17.	- 65	- 34
Subscription to Neoxy capital increases		-	- 2,000
Neoxy shareholder loan	12.	- 10,000	-
Increase in non-current financial assets	11.	- 2	- 1,503
Increase in current financial assets (liquidity contract)	12.	- 275	- 400
Interest received	7.	1,446	1,407
Net cash used in investing activities		**- 9,114**	**- 3,078**
Capital increase	14.1.	144	178
Purchases/sales of treasury shares	16.	- 20	- 419
Proceeds from new borrowings and financial liabilities	16.	260	1,000
Repayment of borrowings and financial liabilities	16.	- 1,322	- 1,361
Repayment of bonds	16.	-	- 3,567
Payment of lease liabilities	16.	- 235	- 209
Interest paid on borrowings and financial liabilities	16.	- 93	- 78
Interest paid on bonds	16.	-	- 178
Interest paid on lease liabilities	16.	- 20	- 21
Net cash used in financing activities		**- 1,284**	**- 4,655**
Net change in cash and cash equivalents		**- 16,021**	**- 12,774**
Cash and cash equivalents as of 1 January		49,559	62,333
Effect of exchange rate changes on cash held			
Cash and cash equivalents at 31 December		**33,538**	**49,559**

• NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Description of the Company and the business

AFYREN S.A.S. ("the Company" or "AFYREN") is a French company with its registered office in Clermont-Ferrand (63100).

Founded in 2012, Afyren is a sustainable chemicals company ("greentech") offering innovative solutions to replace petroleum-based ingredients with products derived from non-food biomass processed with innovative natural fermentation technology, in a zero industrial waste circular economy approach.

Afyren's solutions make it possible to produce a family of seven fully biobased organic acids, as well as a natural fertiliser.

Based on renewable raw materials such as the by-products of the sugar production process (in particular molasses and beetroot pulp), which do not compete with human food chains, Afyren's technological platform - AFYNERIE® - makes it possible to produce 100% biobased organic acids on an industrial scale and at a competitive cost, offering the same chemical properties as those produced from oil, but with only one-fifth of the carbon footprint.

On 1 October 2021, Afyren successfully completed its IPO on the unregulated Euronext Growth market in Paris, in order to accelerate its development, particularly internationally.

In 2022, Afyren inaugurated its first plant: Afyren Neoxy, with a capacity of 16,000 tonnes of organic acids and 23,000 tonnes of fertilisers.

In 2023 and then 2024, Afyren is continuing its work on the continuous production of Afyren Neoxy and is making progress with its industrial development in France and abroad.

These IFRS consolidated financial statements include the financial statements of Afyren and its subsidiaries Afyren Canada and Afyren Thailand, as well as the equity-accounted shares of Afyren Neoxy, which was 51.08%-owned at 31 December 2024 and 2023 and jointly controlled by Afyren and Bpifrance.

Afyren's IFRS consolidated financial statements for the year ended 31 December 2024 were approved by the Board of Directors on 26/03/2025.

2. Basis of preparation

2.1. Statement of compliance

The Company's consolidated financial statements as of 31 December 2024 are presented in accordance with IFRS as issued by the International Accounting Standards Board (IASB) and adopted by the European Union.

2.2. Changes in the accounting framework

The following main new standards, amendments to standards and interpretations have been published and are mandatory as of 31 December 2024.

- Amendments to IAS 1 – Presentation of financial statements: classification of liabilities as current/non-current
- Amendments to IFRS 16 – Lease liability relating to a sale and lease
- Amendments to IAS 7 and IFRS 7 – Supplier Financing Arrangements

These amendments had no impact on the Group's financial statements.

The amendments to IAS 1 aim to clarify the principles for classifying a liability as current or non-current and require additional information to be provided in the notes to the financial statements on non-current liabilities subject to future covenants. In this context, for the purpose of classifying a liability as current or non-current, an option to convert into shares of convertible bonds is considered to be a "settlement". However, as an exception, a conversion option classified and recognised separately as an equity component of convertible bonds (compound instruments) has no impact on the classification of the liability in respect of the convertible bonds. In this case, the exception applies: the classification of the convertible bonds issued by Afyren Neoxy in the latter's accounts is not affected by these amendments insofar as they are compound instruments whose conversion option corresponds to an equity component.

The following main new standards, amendments to standards and interpretations have been published and are not mandatory as of 31 December 2024. The company does not apply them in advance:

- Amendments to IAS 21 – No Convertibility (applicable to financial years beginning on or after 1 January 2025)
- Amendments to IFRS 7 and IFRS 9 (applicable to financial years beginning on or after 1 January 2026 subject to EU approval):
  - Classification and valuation of financial instruments
  - Renewable electricity purchase agreements
- Annual improvements to IFRS (IAS 7, IFRS 1, IFRS 7, IFRS 9 and IFRS 10), applicable to financial years beginning on or after 1 January 2026, subject to EU approval.
- IFRS 18 - Presentation and Disclosure in Financial Statements (applicable to financial years beginning on or after 1 January 2027, subject to EU approval).

The expected impacts of these amendments are not considered material, with the exception of the new presentation of the financial statements

2.3. Use of estimates and judgements

In preparing these financial statements, management has made judgements and accounting estimates that may affect the application of the Company's accounting policies and the reported amounts of certain assets and liabilities and income and expenses during the year.

Estimates and underlying assumptions are reviewed on an ongoing basis to ensure they are reasonable in light of the Company's history. Estimates may be revised if the circumstances on which they were based change or as a result of new information. Actual values may differ from estimated values based on different assumptions or conditions. The impact of changes in estimates is recognised prospectively. As a result, changes in these conditions could result in different actual values in the Company's future financial statements.

- Judgments

Information about the judgments made in applying accounting policies that have the most significant impact on the amounts recognised in the financial statements is included in the following notes:

- Note 5 - Equity-accounted investments: determination of the level of control of Afyren Neoxy and determination of the classification of ABSAs as equity instruments.
- Note 5 - Treatment of the increase in Afyren's percentage stake in Afyren Neoxy in accordance with IAS 28.
- Notes 5 and 11 - Recognition of convertible bonds issued by Afyren Neoxy and subscribed by Afyren and Bpifrance.
- Note 6.2 - Revenue recognition: determination of performance obligations and the timing of revenue recognition under the licensing agreement with Afyren Neoxy.
- Note 10 - Lease term: to determine whether the Company is reasonably certain of exercising its extension/termination options.
- Note 14 - Classification of ADPs and attached warrants as equity instruments.
- Note 16 - Classification of convertible bonds issued by Afyren as a compound instrument.

- Assumptions and uncertainties related to estimates

Information about assumptions and uncertainties related to estimates that involve a significant risk of material adjustment to the carrying amount of assets and liabilities for the year ended 31 December 2024 is provided in the following notes:

- Notes 5, 11 and 16 - Convertible bonds: determination of assumptions for measuring the debt and equity components.
- Note 6.5.3 - Obligations related to defined benefit plans (retirement benefits): determination of the main actuarial assumptions
- Note 6.5.4 - Share-based remuneration: determination of the fair value of the BSPCE and the BSAs
- Note 10. - Lease: determination of the main assumptions, mainly lease term and discount rate

2.4. Basis of assessment

The financial statements are prepared on the historical cost basis.

Afyren's financial statements as of 31 December 2024 have been approved on a going concern basis for a period of at least 12 months from the date of approval of the financial statements, and the growth prospects reflected in the business plan produced.

2.5. Functional and presentation currency

The financial statements are presented in euros, which is the Company's functional currency. Amounts are rounded to the nearest million euros unless otherwise stated.

Foreign currency transactions are translated into euros using the exchange rate prevailing on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into euros using the exchange rate on the balance sheet date. No exchange differences have been recorded to date in the financial statements for the years ended 31 December 2024 and 2023.

3. Significant events during the period

- Afyren:

In 2024:

Operations

In April 2024, AFYREN announced that it had delivered its first tonnes of fertiliser produced by its AFYREN NEOXY plant to its partner Terrial. The AFYREN NEOXY fertiliser is derived from the manufacturing process for biobased organic acids, which transforms local biomass from agricultural residues not used in human food. This ensures the perfect circularity of the AFYREN model, because by returning to the earth, it contributes to a new biomass generation cycle.

In addition to contributing to the circularity of AFYREN's offer with a "return to the soil", fertiliser makes a positive contribution to AFYREN NEOXY's economic performance. The outlook for future plants is equally promising.

In June 2024, AFYREN announced the production of several tonnes of acid at its AFYREN NEOXY site, confirming the progress made in improving the reliability of equipment, combined with the development of employee skills at a critical stage in the process.

At the end of August 2024, AFYREN announced the signature of a new multi-year commercial contract with a US-based manufacturer of nutraceutical products. As part of the contract, AFYREN will supply the customer with its biobased acids, produced using its unique natural fermentation process and used as preservatives or flavourings for food supplements. Initially based on limited volumes, this contract may evolve towards larger quantities.

By the second half of 2024, AFYREN NEOXY had produced and sold several dozen tonnes of biobased acids of the quality expected in its strategic markets. At the same time, the work of validating the acids with customers and prospects is continuing, with positive feedback from many players, particularly in the Nutrition and Flavours and Fragrances sectors.

Some of the equipment used to extract the products has been technically adapted to ensure continuous, stable operation over the long term.

As a result, the aim is for the plant to be operating in continuous production by 2025, compared with the initial forecast of 2024, enabling it to break even quickly after just a few quarters of activity.

Partnership(s)

In March 2024, AFYREN and SUEZ announced that they would be continuing their collaboration on a new way of recovering biowaste. The aim of this collaboration is to use this waste from SUEZ's collection and treatment activities in the AFYREN process to manufacture products of interest that can be used to replace petroleum-based molecules It opens up an attractive recycling option and a concrete, circular solution to the challenges of decarbonising a wide variety of industrial sectors. It marks a significant step forward in the collaboration between the two companies, initiated in 2020 as part of the AFTER-BIOCHEM consortium, and is fully in line with Europe's ambitious policy on these issues.

Signing of the global Responsible Care® charter attesting to the commitment of all AFYREN sites

In April 2024, AFYREN was awarded the national Responsible Care® 2024 trophy in the "Societal" category for its innovative recruitment programme: "Sustainable industrial jobs for all".

Built in partnership with a number of local players, including the employment agency, this programme has proved effective in terms of recruitment, while promoting inclusion and diversity and enabling unskilled people to return to work and/or retrain.

At the same time, AFYREN signed the global Responsible Care® charter and is committed to applying its key principles at both global and strategic levels, particularly in its industrial operations.

Improvement of the Gaia non-financial rating

In March 2024, AFYREN recorded a further improvement in its EthiFinance non-financial rating to 83/100 (Platinum Level), highlighting a level of ESG maturity superior to that of comparable companies.

Publication of AFYREN's first sustainability report

In June 2024, AFYREN published its first sustainability report to assess its initiatives and performance on environmental and social issues. This process is also part of a gradual alignment with the European Corporate Sustainability Reporting Directive (CSRD). AFYREN is not currently subject to this directive; nevertheless, the company has voluntarily drawn up its first sustainability report in the spirit of the ESRS (Environmental, Social, and Governance Reporting Standards). This document is available for consultation and download in a dedicated section of the company's website: https://Afyren.com/vision/.

Wholly-owned subsidiary in Thailand:

These financial statements comprise the accounts of the subsidiary AFYREN SERVICES (THAILAND) CO., LTD. (“AFYREN THAILAND”). At the date of this Annual Financial Report, the subsidiary has not commenced operations and its financial statements are not material.

Wholly-owned subsidiary in Quebec

In September 2024, AFYREN decided to close 9478-2687 Québec Inc, a subsidiary created during the 2022 financial year, which had remained inactive and whose accounts were not material.

Financing

In July 2024, AFYREN took out a 36-month loan of €0.3 million from BNP to finance refurbishment work on its R&D premises.

In 2024, AFYREN contributed €10 million to the financing of its subsidiary AFYREN NEOXY through a contribution in the form of a shareholder loan.

In November 2024, AFYREN announced that it had obtained new financing from Bpifrance in the form of a €9 million New Industry Loan for its subsidiary AFYREN NEOXY to support the start-up of this pioneering plant. Disbursed in two tranches of €6 million and €3 million, this loan has a total term of 15 years, including a 3-year grace period. It is part of a Bpifrance programme developed as part of the France 2030 Plan to finance the industrialisation of an innovative technology.

At the end of 2024, AFYREN obtained a new Sustainability-Linked Loan of €10 million, of which a €6 million tranche had already been paid up in 2024 and a tranche of €4 million to be disbursed at a later date subject to conditions, on behalf of its subsidiary AFYREN NEOXY. This loan was obtained from a banking syndicate comprising both AFYREN's long-standing banks (BNP Paribas - also acting as arranger and ESG coordinator - and Banque Populaire Auvergne Rhône-Alpes) and new partners (Société Générale, Caisse d'épargne et de prévoyance Rhône-Alpes and Crédit Lyonnais).

Liquidity contract / Share buyback contract

AFYREN has had a liquidity contract with ODDO BHF SCA since 2021. The total cumulative funds made available under this liquidity contract are €0.45 million.

At 31 December 2024, the following resources were included in the liquidity account:

- Number of shares: 69,425 shares
- Cash balance of the liquidity account: €91,007

In December 2023, the Board of Directors used the authorisation granted to it under the sixth resolution adopted by the general meeting of 21 June 2023 to launch a new share buyback programme. This programme, for a maximum amount of €0.3 million, began on 18 January 2024 and ended on 6 May 2024. 151,947 shares were bought back under this programme. In a context of low share prices, this programme limits shareholder dilution resulting from multi-year share allotment plans, with no significant impact on cash.

Capital transactions linked to BSPCE

During 2024, capital increases linked to the exercise of BSPCEs were recorded for a total amount of €1,750, corresponding to 87,499 shares with a nominal value of €0.02 each. The total amount of the capital increase, including issue premium, was €144,498.

Equity instrument plans

During 2024, the Board of Directors decided to award free shares. Details of these transactions are provided in *Note 6.5.4.*

The 2024 financial year also saw the definitive vesting of 29,553 shares granted in 2022 and 2023 to six employees and 51,524 free ordinary shares for the two executives, in accordance with the grant decided by the Board of Directors on 24 March 2022.

Lastly, the 2024 financial year saw the cancellation of 38,496 free shares following the departure of employees before the vesting date.

Long-term incentive plan

In March 2024, AFYREN introduced a new long-term incentive plan, in the form of free shares, for certain employees and corporate officers. It is based on performance targets, including a non-financial component, to be achieved by 2026, provided that the beneficiary is still employed by the Company on that date. This plan corresponds to a total potential volume of 180,500 shares.

Significant events of the 2023 period are set out in the company's 2023 Annual Financial Report, available here.

- Afyren Neoxy, accounted for by the equity method:

In 2024:

Operations

The recent developments of AFYREN NEOXY are described above.

Financing

In 2024, AFYREN contributed €10 million to the financing of its subsidiary AFYREN NEOXY through a contribution in the form of a shareholder loan.

In November 2024, AFYREN announced that it had obtained two new financings for its subsidiary AFYREN NEOXY, for a total amount of €19 million, of which €12 million will be disbursed in 2024, with the remainder to be disbursed at a later date subject to conditions. This funding is intended to support the start-up of this pioneering plant. They are described in detail above.

Significant events of the 2023 period are set out in the company's 2023 Annual Financial Report, available here.

4. Subsequent events

None.

5. Equity-accounted investment in Afyren Neoxy

Under IFRS 11, a joint venture is a partnership that gives the Company joint control, whereby it has rights to the net assets of the partnership, and not rights to its assets and obligations for its liabilities.

Under IAS 28, the Company's interests in a joint venture are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the Company's financial statements include the Company's share of profit or loss and other comprehensive income of the equity-accounted company until the date on which joint control ceases.

Gains arising from transactions with the equity-accounted company are eliminated by the counterparty of equity-accounted securities in the amount of the Company's interest in the company. Losses are eliminated in the same way as gains, but only to the extent that they do not represent an impairment loss.

Convertible bonds issued by Afyren Neoxy and subscribed by Afyren and Bpifrance:

- For Afyren Neoxy, these are compound financial instruments with a debt component (the simple bond excluding the conversion option) and an equity component (the conversion option). The debt component is measured at fair value on initial recognition, based on a market interest rate, and then at amortised cost. The equity component is calculated as the difference between the fair value of the convertible bonds (corresponding to their subscription price) and the fair value of the debt component.
- At Afyren level, subscribed convertible bonds are recognised as non-current financial assets and measured at fair value through profit or loss. This item also includes Afyren's share of the equity component of the convertible bonds recorded in Afyren Neoxy's financial statements.

In December 2018, a partnership with Bpifrance was set up via the Afyren Neoxy joint venture under the joint control of both partners. The partnership provides that a number of decisions relating to activities with a potentially significant impact on returns, i.e. constituting substantive rights within the meaning of the standard, must be taken unanimously by the partners.

The following table summarises the financial information of Afyren Neoxy as prepared in its consolidated IFRS financial statements using the same accounting methods as Afyren. It also reconciles the summary financial information of the carrying amount of Afyren's holding in Afyren Neoxy:

In €k	2024.12	2023.12
Percentage of shares held	**51.08%**	**51.08%**
Non-current assets	79,198	74,559
Current assets excluding cash and cash equivalents	5,684	4,840
Cash and cash equivalents	4,528	7,450
Non-current liabilities	40,412	34,206
Current liabilities	32,293	25,039
Net assets (100%)	**16,705**	**27,604**
Net assets attributable to Afyren	8,533	14,100
Goodwill	85	85
Carrying value of interests in the Neoxy joint venture	**8,618**	**14,185**
Operating income	- 8,991	- 8,488
Net financial income (expense)	- 2,207	- 1,389
Income tax	-	-
Net income	- 10,899	- 9,397
Other comprehensive income		
Comprehensive income (100%)	**- 10,899**	**- 9,397**
Afyren's share of Neoxy's comprehensive income	- 5,566	- 4,800
Dividends received by Afyren	-	-

Capital transactions

The general meeting of 11 May 2023 approved a €3.5 million cash capital increase, raising the company's capital from €46.101 million to €49.601 million, through the creation of 3,500,000 shares with a nominal value of €1 each, issued at par. Afyren subscribed €2 million of this capital increase, with the balance being subscribed by Bpifrance.

This additional investment increased Afyren's stake in Afyren Neoxy from 50.62% at 31 December 2022 to 51.08% at 31 December 2023. This additional investment resulted in the recognition of goodwill of €0.09 million, which is included in the value of investments in associates.

There were no transactions involving the Company's share capital during the 2024 financial year.

Convertible bonds

AFYREN NEOXY's annual general meeting of 11 May 2023 approved the issue of 3,000,000 bonds convertible into shares with a nominal value of €1, representing a total principal amount of €3 million. These bonds convertible into shares were subscribed in equal parts by the two shareholders of AFYREN NEOXY, i.e. €1.5 million for AFYREN and €1.5 million for Bpifrance.

The main characteristics of the loan are as follows:

- Term of the loan: 4 years.
- Interest: Capitalised interest of 8.00% per annum
- Conversion ratio: one share in the company for one bond convertible into shares.

The accounting treatment of these convertible bonds is set out above.

Borrowings and financing

In April 2023, AFYREN NEOXY took out a €1 million Innovation Loan with Bpifrance. In August 2023, Afyren Neoxy took out a €6 million New Industry Loan with Bpifrance. These two loans were disbursed in full in 2023.

In November 2024, AFYREN NEOXY obtained new financing from Bpifrance in the form of a €9 million New Industry Loan to support the start-up of this pioneering plant. Disbursed in two tranches of €6 million, already disbursed in 2024, and €3 million, this loan has a total term of 15 years, including a 3-year grace period. It is part of a Bpifrance programme developed as part of the France 2030 Plan to finance the industrialisation of an innovative technology.

At the end of 2024, AFYREN NEOXY obtained a new €10 million Sustainability-Linked Loan, including a €6 million tranche already disbursed in 2024 and a €4 million tranche to be disbursed at a later date subject to conditions. This loan was obtained from a banking syndicate comprising both AFYREN's long-standing banks (BNP Paribas - also acting as arranger and ESG coordinator - and Banque Populaire Auvergne Rhône-Alpes) and new partners (Société Générale, Caisse d'épargne et de prévoyance Rhône-Alpes and Crédit Lyonnais).

In 2024, AFYREN contributed to the financing of its subsidiary AFYREN NEOXY through a shareholder loan of €10 million with no maturity date.

Recognition of know-how licence

Afyren grants Afyren Neoxy a license to the technology consisting of patent rights and know-how to enable it to manufacture and market products. The rights of use start from the plant's industrialisation phase, which includes a design phase (carrying out studies and adapting the technology to the industrial level), a construction phase and then a start-up phase until the end of a ramp-up phase and the following twelve months. Afyren staff are made available to Afyren Neoxy during these phases and re-invoiced without any margin.

The plant design and construction phase ran from 2019 to 2021, i.e. a duration of three years, and Afyren Neoxy plans to use this licence as soon as it is granted and during the plant's production phase, which is expected to last 20 years.

The exclusivity of the licence agreement is granted until Afyren Neoxy reaches a production capacity of 50,000 tonnes. This license will have an initial duration of 10 years and will continue as long as Afyren Neoxy continues its production.

On the basis of these factors, Afyren Neoxy initially recorded an intangible asset with a present value of €10.6 million corresponding to 23 years of licence fees (3 years since its granting + 20 years of production), of which €7.5 million was paid in advance for the first 10 years. The outstanding balance of €4.8 million at 31 December 2024 (compared with €4.5 million at 31 December 2023) is included under fixed asset liabilities.

The license is amortised over a period of 23 years, i.e. an annual expense of €0.5 million. In addition, an interest expense related to the accretion of this debt is recorded in financial expenses, i.e. €6.7 million over 23 years with insignificant annual amounts in 2024 and 2023.

Bio Based Industries (BBI) grant:

Since May 2020, Afyren Neoxy has led a consortium of several companies in an innovative industrial project that will last for four years with an estimated overall cost of €33m. The overall grant paid by the European Commission will amount to €20 million, of which €16 million will be allocated to Afyren Neoxy relating to a spending commitment of €27.6 million. If the level of spending is not reached, the Company will not be entitled to the planned level of grant, i.e. €16 million.

The total amount of this €16 million grant is divided into an operating grant of €14.8 million recognised at the rate of progress of expenditure and an investment grant of €1.3 million which will be recognised at the rate of depreciation of the asset once it is commissioned.

A first disbursement of €9.6m (i.e. 60%) was obtained in May 2020. On this first disbursement, a guarantee withholding of €0.8 million (i.e. 5% of the total amount to be paid) was taken by the financier and recorded as a non-current financial asset at fair value on the initial recognition date and then at amortised cost. The company did not receive any payments in 2021. A second payment of €1.7 million was made in the first half of 2022. A third payment of €3.4 million was made in the second half of 2023. The balance to be received amounts to €2.1 million including a security deposit of €0.8 million.

6. Operational data

6.1. Segment reporting

Under IFRS 8, an operating segment is a component of an entity:

- That engages in business activities from which it may earn revenues and incur expenses;
- whose operating results are reviewed regularly by the entity's chief operating decision maker;
- For which discrete financial information is available.

Afyren's activity is to carry out research and development, as well as industrialisation and marketing in order to develop processes for the production of molecules, extraction of molecules and metabolites, all from fermentable biomass. It has so far granted only one licence, to Afyren Neoxy. The Company therefore has only one operating segment. In addition, all of its activities and assets are located in France.

6.2. Revenues

In accordance with IFRS 15 "Revenue from contracts with customers", revenue is recognised when each performance obligation is satisfied, i.e. when control of the good or service is transferred to the customer for the amount expected to be received.

Revenues are mainly made up of income from the various agreements entered into with Afyren Neoxy:

- Patent and know-how license ("the Technology") made available to Afyren Neoxy. The licence is accompanied by services related to the development of industrial know-how, including the provision of project team staff
- Services related to obtaining the BBI grant by Afyren Neoxy
- Sales and administrative support services.

Licence and industrial know-how development agreement

It was determined that the licence for the Technology and the development of industrial know-how constitute a single performance obligation insofar as, since it is a new innovative Technology that has never been industrialised, the license and the industrial know-how development service can only be used jointly to enable Afyren Neoxy to benefit from the licence. Accordingly, it can be considered that these are two "inputs", intrinsically linked, constituting a single promise to the customer Afyren Neoxy.

Revenues from this performance obligation must be recognised on an ongoing basis ("over time") until the end of the industrialisation phase in accordance with IFRS 15.35 a), as the resulting industrial know-how is made available to the customer as it is created and identified. In other words, the customer simultaneously receives and consumes the benefits provided by the service as it is provided. Lastly, even if the licence is granted for the entire lifetime of Afyren Neoxy, the deferral of income stops at the end of the industrialisation phase (engineering, plant construction and ramp-up phase overall) insofar as the licence is no longer intended to evolve after industrialisation.

The consideration to be received, namely a fixed annual royalty over the lifetime of Afyren Neoxy, is subject to variability in the event of termination of the agreement, cessation of production and/or of the company. At this stage, the Company believes that the amount of consideration to be taken into account which, in a highly probable manner, would not result in a significant fall in revenues, corresponds to the amount paid in advance for the first ten years, i.e. €7.5 million. Although some of this amount may have to be repaid if the agreement is terminated before 10 years, the Company believes that the conditions for termination, which are limited, are highly unlikely. As for the fixed royalties to be paid again from the eleventh year onwards, even though Afyren Neoxy plans to operate the plant over 20 years, the time horizon is too long at this stage to be considered highly likely, especially as production has not yet started.

The most relevant measure for determining the percentage of completion is considered to be the passage of time, involving a straight-line basis. Thus, during the industrialisation phase estimated at 6 years, the fixed remuneration of €7.5 million provided for in the agreement (corresponding to 10 years of royalties) as well as the personnel costs reinvoiced as part of the contract for the provision of project team staff are recognised on a straight-line basis.

Insofar as the 10-year Technology royalties were paid in advance at the date of signing of the agreement, the amount not yet recognised as revenues is recognised as a contract liability in the balance sheet (deferred income). In addition, this generates a financing component leading to the recognition of interest expenses separately from revenues.

The agreement also provides for the payment of royalties based on the EBITDA received by Afyren post-industrialisation, which will be recognised as revenues as they are incurred, in accordance with the exemption provided for in IFRS 15 for royalties.

Other service agreements

These administrative and sales assistance contracts meet the criteria for revenue recognition on an ongoing basis under IFRS 15.35 a). The fixed amounts provided for each year are spread on a straight-line basis insofar as the costs incurred by Afyren are relatively straight-line.

Revenues break down as follows:

In €k	2024.12	2023.12
Licence and development of industrial know-how	1,370	1,417
Other services	1,492	1,962

Total revenues	**2,862**	**3,379**

Changes in contract liabilities (deferred income) are explained as follows:

In €k	2024.12	2023.12
Contract liabilities as of 1 January	**1,322**	**2,640**
Increase in financial expenses for the year on the licence agreement	47	98
Revenues recognised during the period included in the opening	- 1,369	- 1,417
Contract liabilities as of 31 December	**-**	**1,322**
Of which current liabilities	-	1,321
Of which non-current liabilities	-	-

On 31 December 2024, the industrialisation phase was completed. As a result, there were no outstanding services under the licence and industrialisation services contract at the balance sheet date.

6.3. Other income

Government operating grants that offset expenses incurred by the Company are systematically recognised in profit or loss under "Other income" in the period in which the expenses are recognised.

Government investment grants are recognised initially at fair value as deferred income if there is reasonable assurance that they will be received and that the Company will comply with the conditions attached to them. They are then systematically recognised in profit or loss under other income over the useful life of the related asset.

The research tax credit is treated as a government grant by analogy. It is thus recognised as:

- An investment grant for the portion that offsets expenses capitalised as development costs,
- An operating grant for the portion of research expenses that are not capitalised.

Other income breaks down as follows:

In €k	2024.12	2023.12
Operating grant	597	445
Investment grant recognised under profit or loss	64	64
Proceeds from the disposal of fixed assets	2	12
Other	2	5
Total other income	**666**	**527**

6.4. Operating expenses

Operating expenses break down as follows:

In €k	Note	2024.12	2023.12
Total employee benefits	**6.5**	**- 5,578**	**- 5,835**
Purchases of consumables and equipment		- 332	- 249
Rental expenses	10.	- 279	- 212
Maintenance and repairs		- 45	- 38
Remuneration of intermediaries and fees		- 1,591	- 1,623
Travel and assignment expenses		- 404	- 487
Advertising and communication		- 76	- 106
Other external expenses		- 309	- 338
Total purchases and external expenses		**- 3,035**	**- 3,053**
Total depreciation of fixed assets and rights of use	**9.**	**- 851**	**- 814**
Taxes		**- 80**	**- 51**
Other expenses		**- 65**	**- 80**
Total other expenses		**- 145**	**- 132**

6.5. Staff and personnel

6.5.1. Workforce

The workforce corresponds to the average workforce for the period comprising fixed-term and permanent contracts as full-time equivalents of the Company.

	2024.12	2023.12
Managers	31	31
Non-managers	13	9
Average workforce for the year ended 31 December	**44**	**40**

6.5.2. Personnel costs

Personnel costs are recognised as services are rendered.

Personnel costs break down as follows:

In €k	2024.12	2023.12
Wages and salaries	- 3,459	- 3,254
Social security contributions	- 1,052	- 1,036
Termination benefits	-	-

Expenses related to defined contribution post-employment plans	- 286	- 286
Expenses related to defined benefit post-employment benefit plans	- 13	11
Share-based payments settled in equity instruments	- 767	- 1,270
Total	**- 5,578**	**- 5,835**

The increase in “Wages and salaries” and “Social security contributions” items is mainly due to the increase in the workforce.

6.5.3. Employee benefits

Short-term employee benefits

Short-term employee benefits are recognised as an expense when the corresponding service is rendered. A liability is recognised for the amount the Company expects to pay if it has a present legal or constructive obligation to make such payments in return for past service by the employee and the obligation can be reliably estimated.

Defined benefit plans

The Company's defined benefit plans correspond to retirement benefits paid to employees in France.

The Company's obligation under this plan is recognised as a liability and measured using an actuarial method that takes into account the employee turnover rate, life expectancy, salary increase rate and a discount rate. The calculation is made using the projected unit credit method with end-of-career salary.

The cost of the services is recorded under personnel expenses. It includes current service cost, past service cost resulting from the amendment or curtailment of a plan, which is fully recognised in profit or loss in the period in which it occurs, and gains and losses on settlements.

The interest expense, corresponding to the accretion effect of the commitments, is recognised in financial expenses.

Liability remeasurements (actuarial gains and losses) are recognised in other non-recyclable comprehensive income.

IFRS IC final agenda decision of 24 May 2021

The final IFRS IC agenda decision of 24 May 2021 regarding attributing benefit to periods of service does not have a material impact on the Company.

Defined contribution plans

Contributions payable to a defined contribution plan are recognised as an expense when the related service is rendered. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in future payments is possible. These are the general social security pension scheme and supplementary schemes.

- *Retirement allowance (IDR)*

The main actuarial assumptions used at the balance sheet date are as follows:

	2024.12	2023.12
Discount rate	3.50%	3.34%
Salary increase rate	1.50%	1.50%
Turnover	Dares R&D table	Dares R&D table
Retirement age	65	65
Mortality table	INSEE 2016-2018	INSEE 2016-2018

The change in the present value of the retirement benefit obligation is as follows:

In €k	2024.12	2023.12
Balance as of 1 January	**61**	**67**
Recognised in profit or loss		
Cost of services for the year	11	- 13
Financial cost	2	2
Included in other comprehensive income		
Loss (gain) on revaluation of liabilities (actuarial gain and loss)	- 2	4
Total	**12**	**- 6**
Other		
Benefits paid	-	-
Total	**-**	-
Balance as of 31 December	**73**	**61**

6.5.4. Share-based payments

Grants of founder share warrants (BSPCE) and free share grants to Afyren employees are equity-settled share-based plans.

The fair value determined on the grant date of these plans is recognised as an expense, with a corresponding increase in equity, over the vesting period, using the gradual vesting method for BSPCE as they are vested in tranches, and on a straight-line basis for free share grants. The amount expensed is adjusted to reflect the number of rights for which it is estimated that the service conditions will be met, such that the amount ultimately recognised is based on the actual number of rights that meet the service conditions at the vesting date.

The fair value of the BSPCE is determined on the basis of the Black-Scholes valuation model.

The fair value of the free share grants corresponds to the fair value of the shares on the grant date (i.e. the share price) less the present value of any estimated future dividends over the vesting period.

In accordance with the IFRS 1 exemption relating to share-based compensation plans, the Company has not restated BSPCE plans that were vested at the transition date of 1 January 2019. Accordingly, only the BSPCE 5 have been restated at this date.

On 26 June 2019, the general meeting of Afyren authorised the Chairman to implement a plan to award BSPCE 5 to Afyren employees. The exercise of the warrants is subject to a condition of presence. The vesting period is three years (divided into three annual tranches of 1/3) from the grant date. The warrants expire after 10 years from their granting decided by the Chairman. Under this plan, the Company made several grants between 2019 and 2021.

In accordance with the terms of the combined general meeting of 11 June 2021, the following delegations of authority have been implemented:

- On 17 February 2023, the Board of Directors decided to grant 3,589 free shares (2021 free share grant) to an Afyren employee. Vesting of the shares is subject to continued employment for a period of one year.
- On 21 March 2023, the Board of Directors decided to grant 10,386 free shares (2021 free share grant) to an Afyren Neoxy executive and an Afyren employee on 6 March 2023. Vesting of the shares is subject to continued employment for a period of one year.
- On 20 June 2023, the Board of Directors decided to grant 2,546 free shares (2021 free share grant) to an Afyren employee on 12 June 2023. Vesting of the shares is subject to continued employment for a period of one year.

In accordance with the terms of the combined general meeting of 21 June 2023, the following delegations of authority have been implemented:

- On 1 July 2023, the Board of Directors decided to grant 815 free shares (2023 free share grant) to an Afyren employee on 1 July 2023. Vesting of the shares is subject to continued employment for a period of one year.
- On 18 September 2023, the Board of Directors decided to grant 5,455 free shares (2023 free share grant) to an Afyren employee on 18 September 2023. Vesting of the shares is subject to continued employment for a period of one year.
- On 18 September 2023, the Board of Directors decided to grant 190,206 free shares (2023-LTIP free share grant) to Afyren and Afyren Neoxy employees on 18 September 2023. Vesting of the shares is subject to continued employment until 31 March 2026. The vesting is also subject to financial and development performance conditions corresponding to non-market conditions. At 31 December 2023, in order to determine the corresponding compensation expense, it was estimated that 30% of these targets had been achieved. At 31 December 2024, in order to determine the corresponding compensation expense, it was estimated that 30% of these targets had been achieved.
- On 12 December 2023, the Board of Directors decided to grant 13,208 free shares (2023 free share grant) to an Afyren employee on 12 December 2023. Vesting of the shares is subject to continued employment for a period of one year.
- On 1 January 2024, the Board of Directors decided to grant 12,868 free shares (2023 free share grant) to an Afyren employee on 1 January 2024. Vesting of the shares is subject to continued employment for a period of two years;

- On 28 March 2024, the Board of Directors decided to grant 14,069 free shares (2023 free share grant) to an Afyren employee on 28 March 2024. Vesting of the shares is subject to continued employment for a period of one year.
- On 28 March 2024, the Board of Directors decided to grant 180,500 free shares (2023-LTIP2 free share grant) to Afyren employees and officers on 28 March 2024. Vesting of the shares is subject to continued employment until 31 March 2027. The vesting is also subject to financial and development performance conditions corresponding to non-market conditions. At 31 December 2024, in order to determine the corresponding compensation expense, it was estimated that 75% of these targets had been achieved.

In accordance with the terms of the combined general meeting of 19 June 2024, the following delegations of authority have been implemented:

- On 8 July 2024, the Board of Directors decided to grant 4,000 free shares (2024 free share grant) to an employee of Afyren Neoxy. Vesting of the shares is subject to continued employment for a period of two years;
- On 18 December 2024, the Board of Directors decided to grant 266,000 free shares (2024 free share grant) to Afyren employees and managers. Vesting of the shares is subject to continued employment for a period of two years as from 1 January 2025. The related expense will only be recognised from 2025.
- On 18 December 2024, the Board of Directors decided to grant 70,000 free shares (2024 free share grant) to Afyren employees and managers. Vesting of the shares is subject to continued employment for a period of one year as from 1 January 2025. The related expense will only be recognised from 2025.

The main characteristics and conditions relating to grants under these plans are as follows:

	Number of shares granted	Grant date	Vesting conditions	Contractual life of options	Average fair value (in €)
BSPCE 5	0	27/06/2019	Employment (3 years)	10 years	5.69
BSPCE 5	35,000	01/07/2019	Employment (3 years)	10 years	5.69
BSPCE 5	65,000	01/07/2019	Employment (3 years)	10 years	5.69
BSPCE 5	0	22/10/2019	Employment (3 years)	10 years	5.70
BSPCE 5	15,000	30/10/2019	Employment (3 years)	10 years	5.70
BSPCE 5	60,000	12/12/2019	Employment (3 years)	10 years	5.70
BSPCE 5	7,500	21/05/2020	Employment (3 years)	10 years	5.71
BSPCE 5	175,000	16/09/2020	Employment (3 years)	10 years	5.68
BSPCE 5	0	01/11/2020	Employment (3 years)	10 years	5.67

BSPCE 5	10,000	01/12/2020	Employment (3 years)	10 years	5.67
BSPCE 5	50,000	21/01/2021	Employment (3 years)	10 years	5.67
2021 free share grants	0	07/12/2021	Employment (1 year)	n.a.	9.07
BSPCE 5	17,500	04/02/2022	Employment (3 years)	10 years	3.83
BSPCE 5	15,000	24/03/2022	Employment (3 years)	10 years	3.65
2021 free share grants	360,668	24/03/2022	Employment (3 years)	n.a.	5.36
BSPCE 2022	7,500	05/07/2022	Employment (3 years)	10 years	2.95
2021-2 free share grants	4,033	03/10/2022	Employment (1 year)	n.a.	6.01
2021-3 free share grants	11,387	05/12/2022	Employment (1 year)	n.a.	5.95
2021-4 free share grants	3,589	17/02/2023	Employment (1 year)	n.a.	6.24
2021-5 free share grants	3,940	06/03/2023	Employment (1 year)	n.a.	5.81
2021-6 free share grants	2,546	12/06/2023	Employment (1 year)	n.a.	5.52
2023-1 free share grants	815	01/01/2023	Employment (1 year)	n.a.	5.68
2023-2 free share grants	5,455	18/09/2023	Employment (1 year)	n.a.	4.93
2023-LTIP free share grants	173,606	18/09/2023	Employment (until 31/03/2026), performance and development	n.a.	4.93
2023-3 free share grants	13,208	03/12/2023	Employment (1 year)	n.a.	2.11
2024-1 free share grants	12,868	01/01/2024	Employment (2 years)	n.a.	2.22
2024-2 free share grants	14,069	28/03/2024	Employment (1 year)	n.a.	1.90
2023-LTIP2 free share grants	180,500	28/03/2024	Employment (until 31/03/2027), performance and development	n.a.	1.90
2024-2 free share grants	266,000	18/12/2024	Employment (2 years)	n.a.	2.13
2024-3 free share grants	70,000	18/12/2024	Employment (1 year)	n.a.	2.13
Total	**1,580,184**				

The data used to measure the fair values at the grant date of the BSPCE and free share grant granted in 2023 and 2024 are as follows:

	2021 free share grants issued in 2023	**2023 free share grants issued in 2023**	**2023-LTIP free share grants issued in 2023**
Fair value at grant date (in €)	**From 5.52 to 6.24**	**From 2.11 to 5.68**	**4.93**
Share price on grant date (in €)	**From 5.52 to 6.24**	**From 2.11 to 5.68**	**4.93**
Option exercise price (in €)	**N/A**	**N/A**	**N/A**
Expected volatility (weighted average)	**N/A**	**N/A**	**N/A**

Expected life (weighted average)	1 year	1 year	3 years
Expected dividends	0%	0%	0%
Risk-free interest rate (based on government bonds)	n.a.	n.a.	n.a.

	2023-LTIP free share grants issued in 2024	2023 free share grants issued in 2024	2024 free share grants issued in 2024
Fair value at grant date (in €)	1.90	2.22	From 1.90 to 2.13
Share price on grant date (in €)	1.90	2.22	From 1.90 to 2.13
Option exercise price (in €)	N/A	n.a.	n.a.
Expected volatility (weighted average)	N/A	n.a.	n.a.
Expected life (weighted average)	3 years	1 year	1 year to 2 years
Expected dividends	0%	0%	0%
Risk-free interest rate (based on government bonds)	n.a.	n.a.	n.a.

In 2023 and 2024, the change in the number of BSPCEs is as follows:

Number of BSPCEs	2024.12	Weighted average exercise price 2024 (in €)	2023.12	Weighted average exercise price 2023 (in €)
Outstanding as of 1 January	545,000	2.01	630,000	2.02
Lapsed during the period			- 32,500	2.06
Exercised during the period	- 87,499	2.06	- 52,498	2.06
Granted during the period				
Outstanding as of 31 December	457,500	2.00	545,000	2.01
Exercisable as of 31 December	444,167		493,333	

In 2023 and 2024, the change in the number of free shares granted is as follows:

Number of free shares granted	2024.12	Weighted average exercise price 2024 (in €)	2023.12	Weighted average exercise price 2023 (in €)
Outstanding as of 1 January	683,475	-	533,209	-
Lapsed during the period	- 38,495	-	- 8,995	-
Exercised during the period	- 81,077	-	- 66,944	-
Granted during the period	547,437	-	226,205	-
Outstanding as of 31 December	1,111,340	-	683,475	-
Exercisable as of 31 December	-		-	

6.5.5. Compensation of main executives (related parties)

Compensation recognised as expenses for the main executives, corresponding to the members of the Executive Committee and the Board of Directors, is as follows:

In €k	2024.12	2023.12
Short-term employee benefits	1,326	1,473
Defined contribution post-employment benefits	104	114
Defined benefit post-employment benefits	5	5
Share-based payments	655	1,137
Total	**2,090**	**2,729**

The liability for defined benefit post-employment benefits in respect of key management personnel was €0.03 million at 31 December 2024 and €0.06 million at 31 December 2023.

7. Net financial income (expense)

Interest expense

Interest expenses on borrowings, financial liabilities and lease liabilities are recognised using the effective interest rate method.

The Company's financial income and expenses include:

In €k	2024.12	2023.12
Interest expense on borrowings	- 74	- 42
Interest expense on convertible bonds	-	- 106
Interest expense on repayable advances	207	- 11
Interest expense on lease liabilities - IFRS 16	- 20	- 21
Financing component on the license agreement	- 47	- 98
Foreign exchange losses	- 1	- 19
Total financial expenses	**65**	**- 297**
Other financial income	1,801	1,407
Currency gains	2	13
Change in fair value of financial assets	22	19
Total financial income	**1,826**	**1,439**
Net financial income (expense)	**1,891**	**1,142**

The change in the fair value of financial assets corresponds to the change in the fair value of the convertible bonds issued by Afyren Neoxy and subscribed by Afyren.

Other financial income mainly corresponds to interest income on term accounts.

8. Income tax

Income tax

Income taxes include current and deferred tax expense (income), calculated in accordance with French tax laws. They are recognised in the income statement, unless they relate to items recognised in other comprehensive income, directly in equity or in business combinations. Tax assets and liabilities are offset provided they meet certain criteria.

The Company considered that, based on the analysis of the texts, the corporate value added contribution (CVAE) meets the definition of income tax as set out in IAS 12.2 ("Taxes due on the basis of taxable income").

Tax payable

Tax payable includes the estimated amount of tax due (or receivable) in respect of the taxable profit (or loss) for a period and any adjustment to the amount of tax due in respect of prior periods. The amount of tax payable (or receivable) is determined on the basis of the best estimate of the amount of tax that the Company expects to pay (or receive) reflecting, where applicable, the related uncertainties. It is calculated based on the basis of tax rates that have been enacted or are likely to be enacted at the balance sheet date.

Deferred taxes

Deferred tax is recognised on the temporary differences between the carrying amount of assets and liabilities and their tax bases.

Deferred tax assets are recognised in respect of deductible temporary differences and unused tax losses and tax credits only to the extent that it is probable that the Group will generate future taxable profits against which these can be utilised. Future taxable profits are measured against the reversal of taxable temporary differences. If the amount of the temporary differences is insufficient to recognise a deferred tax asset in full, future taxable profits, adjusted for the reversal of the temporary differences, are measured against the business plan of each of the Group's subsidiaries. Deferred tax assets are reviewed at each balance sheet date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available. These reductions are reversed when the likelihood of future taxable profits increases.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the asset is realised and the liability is settled, based on tax rates that have been enacted or substantively enacted by the balance sheet date, and takes into account, where appropriate, income tax uncertainty.

8.1. Income tax expense

In €k	2024.12	2023.12
Tax payable	-	-
Deferred tax	-	-
CVAE	-	-

TOTAL	-	-

8.2. Income tax reconciliation

The reconciliation between the effective tax rate and the theoretical tax rate is as follow:

In €k	2024.12	2023.12
Income before tax	- 9,754	- 9,586
Neutralisation of the share in income of equity-accounted company (net of tax)	5,567	4,800
Profit before tax and share in income of equity-accounted company (net of tax)	- 4,187	- 4,786
Normative tax rate	25.0%	25.0%
Theoretical tax (expense)/income	**1,047**	**1,196**
Reconciliation with effective interest rate		
- Research tax credit (CIR)	143	108
- Other tax credits		
- CVAE (corporate value added contribution) as tax expense		
- Losses for the period not capitalised	- 1,060	- 1,094
- Share-based compensation expense	- 192	- 318
- Gains or losses on disposals of treasury shares	63	48
- Permanent differences	- 4	- 5
- Convertible bonds	-	57
- Other differences	4	7
Actual tax (expense)/income	**-**	**-**

8.3. Breakdown of net deferred tax assets (liabilities)

The changes in deferred tax balances are as follows:

In €k	2024.12	Change in income statement	Change in other comprehensive income	Change in shareholders' equity	2024.12 Net	2024.12 Deferred tax assets	2024.12 Deferred tax liabilities
Deferred tax assets related to tax loss carryforwards	664	133	- 1	-	796	796	
Defined benefit liability	15	2	1	-	18	18	
Leases	3	1	-	-	5	5	
Convertible bonds	-	-	-	-	-		
Neoxy license agreement	- 601	- 143	-	-	- 744		- 744
Other adjustments	- 82	7	-	-	- 75		- 75
TOTAL DEFERRED TAXES	**-**	**0**	**-**	**-**	**0**	**819**	**- 819**

2023.12

In €k	2023.12	Change in income statement	Change in other comprehensive income	Change in shareholders' equity	Net	Deferred tax assets	Deferred tax liabilities
Deferred tax assets related to tax loss carryforwards	567	220	- 1	- 122	664	664	
Defined benefit liability	17	- 3	1	-	15	15	
Leases	- 3	6	-	-	3	3	
Convertible bonds	- 122	-	-	122	-		
Neoxy license agreement	- 459	- 142	-	-	- 601		- 601
Other adjustments	- 0	- 82	-	-	- 82		- 82
TOTAL DEFERRED TAXES	**0**	**- 0**	**-**	**-**	**-**	**683**	**- 683**

8.4. Unrecognised deferred tax assets

At this stage, the Company has not recognised any deferred tax asset relating to the unused tax losses detailed below as they are expected to be recoverable only in the long term.

Unrecognised deferred tax assets:

2024.12		2023.12		
Gross amounts (in €k)	Tax effect (in €k)	Gross amounts (in €k)	Tax effect (in €k)	Expiry date of the tax loss
23,339	5,835	19,100	4,775	n.a.

8.5. Tax uncertainties

The Company has no significant tax uncertainties within the scope of IFRIC 23.

9. Intangible assets and property, plant and equipment

9.1. Intangible assets

Research and Development

Research costs are expensed as incurred.

Development expenses are recognised as intangible assets if and only if the expenses can be measured reliably and the Company can demonstrate the technical and commercial feasibility of the product or process, the existence of probable future economic benefits and its intention as well as the availability of sufficient resources to complete development and use or sell the asset. Otherwise, they are expensed as incurred. Subsequent to initial recognition, development expenses are carried at cost less any accumulated depreciation and impairment losses.

Borrowing costs related to the financing of capitalised development costs are included in their cost. The Company has elected to use the IFRS 1 exemption to prospectively apply the borrowing cost capitalisation provisions of IAS 23 from the date of transition to IFRS on 1 January 2019.

Other intangible assets

Other intangible assets mainly correspond to patents and computer software. They have a finite useful life and are carried at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets.

The estimated useful lives for the current and comparative periods are as follows:

- License developed in-house: 10 years
- Patents: 10 years
- Computer software: 2 years

The depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if necessary.

Intangible assets break down as follows:

In €k	2023.12	Acquisitions	Disposals	Charges for the year	Reclassifications	2024.12
Technology developed in-house	3,682					3,682
Concessions, patents and similar rights	767	31				799
Ongoing development costs	1,036	20				1,056
Other intangible assets	-					-
Intangible assets (gross value)	**5,485**	**51**	**-**	**-**	**-**	**5,536**
Amortisation of technology developed in-house	- 1,853			- 368		- 2,221
Amortisation of concessions, patents and similar rights	- 299			- 76		- 375
Amortisation of other intangible assets	-			-		-
Amortisation of intangible assets	**- 2,152**	**-**	**-**	**- 444**	**-**	**- 2,596**
Total net value	**3,333**	**51**	**-**	**- 444**	**-**	**2,940**

In €k	2022.12	Acquisitions	Disposals	Charges for the year	Reclassifications	2023.12
Technology developed in-house	3,682					3,682
Concessions, patents and similar rights	744	23				767
Ongoing development costs	905	131				1,036
Other intangible assets	-					-
Intangible assets (gross value)	**5,331**	**154**	**-**	**-**	**-**	**5,485**
Amortisation of technology developed in-house	- 1,485			- 368		- 1,853
Amortisation of concessions, patents and similar rights	- 225			- 74		- 299
Amortisation of other intangible assets	-			-		-
Amortisation of intangible assets	**- 1,710**	**-**	**-**	**- 442**	**-**	**- 2,152**
Total net value	**3,621**	**154**	**-**	**- 442**	**-**	**3,333**

Changes in concessions, patents and similar rights correspond to the acquisition of patents required for research and development (processes involving fertiliser, vinasse, etc.).

Changes in ongoing development costs correspond to expenses incurred in connection with the "R&D Booster" project which began in February 2019.

9.2. Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

The gain or loss on disposal of property, plant and equipment is recognised in profit or loss.

Depreciation is calculated on a straight-line basis over the estimated useful life.

The estimated useful lives of property, plant and equipment for the current and comparative periods are as follows:

- Technical installations, equipment and tools: 3 to 5 years
- Computer hardware: 2 to 3 years
- Furniture: 2 to 5 years
- Fixtures and fittings: 3 to 5 years

The depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if necessary.

Property, plant and equipment breaks down as follows:

In €k	2023.12	Acquisitions	Disposals	Charges for the year	Reclassifications	2024.12
Other technical facilities, equipment and tools	585	82				667
Fixtures and fittings	134	11	-			145
Office furniture	63	-				63
Computer hardware	9	-	-			9
Other property, plant and equipment	-	0				0
Property, plant and equipment in progress	-	77				77
Property, plant and equipment (gross value)	**791**	**170**	**-**	**-**	**-**	**960**
Depreciation of other technical installations, equipment and tools	- 380		-	- 137	-	- 517
Depreciation of fixtures and fittings	- 39			- 27	-	- 66
Depreciation of office furniture	- 28		-	- 17	-	- 45
Depreciation of computer equipment	- 6		-	- 4	-	- 10
Depreciation of other property, plant and equipment	-		-	-	-	-
Depreciation of property, plant and equipment	**- 453**	**-**	**-**	**- 184**	**-**	**- 637**
Total net value	**338**	**170**	**-**	**- 184**	**-**	**323**

In €k	2022.12	Acquisitions	Disposals	Charges for the year	Reclassifications	2023.12
Other technical facilities, equipment and tools	451	134				585
Fixtures and fittings	75	85	- 26			134
Office furniture	17	45				63
Computer hardware	8	1	-			9
Other property, plant and equipment	- 0					- 57
Property, plant and equipment in progress	120	5	- 124			-
Property, plant and equipment (gross value)	**671**	**270**	**- 150**	**-**	**-**	**733**
Depreciation of other technical installations, equipment and tools	- 270		-	- 109		- 380
Depreciation of fixtures and fittings	- 27		14	- 26		- 39
Depreciation of office furniture	- 12			- 16		- 28
Depreciation of computer equipment	- 4			- 2		- 6
Depreciation of other property, plant and equipment	- 0			-		58
Depreciation of property, plant and equipment	**- 313**	**-**	**14**	**- 153**	**-**	**- 395**
Total net value	**358**	**270**	**- 137**	**- 153**	**-**	**338**

Changes in property, plant and equipment in 2023 and 2024 relate to equipment and improvements to the new premises.

9.3. Impairment testing

In accordance with IAS 36 "Impairment of Assets", the Company regularly examines whether there is any indication that intangible assets and property, plant and equipment with a definite useful life are impaired. If such evidence exists, the company performs an impairment test to assess whether the carrying amount of the assets (or groups of assets corresponding to the cash-generating units) does not exceed its recoverable amount, defined as the higher of fair value less costs to sell and value in use.

No impairment losses were identified for 2024 and 2023.

10. Leases

Upon signing a contract, the Company determines whether the agreement constitutes, or contains, a lease.

The contract is or contains a lease if it confers the right to control the use of an identified asset for a period of time in exchange for a consideration. In assessing whether a contract gives the right to control an identified asset throughout the period of use of the asset, the Company assesses whether: i) the contract involves the use of an identified asset, ii) the Company has the right to obtain substantially all the economic benefits of the use of the asset throughout the period of use, and iii) the Company has the right to decide on the use of the asset.

The Company recognises a 'right of use' asset and a lease liability at the date the leased asset is made available. The "right-of-use" asset is initially measured at cost, i.e. the initial amount of the lease liability plus any lease payments already made at the start date of the lease, any initial direct costs incurred and an estimate of the costs of dismantling and removing or restoring the underlying asset or the site where it is located, less any lease incentive benefit received.

The right-of-use asset is then amortised on a straight-line basis from the start to the end of the lease, unless the lease provides for a transfer of ownership of the underlying asset to the Company at the end of the lease term or the cost of the right-of-use asset reflects the fact that the Company will exercise a call option. In this case, the right-of-use asset will be amortised over the useful life of the underlying asset, determined on the same basis as that of property, plant and equipment. In addition, the value of the "right-of-use" asset will be regularly reduced in the event of impairment losses and will be adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments due but not yet paid at the start date of the lease. The discount rate used is the interest rate implicit in the lease or, if it cannot be easily determined, to the Company's incremental borrowing rate. The Company generally uses the latter rate as its discount rate.

The Company determines its incremental borrowing rate based on the interest rates offered by various external financing sources for a term equivalent to the lease term.

Lease payments included in the lease liability valuation include the following:

- Fixed rents, including substantive fixed rents;
- Variable rents indexed to an index or interest rate, initially measured on the basis of the index or interest rate in question on the contract start date;
- Amounts payable under the residual value guarantee; and
- The exercise price of a call option that the Company is reasonably certain to exercise, lease payments during the renewal period if the Company is reasonably certain to exercise an extension option and lease early termination penalties, unless the Company is reasonably certain not to terminate the lease early.
- Deduction of incentives granted by the lessor.

The lease liability is measured at amortised cost using the effective interest rate method. It is revalued in the event of a change in future lease payments due to a change in index or interest rate, in the event that the Company reassesses the amount expected under the residual value guarantee, if the Company revises its likelihood of exercising a call, extension or termination option, or in the event of a revision of a fixed lease payments in substance.

When the lease liability is revalued, an adjustment is made to the carrying amount of the right-of-use asset or is recorded in income if the amount of the right-of-use asset has been reduced to zero.

Lastly, the Company has elected not to recognise right-of-use assets or lease liabilities for short-term leases with a term of 12 months or less, as well as for low-value asset leases (less than €5,000). These lease payments are recognised as expenses.

The Company recognises deferred tax assets and liabilities on the lease liabilities and the right of use respectively, on the basis that the tax deductions are attributable to the liability.

In the event of renegotiation of a lease (amount of rent and/or term) exceeding the initial provisions of the lease, amendments to leases generally result in the lessee recalculating the lease liability using a revised discount rate in return for a change in the right of use.

In connection with the recognition of leases under IFRS 16 on the date of transition to IFRS on 1 January 2019, the Company has elected to apply the exemption provided for in IFRS 1, which allows it to measure the lease liability at that date at the present value of the remaining lease payments based on the lessee's incremental borrowing rate at the transition date, and the right of use in the amount of the lease liability (adjusted for amounts of prepaid lease payments or benefits received, if any). In addition, contracts with a residual term of less than 12 months at the transition date and contracts for low-value assets have not been restated.

In the course of its business, the Company leases premises, vehicles and equipment.

The main contracts for the periods presented are:

- The 3-6-9 contracts for the Clermont-Ferrand and Lyon offices signed in May and September 2020. The lease periods used correspond to the first three-year period insofar as an extension beyond that period is not reasonably certain given the growing needs for the premises. These are indexed fixed lease payments. The contract for the Lyon offices expired in June 2023.
- The 3-6-9 contract for the new Lyon offices signed in December 2022. The lease term corresponds to the first three-year period as an extension beyond that period is not reasonably certain given the growing needs for the premises. These are indexed fixed lease payments.

Vehicle leases have fixed lease payments and terms of approximately three years that do not contain any early termination or renewal options.

Short-term exempted contracts are mainly for temporary premises. Low-value exempt contracts are mainly for computer hardware.

The rights of use break down as follows:

In €k	Premises	Vehicles	Equipment	Total
Balance as of 31 December 2022	**380**	**65**	**0**	**446**
Depreciation charge for the year	- 178	- 40		- 218
Reversal of depreciation for the year				-
Additions to the "rights of use" asset	120	13	92	225
Derecognition of the "rights of use" asset	- 12			- 12
Balance as of 31 December 2023	**310**	**38**	**92**	**441**
Depreciation charge for the year	- 159	- 47	- 18	- 224
Reversal of depreciation for the year				-
Additions to the "rights of use" asset		52		52
Derecognition of the "rights of use" asset		- 16		- 16
Balance as of 31 December 2024	**151**	**29**	**74**	**253**

In addition, the related impacts on the income statement and in terms of cash flows are as follows:

- Amounts recognised in net income:

In €k	2024.12	2023.12
Interest expense on lease liabilities	17	21
Expenses related to short-term leases	51	31
Expenses related to leases of low-value assets, excluding short-term leases	110	85
Balance as of 31 December 2023	**178**	**137**

- Amounts recognised in cash flows:

In €k	2024.12	2023.12
Total cash outflows from leases	483	423

11. Non-current financial assets

Loans and guarantees given mainly under leases are initially recognised at fair value and subsequently at amortised cost.

Convertible bonds issued by Afyren Neoxy and subscribed by Afyren and Bpifrance: see Note 5.

In €k	2024.12	2023.12
Convertible bonds	1,265	1,117
Deposits and guarantees paid	52	65
Non-current financial assets	**1,317**	**1,182**

Non-current financial assets correspond to:

- Guarantees paid in connection with leases for €0.05 million at 31 December 2024 and €0.06 million at 31 December 2023;
- Convertible bonds issued by Afyren Neoxy and subscribed by Afyren during the first half of 2023:
    - At 31 December 2024, €1.3 million, corresponding to the fair value of the €1.8 million instruments, to which €0.5 million was charged corresponding to AFYREN's share of the 'equity' component of the bonds recognised in Afyren Neoxy's financial statements.
    - At 31 December 2023, €1.1 million, corresponding to the fair value of the instruments of €1.6 million, to which €0.5 million is charged corresponding to Afyren's share of the equity component of the convertible bonds recognised in Afyren Neoxy's accounts.

12. Trade receivables and other current assets

Trade receivables, the shareholder loan granted to Afyren Neoxy and other operating receivables are initially recognised at fair value and subsequently at amortised cost, which generally corresponds to their nominal value.

In accordance with IFRS 9, the Company applies the simplified method in measuring trade receivables and recognises expected impairment losses over their lifetime.

Trade receivables and other current assets break down as follows:

In €k	2024.12	2023.12
Trade receivables	432	466
Impairment of receivables in respect of expected losses	-	-
Total trade receivables	**432**	**466**
Current financial assets	**107**	**99**
Prepaid expenses	123	175
Tax receivables	67	135
Shareholder loans - assets	10,231	-
Research tax credit receivable	571	461
Other current assets	38	54
Total other current assets	**11,030**	**824**

Trade receivables correspond to receivables from Afyren Neoxy under service agreements entered into with the latter.

At 31 December 2024, "Shareholder loans - assets" corresponds to Afyren's contribution of €2.5 million to the financing of its subsidiary Afyren Neoxy in the form of a shareholder loan of €10 million. It is remunerated at the maximum rate of shareholder current account interest deductible for tax purposes and this interest is capitalised.

The "Current financial assets" item amounting to €0.1 million at 31 December 2024 and 31 December 2023 relates to:

- The liquidity account subscribed on 1 November 2021. When signing this 12-month liquidity agreement (with tacit renewal) with ODDO BHF SCA, the Company made a payment of €0.3 million. This sum is intended to finance purchases and sales of treasury shares on the market. During the first half of 2023, Afyren increased the resources made available under the liquidity contract by €0.15 million.
- The share buyback account subscribed in April 2023, as part of a share buyback programme to be used for multi-year free share grant plans. When the first share buyback agreement was signed in April 2023, the Company made a payment of €0.25 million. During the second half of 2023, Afyren increased the resources made available under this share buyback agreement by €0.15 million. In a context of low share prices, this programme limits shareholder dilution resulting from multi-year free share plans. When the second share buyback contract was subscribed in January 2024, the Company made a payment of €0.275 million (for a maximum buyback amount of €0.3 million. The programme ended in May 2024, with 151,947 shares bought back.

13. Cash and cash equivalents

Cash and cash equivalents comprise cash held with other banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value.

In the cash flow statement, this item corresponds to cash and cash equivalents after deducting bank overdrafts.

In €k	2024.12	2023.12
Bank accounts	7,975	5,844
Cash equivalents	25,563	43,715
Cash and cash equivalents in the statement of financial position	**33,538**	**49,559**
Bank overdrafts repayable on demand and used for cash management purposes	-	-
Cash and cash equivalents in the cash flow statement	**33,538**	**49,559**

The “Cash equivalents” item corresponds to term accounts. As of 31 December 2024, these term accounts are open for a period ranging from 3 months to 5 years and are redeemable at any time early subject to 32 days notice.

14. Equity

14.1. Share capital

The issue costs of capital increases are recognised in equity.

The A preferred shares ("A PS") are equity instruments in that they are non-redeemable, entitled to discretionary dividends and have no obligation to deliver a variable number of common shares.

The share subscription warrants (Tranche 2 and Tranche 3 BSAs) attached to the A PS are equity instruments in that they are non-redeemable and give entitlement to a fixed number of ordinary shares.

If the Company buys back its own equity instruments, the amount of consideration paid including directly attributable costs is recognised as a reduction of equity. Shares bought back are classified as treasury shares in the reserve for treasury shares. When treasury shares are sold or reissued, the amount received is recognised as an increase in equity, and the positive or negative balance of the transaction is presented as an issue premium.

The Company's share capital consists of:

	Ordinary shares		A preference shares		Total	
Number of shares:	**2024.12**	**2023.12**	**2024.12**	**2023.12**	**2024.12**	**2023.12**
Outstanding as of 1 January	15,731,425	15,577,403	10,291,165	10,291,165	26,022,590	25,868,568
Capital decrease	-	-	-	-	-	-
Capital increase	87,499	154,022			87,499	154,022
Outstanding as of 31 December - fully paid-up shares	**15,818,924**	**15,731,425**	**10,291,165**	**10,291,165**	**26,110,089**	**26,022,590**

2024 capital transactions

Capital transactions during the 2024 financial year were as follows:

- On 18 June 2024, a capital increase was recorded as a result of the exercise of 62,499 BSPCEs for a total amount of €1,250, through the issue of 62,499 new ordinary shares with a nominal value of €0.02 each. The total exercise price is €128,747, i.e. an issue premium of €127,498.
- On 27 September 2024, a capital increase was recorded as a result of the exercise of 25,000 BSPCEs for a total amount of €500, through the issue of 25,000 new ordinary shares with a nominal value of €0.02 each. The total exercise price is €15,750, representing an issue premium of €15,250.

On 31 December 2024, the capital was thus increased to €522,202, divided into 26,110,089 shares.

2023 capital transactions

Capital transactions during the 2023 financial year were as follows:

- On 21 March 2023, a capital increase was recorded as a result of the exercise of 19,921 BSPCEs for a total amount of €398, through the issue of 19,921 new ordinary shares with a nominal value of €0.02 each. The total exercise price was € 41,037, representing an issue premium of € 40,639.

- On 24 March 2023, a capital increase was recorded following the vesting of free shares granted on 24 March 2022 for an amount of € 1,030, by the issue of 51,524 new ordinary shares with a nominal value of €0.02 each. The capital increase was carried out by drawing on the Company's reserves.
- On 20 June 2023, a capital increase was recorded as a result of the exercise of 23,411 BSPCEs for a total amount of €468, through the issue of 23,411 new ordinary shares with a nominal value of €0.02 each. The total exercise price was €48,227, representing an issue premium of €47,758.
- On 21 June 2023, a capital increase was recorded resulting from the exercise of 9,166 BSPCEs for a total amount of €183, through the issue of 9,166 new ordinary shares with a nominal value of €0.02 each. The total exercise price was €18,882, i.e. an issue premium of €18,699.
- On 1 January 2024, a capital increase was recorded resulting from the exercise of 50 BSA (share purchase warrants) for a total amount of €1,000, through the issue of 50,000 new ordinary shares with a nominal value of €0.02 each. The total exercise price was €70,000, representing an issue premium of €69,000. As the rights were exercised on 17 December 2023, the capital increase is deemed to have been completed on that date.

On 31 December 2023, the share capital was thus increased to €520,452, divided into 26,022,590 shares.

14.2. Capital management

The Company's policy is to maintain a strong capital base in order to maintain investor, creditor and market confidence and to support development activities.

Furthermore, the Company's activities are currently financed mainly by obtaining loans, grants, repayable advances and capital increases.

14.3. Earnings per share

Basic earnings per share base are calculated using earnings attributable to holders of ordinary shares and the following weighted average number of ordinary shares outstanding.

Diluted earnings per share are calculated using earnings attributable to holders of ordinary shares and the following weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

Net income attributable to holders of ordinary (basic) shares

In €k	2024.12	2023.12
Net income for the period attributable to owners of the Company	- 9,754	- 9,586
Net income attributable to holders of ordinary shares	**- 9,754**	**- 9,586**

Weighted average number of ordinary (basic) shares

	2024.12	2023.12
Number of ordinary shares as of 1 January	26,022,590	25,868,568
Capital decrease		-
Capital increase (in number of shares)	87,499	154,022
Weighted average number of ordinary shares as of 31 December	**26,068,822**	**25,941,220**
Basic earnings per share (in €)	**- 0.37**	**- 0.37**
Diluted earnings per share (in €)	**- 0.37**	**- 0.37**

Diluted earnings per share correspond to basic earnings insofar as the BSPCE issued are anti-dilutive given the Company's negative net income.

15. Provisions and contingent liabilities

A provision is recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event, which is likely to result in an outflow of resources and the amount of which can be reliably estimated.

The amount recognised as a provision is the best estimate of the spending required to settle the present obligation at the balance sheet date.

As of 31 December 2024 and 2023, the provision of €0.01 million relates to a labour dispute.

Furthermore, the Company has not identified any contingent liabilities.

16. Borrowings, financial liabilities and lease liabilities

16.1. Main terms and conditions of borrowings and financial liabilities

Financial liabilities are initially recognised at fair value less transaction costs and subsequently at amortised cost using the effective interest method.

In addition, in accordance with the IFRS 1 exemption for government loans, the Company has elected to apply IFRS 9 and IAS 20 prospectively from the transition date of[14] January 2019 to interest-free BPI loans taken out prior to the transition date. Thus, these loans are maintained at their nominal value, without being revalued to their fair value on the initial recognition date and without recognition of a grant component.

The terms and conditions of outstanding loans are as follows:

In €k	Currency	Variable/fixed interest rate	Maturity year	Nominal value	2024.12 Carrying amount	2023.12 Carrying amount
State guaranteed loan (PGE) - BNP	EUR	Fixed rate	2026	780	302	501
State guaranteed loan (PGE) - BPI	EUR	Fixed rate	2026	300	131	206
State guaranteed loan (PGE) - BPAR	EUR	Fixed rate	2026	780	296	491
State guaranteed loan (PGE) - CA	EUR	Fixed rate	2026	780	295	490
Total state guaranteed loans (PGE)				**2,640**	**1,023**	**1,688**
BPI PAI 1 repayable advance	EUR	Average 3-month EURIBOR rate	2023	50	-	-
BPI PAI 2 repayable advance	EUR	Fixed rate	2024	150	-	15
BPI PAI 3 repayable advance	EUR	Fixed rate	2024	302	15	76
BPI PAI 3 repayable advance	EUR	Fixed rate	2025	198	40	79
BPI CMI2 repayable advance	EUR	Fixed rate	2024	573	-	134
Total repayable advances				**1,273**	**55**	**303**
BPI ADI Zero rate	EUR	Fixed rate	2024	690	-	138
BNP Investissement 2024	EUR	Variable rate	2027	260	239	-
Total equity loan	EUR	Fixed rate	2024	400	-	45
BPI R&D Innovation loan 1	EUR	Fixed rate	2027	750	488	638
BPI R&D Innovation loan 2	EUR	Fixed rate	2028	200	160	200
BPI R&D Innovation loan 3	EUR	Fixed rate	2030	1,000	1,000	1,000
BP Boehringer loan	EUR	Fixed rate	2027	75	34	49
BPI Prospecting insurance	EUR	Fixed rate	2029	52	52	52
Total other borrowings				**3,427**	**1,973**	**2,121**
Lease liability	EUR	Fixed rate		**250**	**250**	**432**
Accrued interest					**16**	**242**
Total				**7,590**	**3,317**	**4,787**
Current portion					**1,282**	**1,610**
Non-current portion					**2,035**	**3,176**

16.2. Table showing changes in borrowings, financial liabilities and lease liabilities, distinguishing between cash flows and other flows

Changes in borrowings and financial liabilities as well as lease liabilities break down as follows:

In €k	2023.12	Cash flow			Non-monetary changes			2024.12
		Proceeds from new borrowings	Interest flows paid	Debt repayment	Interest expenses	Impact of IFRS 16 - Leases	Reclassification	
Other borrowings	2,951						-979	1,972
Non-current lease liabilities	225					29	-193	61
Total non-current borrowings and liabilities	**3,176**	**-**	**-**	**-**	**-**	**29**	**-1,172**	**2,033**
Other borrowings	1,402	260	-93	-1,322	-133		979	1,093
Current lease liabilities	208		-20	-235	20	21	193	188
Total current borrowings and financial liabilities	**1,611**	**260**	**-113**	**-1,556**	**-113**	**21**	**1,172**	**1,282**

In €k	2022.12	Cash flow			Non-monetary changes			2024.12
		Proceeds from new borrowings	Interest flows paid	Debt repayment	Interest expenses	Impact of IFRS 16 - Leases	Reclassification	
Convertible bonds	-						-	-
Other borrowings	3,259				1		-309	2,951
Non-current lease liabilities	226			-209		229	-21	225
Total non-current borrowings and liabilities	**3,485**	**-**	**-**	**-209**	**1**	**229**	**-330**	**3,176**
Convertible bonds	3,412		-178	-3,567	333			0
Other borrowings	1,455	1,000	-53	-1,361	53		309	1,402
Current lease liabilities	187		-21			21	21	208
Total current borrowings and financial liabilities	**5,054**	**1,000**	**-253**	**-4,928**	**386**	**21**	**330**	**1,611**

At the end of March 2023, AFYREN repaid in cash the convertible bonds issued in March 2020 for €3.6 million.

In 2023, the Company took out an R&D innovation loan from Bpifrance for €1 million.

In 2024, AFYREN took out a 36-month loan of €0.3 million from BNP to finance refurbishment work on its R&D premises.

17. Current and non-current trade and other liabilities

Trade payables are initially recognised at fair value and subsequently at amortised cost, which generally corresponds to their nominal value.

Trade payables and other liabilities break down as follows:

In €k	2024.12	2023.12
Total trade payables	**526**	**388**
Current deferred income (customer contract liabilities)	**-**	**1,321**
Social security liabilities	930	1,009
Tax liabilities	98	85
Other current liabilities	6	-
Total other current liabilities	**1,035**	**1,095**
Non-current deferred income (customer contract liabilities)	- 0	0
Non-current deferred income (grant)	898	962
Total	**2,458**	**3,767**

Regarding current and non-current deferred income relating to customer contract liabilities - see Note 6.2.

Other non-current deferred income relates to investment grants received and mainly includes two grants:

- CMI grant for €0.6 million received as part of Bpifrance's innovation support programme;
- Booster R&D grant received as part of the project to demonstrate the semi-industrial production of natural products in the Auvergne-Rhône-Alpes region.

18. Financial instruments and risk management

18.1. Classification and fair value of financial instruments

The levels in the fair value hierarchy are as follows:

- Level 1: fair value based on quoted prices of the instrument in an active market;
- Level 2: fair value measured using observable market data (other than the instrument's quoted prices included in level 2);
- Level 3: fair value is determined using valuation methods based on unobservable market data.

In €k	Accounting category	Level in the fair value hierarchy	2024.12 Total net carrying amount	2024.12 Fair value	2023.12 Total net carrying amount	2023.12 Fair value
Convertible bonds	Fair value through profit or loss	Level 3 - Note 6	1,265	1,265	1,117	1,117
Deposits and guarantees	Fair value	Level 2 - Note 2	52	52	65	65
Total non-current financial assets			**1,317**	**1,317**	**1,182**	**1,182**
Trade receivables	Amortised cost	Note 1	432	432	466	466
Current financial assets	Amortised cost	Note 1	107	107	99	99
Other current financial assets	Amortised cost	Note 1	10,260	10,260	33	33
Cash and cash equivalents	Amortised cost	Note 1	33,538	33,538	49,559	49,559
Total current financial assets			**44,337**	**44,337**	**50,157**	**50,157**
Total assets			**45,654**	**45,654**	**51,339**	**51,339**
Borrowings and financial liabilities	Amortised cost	Level 2 - Note 5	1,972	1,972	2,951	2,951
Total non-current financial liabilities			**1,972**	**1,972**	**2,951**	**2,951**
Non-current lease liability	Amortised cost	Level 2 - Note 3	**62**	**62**	**224**	**224**
Borrowings and financial liabilities	Amortised cost	Level 2 - Note 5	1,093	1,093	1,402	1,402
Trade payables	Amortised cost	Note 1	526	526	388	388
Total current financial liabilities			**1,619**	**1,619**	**1,790**	**1,790**
Current lease liability	Amortised cost	Note 3	**188**	**188**	**208**	**208**
Total liabilities			**3,842**	**3,842**	**5,174**	**5,174**

Note 1 - The net carrying amount of current financial assets and liabilities is considered to be an approximation of their fair value.

Note 2 - The difference between the carrying amount and the fair value of borrowings and guarantees is not considered significant.

Note 3 - As permitted by IFRS, the fair value of the lease liability and its level in the fair value hierarchy is not provided.

Note 5 - The fair value of borrowings and financial liabilities has been estimated using the discounted future cash flow method at a market rate. However, the difference with the carrying amount of the instruments is not significant given the slight change in the Company's risk-free interest rates and credit spread.

Note 6 – The fair value of the convertible bonds issued by Afyren Neoxy and subscribed by Afyren was estimated on the basis of a Black-Scholes model.

The main assumptions are as follows:

	11/05/2023	31/12/2023	31/12/2024
Fair value per share (in €)	1.00	1.00	1.00
Risk-free interest rate	2.74%	2.28%	2.36%
Dividend yield	0.00%	0.00%	0.00%
Expected share price volatility	48.06%	43.86%	46.94%
Credit spread (basis points)	1,567 bp	1,383 bp	1,383 bp

On 31 December 2024, a change in the share price of +/- 0.5% would lead to a change in fair value of +€0.9 million / -€0.5 million. A change in share volatility of +/- 10% would lead to a change in fair value of +/- €0.2 million A change in the credit spread of +/- 1% would lead to a change in the fair value of -/+€0.06 million.

As of 31 December 2023, a change of +/- 0.5% in the share price would lead to a change in fair value of +€1 million /-€0.6 million. A change in volatility of +/- 10% would lead to a change in fair value of +/-€0.2 million. A change in the credit spread of +/- 1% would lead to a change in the fair value of -/+€0.07 million.

As of 31 May 2023, a change of +/- 0.5% in the share price would lead to a change in fair value of +€1 million /-€0.7 million. A change in volatility of +/- 10% would lead to a change in fair value of +/-€0.2 million. A change in the credit spread of +/- 1% would lead to a change in the fair value of -/+€0.07 million.

18.2. Risk management

The Company is exposed to interest rate risk, credit risk and liquidity risk.

18.2.1. Interest rate risk

The Company's interest rate risk is limited insofar as its main borrowings and loans are at fixed rates, including the convertible bonds issued by Afyren Neoxy and subscribed by Afyren. The Company does not use any derivative financial instruments to hedge its interest rate risk.

18.2.2. Credit risk

Credit risk represents the risk of financial loss for the Company in the event that a customer or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amounts of financial assets represent the maximum exposure to credit risk.

Cash and cash equivalents

The Company's cash and cash equivalents are held with leading banking and financial institution counterparties.

The Company believes that its cash and cash equivalents present a very low credit risk given the external credit ratings of its counterparties.

Trade receivables and contract assets

The Company has limited exposure to credit risk related to trade receivables. Trade receivables consist only of receivables with its Afyren Neoxy joint venture.

At 31 December 2024 and 2023, no impairment of receivables or proven losses was recognised.

18.2.3. Liquidity risks

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations related to financial liabilities that will be settled by delivery of cash or other financial assets. The Company's objective in managing liquidity risk is to ensure, to the extent possible, that it will have sufficient liquidity to meet its liabilities as they fall due, under normal or "stressed" conditions, without incurring unacceptable losses or damaging the Company's reputation.

The residual contractual maturities of financial liabilities at the balance sheet date are as follows. Amounts are expressed on a gross, undiscounted basis and include contractual interest payments.

	In €k	Contractual financial flows				
2024.12	**Carrying amount**	**Total**	**less than one year**	**1 to 2 years**	**Due in 1 to 5 years**	**More than 5 years**
Convertible bonds	-	-	-	-	-	-
Other borrowings and financial liabilities	3,066	3,256	1,150	948	953	205
Lease liabilities	250	266	197	37	32	-
Trade payables	0	0	0	-	-	-
Total financial liabilities	**3,316**	**3,521**	**1,347**	**985**	**984**	**205**

	In €k	Contractual financial flows				
2023.12	**Carrying amount**	**Total**	**less than one year**	**1 to 2 years**	**Due in 1 to 5 years**	**More than 5 years**
Convertible bonds	0	-	-	-	-	-
Other borrowings and financial liabilities	4,354	4,586	1,571	1,018	1,579	418
Lease liabilities	432	432	203	155	74	-
Trade payables	-	-	-	-	-	-
Total financial liabilities	**4,786**	**5,018**	**1,774**	**1,172**	**1,653**	**418**

19. Related party transaction

The compensation of the main corporate officers is provided in note 6.5.5.

Transactions with Afyren Neoxy are as follows:

K€	2024.12	2023.12
Non-current financial asset	1,265	1,117
Trade receivable	432	463
Shareholder loans - assets	10,231	-
Customer contract liabilities (deferred income)	-	1,321
Financial expenses	-47	-98
Financial income	387	70
Other purchases and external expenses	269	185
Revenues	2,862	3,379
- Licensing income and development of industrial know-how	*1,370*	*1,417*
- Other services	*1,492*	*1,962*

20. Off-balance sheet commitment

In €k	2024.12	2023.12
Guarantees given (related to BPI advances)	33	33
Guarantees received:		
Guarantee received from BPI: National guarantee fund - Equity loan for the start-up of SMEs and VSEs.	22	38
Guarantee received from BPI: Auvergne PPA fund	-	6
Guarantee received from BPI: AI/SI Intervention Guarantee Fund	-	1
Guarantee received from BPI: European Investment Fund	22	30

In €k	2024.12	2023.12
Guarantees given (related to BPI advances)	33	33
20% guarantee on Afyren Neoxy's SSL loan	1,200	-
Guarantees received:		
Guarantee received from BPI: National guarantee fund - Equity loan for the start-up of SMEs and VSEs.	22	38
Guarantee received from BPI: Auvergne PPA fund	-	6
Guarantee received from BPI: AI/SI Intervention Guarantee Fund	-	1
Guarantee received from BPI: European Investment Fund	22	30

21. Statutory auditor's fees

The fees paid by the Company to its statutory auditor for 2024 and 2023 are as follows:

K€	RSM	
	2024.12	2023.12
Certification of individual financial statements	85	82
Other work and services directly related to the statutory audit	5	4
Statutory audit fees	**90**	**86**

AFYREN

Head office: 9-11 RUE GUTENBERG - 63000 CLERMONT-FERRAND

Limited company with a share capital of 522 201 euros

STATUTORY AUDITOR’S REPORT ON THE IFRS FINANCIAL STATEMENTS

For the year ended 31 December 2024

To the Board of Directors of AFYREN

In our capacity as statutory auditor of the company AFYREN S.A, and in the context of the annual financial report on the multilateral trading facility Euronext Growth market, we have audited, upon your request, the accompanying IFRS financial statements prepared under International Financial Reporting Standards (“IFRS”) as adopted by the European Union for the year ended December 31, 2024.

These financial statements are the responsibility of the Board of Directors. Our role is to express an opinion on these IFRS financial statements based on our audit.

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selections, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements, present fairly, in all material respects, the assets and liabilities and the financial position of the Group as at December 31, 2024, and the results of its operations for the years then ended in accordance with IFRS as adopted by the European Union.

Lyon, March 26th, 2025

The statutory auditor

RSM Rhône-Alpes

Gael DHALLUIN

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