

# FINANCIAL REPORT

● ● 2024 HALF-YEARLY

AFYREN NEOXY 





# SOMMAIRE



<b>1.</b>	<b>DECLARATION BY THE PERSON RESPONSIBLE</b>	<b>4</b>
<b>2.</b>	<b>HALF-YEARLY BUSINESS REPORT</b>	<b>6</b>
2.1	alternative performance indicators	7
2.2	outlook and trends	7
2.3	significant events during the period	8
2.4	business commentary	11
2.5	investments	16
2.6	stake in the equity-accounted company	16
2.7	main related party transactions	16
2.8	subsequent events	16
2.9	description of the main risks and uncertainties for the remaining six months	17
<b>3.</b>	<b>HALF-YEARLY CONSOLIDATED FINANCIAL STATEMENTS</b>	<b>18</b>
3.1	HALF-YEARLY CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2024	19
3.2	NOTES TO THE HALF-YEARLY SUMMARY FINANCIAL STATEMENTS	24
Note 1	Description of the Company and the business	24
Note 2	Basis of preparation	24
Note 3	Significant events during the period	26
Note 4	Subsequent events	29
Note 5	Equity-accounted investment in AFYREN NEOXY	30
Note 6	Operational data	32
Note 7	Net financial income (expense)	37
Note 8	Income tax	38
Note 9	Intangible assets and property, plant and equipment	38
Note 10	Leases	40
Note 11	Non-current financial assets	41
Note 12	Trade receivables and other current assets	42
Note 13	Cash and cash equivalents	43
Note 14	Equity	43
Note 15	Provisions and contingent liabilities	45
Note 16	Borrowings, financial liabilities and lease liabilities	45
Note 17	Current and non-current trade and other liabilities	46
Note 18	Financial instruments and risk management	47
Note 19	Related party transaction	48
Note 20	Off-balance sheet commitment	49
3.3	STATUTORY AUDITOR'S LIMITED REVIEW REPORT	50





# 01

## DECLARATION BY THE PERSON RESPONSIBLE



# 1. DECLARATION BY THE PERSON RESPONSIBLE FOR THE ANNUAL FINANCIAL REPORT

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*"I certify that to my knowledge, the condensed IFRS financial statements for the past six months have been prepared in accordance with the applicable accounting standards and provide a true and fair view of the net assets, financial position and financial performance of the Company. I equally certify that to my knowledge, the attached half-yearly business report faithfully represents the significant events that have occurred during the first six months of the financial year and their impact on the financial statements, as well as the main transactions that have taken place with related parties, and provide a description of the principal risks and uncertainties associated with the remaining six months of the financial year".*

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Nicolas Sordet, Chief Executive Officer

Signed in Lyon, France, on 30 September 2024





02

HALF-YEARLY  
BUSINESS REPORT

AFYREN NEOXY 



## 2. HALF-YEARLY BUSINESS REPORT

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### 2.1 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 for the first half of 2024 as the Company has not recorded 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. It complements other, more operational indicators such as committed and installed capacity, and ESG (environmental, social and governance) performance indicators, which are included in the Company's sustainability report.

These indicators are described in detail in Chapter 2 - Management Report, section 2.11 - Alternative Performance Indicators of the Company's 2023 Annual Financial Report.

### 2.2 OUTLOOK AND TRENDS

- **Financial objectives**

As of the date of this Half-yearly Financial Report, AFYREN aims to start up continuous production at AFYREN NEOXY, the first industrial-scale production unit using its technology.

Experience feedback from AFYREN NEOXY is a prerequisite for launching more advanced engineering studies on two projects: a plant in Thailand targeting the Asian market and the extension of the French plant to meet demand in Europe.

AFYREN aims for:

- three production units with an installed capacity of around 70,000 tonnes of acids in 2028, including at least two in continuous production (including the existing AFYREN NEOXY plant). These three 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:

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



## 2.3 SIGNIFICANT EVENTS DURING THE PERIOD

### 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.

Agronomic studies carried out on various crops (tomatoes, cucumbers, potatoes, wheat) have demonstrated the qualities of AFYREN NEOXY fertiliser, which is rich in potassium and low in chlorine. This fertiliser complies with organic farming specifications and its properties make it particularly suitable for demanding crops such as vines, arboriculture and market gardening.

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.

AFYREN is also announcing the completion of work that had been planned for a long time, enabling it to improve the management of operations and launch continuous production under optimal conditions.

As continuous production had not started by 30 June 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. Its purpose is to manage commercial relations in Asia on behalf of the planned Thai joint venture with Mitr Phol, Thailand's leading group in the production of cane sugar and its derivatives. At the date of this half-yearly financial report, the subsidiary has not commenced operations and its financial statements are 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/>.

### **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 Nouredine 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**

During the first half of 2024, AFYREN contributed €2.5 million to the financing of its subsidiary AFYREN NEOXY by means of a shareholder loan.

### **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.

As of 30 June 2024, the following resources were included in the liquidity account:

- Number of shares: 69,875 shares
- Cash balance of the liquidity account: €84,221

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 January 2024, the Board of Directors used the authorisation granted to it under the eighteenth resolution adopted by the combined general meeting of 21 June 2023 to grant 12,868 2023 free shares to two Company employees.

It also recorded the definitive vesting of 10,075 shares granted in 2023 to three employees and 25,762 free ordinary shares to each of the two executives, in accordance with the grant decided by the Board of Directors on 24 March 2022.

Lastly, it recorded the cancellation of 30,670 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 €1,249.98, corresponding to 62,499 shares with a nominal value of €0.02 each.

### **Long-term incentive plan (LTIP)**

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.

## **AFYREN NEOXY**

- **Operations**

The recent developments of AFYREN NEOXY are described above.

- **Financing**

During the first half of 2024, AFYREN contributed €2.5 million to the financing of its subsidiary AFYREN NEOXY by means of a shareholder loan.

## **2.4 BUSINESS COMMENTARY**

The reader is invited to read the following information relating to the Company's financial position and results together with the Company's condensed financial statements prepared for the purposes of the half-yearly financial report for the first half of 2023 and 2024, which have been subject to a limited review by the statutory auditor whose limited review report is presented in section 3.3.

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

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union ("EU-IFRS").

Figures in thousands of euros in the tables and analyses in this section have been rounded. As a result, the totals may not correspond to the sum of the separately rounded figures. Similarly, the sum of the percentages, calculated from rounded figures, may not add up to 100%.



- Key financial figures

In € thousands	2024.06	2023.06	Change
<b>Revenues</b>	<b>1,364</b>	<b>1,956</b>	<b>-30%</b>
Of which license and development of industrial know-how	709	708	-
Of which other services	656	1,247	-47%
Current operating income	(3,590)	(3,097)	+16%
<b>Operating income</b>	<b>(3,590)</b>	<b>(3,097)</b>	<b>+16%</b>
Net financial income	978	503	+94%
Share in income of equity-accounted companies	(2,710)	(2,529)	+7%
<b>Net income</b>	<b>(5,322)</b>	<b>(5,123)</b>	<b>+4%</b>

In the first half of 2024, **the Group's result were generally in line with the same period of 2023**, pending the start of continuous production and revenue from product sales.

In € thousands	2024.06	2023.12
Non-current assets	16,671	19,479
<i>Of which equity-accounted securities</i>	<i>11,475</i>	<i>14,185</i>
<b>Current assets</b>	<b>47,246</b>	<b>50,948</b>
<i>Of which cash and cash equivalents</i>	<i>43,402</i>	<i>49,559</i>
<b>Total assets</b>	<b>63,917</b>	<b>70,427</b>
<b>Equity</b>	<b>56,734</b>	<b>61,799</b>
<b>Non-current liabilities</b>	<b>3,477</b>	<b>4,213</b>
<i>Of which borrowings and financial liabilities<sup>1</sup></i>	<i>2,390</i>	<i>3,176</i>
<b>Current liabilities</b>	<b>3,706</b>	<b>4,414</b>
<i>Of which borrowings and financial liabilities<sup>1</sup></i>	<i>1,585</i>	<i>1,611</i>
<b>Total liabilities</b>	<b>63,917</b>	<b>70,427</b>

The **Company had cash and cash equivalents of €43.4 million**, corresponding to a cash outflow of €6.2 million over the first six months of 2024, of which approximately €2.5 million relates to short-term financing of the subsidiary AFYREN NEOXY via a shareholder loan.

At 30 June 2024, **total financial debt amounted to €4.0 million**. Debt repayments amounted to €0.8 million in the first half.

The reader is invited to refer to the notes to the IFRS financial statements for the half year ended 30 June 2024 in section 3.2 for a review of the financial statements and results

<sup>1</sup> Including lease liabilities, which represent €121 thousand at end-June 2024 for the non-current portion and €193 thousand for the current portion.





## • Revenues

The accounting treatment and components of revenues are detailed in note 6.2 to the IFRS financial statements for the half year ended 30 June 2024 in section 3.2.

In € thousands	2024.06	2023.06
Licence and development of industrial know-how	709	708
Other services	656	1,247
<b>Total revenues</b>	<b>1,364</b>	<b>1,956</b>

### Change in revenues by type

The Company's revenues amounted to €1.36 million in the first half of 2024, compared with €1.96 million in the first half of 2023, in line with the decline in services provided to its subsidiary AFYREN NEOXY.

Revenues are essentially made up of:

- income from patent and know-how licenses granted to AFYREN NEOXY since December 2018 for a total of €0.7 million in the first half of 2024 (€1.4 million on an annual basis) unchanged from the first half of 2023;
- various contracts for provision and other service provision (technical, commercial, administrative, etc.) signed with AFYREN NEOXY for a total of €0.7 million in the first half of 2024, down due to the reduction in administrative services linked to specific projects and, more generally, an increased activity of on-site teams.

## • Current operating income

### Operating expenses

Net operating expenses amounted to €5.0 million in the first half of 2024, down slightly from €5.1 million in the first half of 2023.

These expenses include:

- purchases and external expenses, up €0.1 million, including expenses related to the development of the Group's next plants.
- personnel expenses, down €0.2 million, due to lower costs for share-based payments. The average number of full-time equivalents (FTEs) was 46, compared with 40 at 30 June 2023 (excluding AFYREN NEOXY).

In addition, research and development spending recognised as expenses amounted to €0.9 million in the first half of 2024, stable compared with the same period in 2023.

These items are detailed in note 6.4 to the IFRS financial statements in section 3.2.

### Current operating income

Current operating income came to €(3.6) million, with lower expenses partially offsetting lower revenues.



- [Formation of net income](#)

### Net financial income (expense)

Net financial income was positive in the first half of 2024: financial income from deposits totalled €1.0 million in the first half of 2024, compared with €0.7 million in the first half of 2023. Financial expenses were lower in 2024 than in the first half of 2023, which included interest linked to IFRS restatements (on convertible bonds and licence agreements).

### Share in income of equity-accounted company (net of tax)

AFYREN NEOXY's share of net income was €(2.7) million in the first half of 2024, compared with €(2.5) million in the first half 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 in section 3.2.

In the first half of 2024, AFYREN NEOXY's comprehensive income was €(5.3) million compared with €(5.0) million in the first half of 2023.

- [Net income](#)

Net income was €(5.3) million at the end of June 2024, compared with €(5.1) million at the end of June 2023, reflecting good cost control pending the positive contribution from the AFYREN NEOXY plant, once it has started continuous production.

- [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	2024.06	2023.06
State guaranteed loan (PGE)	1,356	1,688
Repayable advances	149	303
Other borrowings	1,905	2,121
Accrued interest	250	242
<b>Total borrowings</b>	<b>3,660</b>	<b>4,354</b>
Lease liabilities (IFRS 16)	314	433
<b>Total borrowings and financial liabilities</b>	<b>3,974</b>	<b>4,787</b>
<b>Total cash and cash equivalents</b>	<b>43,402</b>	<b>49,559</b>

At 30 June 2024, AFYREN's total financial debt was €4.0 million including lease liabilities and €3.7 million excluding lease liabilities. The Group has a cash position of €43.4 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 in section 3.2.

- **Simplified cash flow statement**

In € thousands	2024.06	2023.06
<b>Net income for the period</b>	<b>(5,322)</b>	<b>(5,123)</b>
Depreciation of fixed assets and rights of use	405	406
Net financial income	(978)	(503)
Share in income of equity-accounted company (net of tax)	2,710	2,529
Cost of share-based payments	401	593
Other	36	49
<b>Cash flow</b>	<b>(2,748)</b>	<b>(2,049)</b>
Net change in WCR	(635)	(258)
<b>Net cash from operating activities</b>	<b>(3,383)</b>	<b>(2,307)</b>
<b>Net cash used in investing activities</b>	<b>(1,735)</b>	<b>(3,557)</b>
<b>Net cash used in financing activities</b>	<b>(1,039)</b>	<b>(3,816)</b>
<b>Net change in cash and cash equivalents</b>	<b>(6,157)</b>	<b>(9,681)</b>

- **Change in working capital requirement (WCR)**

In € thousands	2024.06	2023.06
Trade receivables	115	(448)
Customer contract liabilities	(684)	(611)
Trade payables	(106)	98
Provisions and employee benefits	1	(9)
Other current receivables/payables	40	713
<b>Total changes</b>	<b>(635)</b>	<b>(258)</b>

At 30 June 2023, other current receivables/payables were primarily tax-related.

- **Cash flow from investing activities**

At 30 June 2024, AFYREN recorded an expense of €1.7 million from investing activities, corresponding mainly to AFYREN's contribution to the financing of its subsidiary AFYREN NEOXY through a shareholder loan, net of interest received from the investment of cash (€0.8 million).

At 30 June 2023, AFYREN had used cash of €3.6 million, mainly as a result of subscribing to a capital increase (for €2.0 million) and an AFYREN NEOXY convertible bond (for €1.5 million).

- **Cash flow from financing activities**

At 30 June 2024, net cash used by financing activities amounted to €1.0 million, mainly reflecting loan repayments.

New borrowings and repayments are described in Note 16 (Borrowings, financial liabilities and lease liabilities) to the IFRS financial statements in section 3.2.



## 2.5 INVESTMENTS

### Main investments made

The main investments made by AFYREN over the period relate to 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.

## 2.6 STAKE IN THE EQUITY-ACCOUNTED COMPANY

The following table summarises the financial information of AFYREN NEOXY as prepared in its 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 € thousands	2024.06	2023.12
Stake (%)	51%	51%
Non-current assets	76,750	74,559
Current assets excluding cash and cash equivalents	4,914	4,840
Cash and cash equivalents	(1,630)	7,450
Non-current liabilities	33,135	34,206
Current liabilities	24,600	25,039
Net assets (100%)	<b>22,298</b>	<b>27,604</b>
<b>Net assets attributable to AFYREN</b>	<b>11,475<sup>2</sup></b>	<b>14,185</b>

Additional financing requirements are covered temporarily by a shareholder loan from AFYREN to its subsidiary AFYREN NEOXY.

## 2.7 MAIN RELATED PARTY TRANSACTIONS

The main transactions with related parties are detailed in Note 19 of the Condensed Financial Statements as of 30 June 2024 in section 3.2.

## 2.8 SUBSEQUENT EVENTS

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 July 2024, AFYREN's Board of Directors used the authorisation granted by the combined general meeting of 19 June 2024 to grant 4,000 new free shares to an executive employee of a subsidiary.

In July 2024, AFYREN recorded the definitive vesting of 815 free ordinary shares granted in 2023 to an employee and the exercise of 25,000 BSPCE3 by an employee.

<sup>2</sup> Including €85 thousand in goodwill





In July 2024, AFYREN announced the initiation of coverage of its share by Bryan, Garnier & Co, an independent European investment bank, with a study entitled "AFYREN: all the indicators are green".

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.

In September 2024, AFYREN closed 9478-2687 Québec Inc, a subsidiary created during the 2022 financial year, which had remained inactive and whose accounts were not material. This should be effective by the end of 2024.

On the occasion of the Company's 2024 half-year results, AFYREN is also providing an update on the start-up work on the AFYREN NEOXY plant. Despite tangible progress, enabling first product commercialization to customers, adjustments in operations are needed to reach continuous production. These relate to the separation-purification, in particular with the ongoing replacement of a piece of equipment damaged by a corrosion incident, with the ambition to resume full production cycles at the end of November 2024. Achieving the objective of continuous production by the end of 2024 therefore depends on replacing this equipment without delay and more generally, the ongoing improvement in the reliability of separation-purification.

The objective of reaching break-even of the plant in 2025 is confirmed.

Operating costs related to the start-up as well as the necessary investments, are covered for now by a shareholder loan from AFYREN to its subsidiary AFYREN NEOXY. To date, this financing facility amounts to €7.8 million. A more comprehensive financing package, including debt financing, is currently being structured. AFYREN would participate in this plan as a 51% shareholder in AFYREN NEOXY by mobilizing part of its available cash. It would cover start-up delays and the ramp-up period, right through to financial equilibrium.

## **2.9 DESCRIPTION OF THE MAIN RISKS AND UNCERTAINTIES FOR THE REMAINING SIX MONTHS**

The main risks and uncertainties to which the Company believes it is exposed as of the date of this half-yearly financial report are detailed in section 2.9 "Risk factors" of the 2023 annual financial report, published on 10 April 2024 and available [here](#). These risk factors remain applicable as of the date of this report and have not changed significantly.



03

# HALF-YEARLY CONSOLIDATED FINANCIAL STATEMENTS





# 3. HALF-YEARLY CONSOLIDATED FINANCIAL STATEMENTS

## 3.1 HALF-YEARLY CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2024

- Condensed half-yearly consolidated income statement

In €k	Notes	2024.06	2023.06
Revenues	6.2	1,364	1,956
Other income	6.3	242	226
Purchases and external expenses	6.4	-1,675	-1,538
Payroll costs	6.4	-3,029	-3,249
Depreciation of fixed assets and rights of use	9. & 10.	-405	-406
Other expenses		-88	-86
<b>Current operating income</b>		<b>-3,590</b>	<b>-3,097</b>
Non-current operating income		-	-
<b>Operating income</b>		<b>-3,590</b>	<b>-3,097</b>
Financial income	7.	1,051	746
Financial expenses	7.	-73	-243
<b>Net financial income</b>		<b>978</b>	<b>503</b>
Share in income of equity-accounted company (net of tax)	5.	-2,710	-2,529
<b>Income before tax</b>		<b>-5,322</b>	<b>-5,123</b>
Income tax	8.	0	-
<b>Net income for the period</b>		<b>-5,322</b>	<b>-5,123</b>
<b>Earnings per share</b>			
Basic earnings per share (in euros)	14.2	-0.20	-0.20
Diluted earnings per share (in euros)	14.2	-0.20	-0.20



- Condensed half-yearly consolidated statement of comprehensive income

In €k	Notes	2024.06	2023.06
<b>Net income for the period</b>		-5,322	-5,123
<b>Other comprehensive income</b>			
Revaluations of defined benefit liabilities (actuarial gains and losses)		1	1
Related tax		0	0
Equity-accounted company - share of other comprehensive income (actuarial gains and losses, net of tax)		0	0
<b>Total items that will not be reclassified subsequently to profit or loss</b>		<b>1</b>	<b>1</b>
<b>Total items that will be reclassified subsequently to profit or loss</b>		<b>-</b>	<b>-</b>
<b>Other comprehensive income for the period, net of tax</b>		<b>1</b>	<b>1</b>
<b>Comprehensive income for the period</b>		<b>-5,322</b>	<b>-5,121</b>



- Condensed half-yearly consolidated financial statements

In €k	Note	2024.06	2023.12
Intangible assets	9.1.	3,146	3,333
Property, plant and equipment	9.2.	285	338
Rights of use	10.	328	441
Equity-accounted securities	5.	11,475	14,185
Non-current financial assets		1,437	1,182
<b>Non-current assets</b>		<b>16,671</b>	<b>19,479</b>
Trade receivables	12.	352	466
Current financial assets	12.	100	99
Other current assets	12.	3,392	824
Cash and cash equivalents	13.	43,402	49,559
<b>Current assets</b>		<b>47,246</b>	<b>50,948</b>
<b>Total assets</b>		<b>63,917</b>	<b>70,427</b>
		2024.06	2023.12
Share capital	14.	522	520
Issue premiums	14.	85,391	85,264
Reserves	14.	-9,815	-4,679
Retained earnings	14.	-14,042	-9,720
Net income for the period	14.	-5,322	-9,586
<b>Equity attributable to the owners of the Company</b>		<b>56,733</b>	<b>61,799</b>
Non-current borrowings and financial liabilities	16.	2,269	2,952
Non-current lease liabilities	16.	121	224
Defined benefit liabilities		61	61
Non-current provisions	15.	14	14
Non-current deferred income (customer contract liabilities)	6.2.	0	0
Non-current deferred income (grant)	17.	1,012	962
<b>Non-current liabilities</b>		<b>3,477</b>	<b>4,213</b>
Current borrowings and financial liabilities	16.	1,391	1,402
Current lease liabilities	16.	193	208
Trade payables	16.	282	388
Current deferred income (customer contract liabilities)	6.2.	637	1,321
Other current liabilities	17.	1,202	1,095
<b>Current liabilities</b>		<b>3,706</b>	<b>4,414</b>
<b>Total liabilities</b>		<b>7,183</b>	<b>8,628</b>
<b>Total equity and liabilities</b>		<b>63,917</b>	<b>70,427</b>





- Condensed half-yearly statement of changes in equity

In €k	Note	Share capital	Issue premiums	Equity component of convertible bonds	Treasury share reserve	Other reserves	Retained earnings	Net income for the period	Total shareholders' equity
<b>Position as of 1 January 2023</b>		517	85,089	227	-173	346	-5,828	-9,200	70,977
Net income for the period								-5,123	-5,123
Other comprehensive income for the period				-	-	1			1
<b>Comprehensive income for the period</b>		-	-			1	-	-5,123	-5,121
Appropriation of earnings from previous year						-5,308	-3,892	9,200	-
Capital increase	14.	2	91						93
Repaid convertible bonds	16.			-227					-227
Share-based payments settled in equity instruments	6.4.1					401			401
Purchases/sales of treasury shares					-202				-202
<b>Total transactions with the Company's owners</b>		2	91	-227	-202	-4,907	-3,892	9,200	64
<b>Position as of 30 June 2023</b>		519	85,179	-	-375	-4,561	-9,720	-5,123	65,920
<b>Position as of 1 January 2024</b>		520	85,264	-	-592	-4,087	-9,720	-9,586	61,799
Net income for the period								-5,322	-5,322
Other comprehensive income for the period						1			1
<b>Comprehensive income for the period</b>		-	-	-	-	1	-	-5,322	-5,322
Appropriation of earnings from previous year						-5,264	-4,322	9,586	-
Capital increase	14.	1	127						129
Repaid convertible bonds	16.			-					-
Share-based payments settled in equity instruments	6.4.1					401			401
Purchases/sales of treasury shares					-274				-274
<b>Total transactions with the Company's owners</b>		1	127	-	-274	-4,863	-4,322	9,586	256
<b>Position as of 30 June 2024</b>		522	85,391	-	-865	-8,950	-14,042	-5,322	56,733



- Notes to the condensed half-yearly financial statements

In €k	Note	2024.06	2023.06
<b>Net income for the period</b>		<b>-5,322</b>	<b>-5,123</b>
<i>Adjustments for:</i>			
– Depreciation of fixed assets and rights of use	9. & 10.	405	406
– Net financial income	7.	-978	-503
– Share in income of equity-accounted company (net of tax)	5.	2,710	2,529
– Gains and losses on disposal of property, plant and equipment		14	14
– Cost of share-based payments	6.4.1	401	593
– Income tax	8.	-0	-
– Other items		22	35
<b>Total elimination of expenses and income with no impact on cash</b>		<b>2,574</b>	<b>3,074</b>
<b>Total cash flow</b>		<b>-2,748</b>	<b>-2,049</b>
<i>Changes in:</i>			
– Trade receivables	12.	115	-448
– Customer contract liabilities	6.2	-684	-611
– Trade payables	17.	-106	98
– Provisions and employee benefits	6.4.1	1	-9
– Other current receivables/payables	12. & 17.	40	713
<b>Total changes</b>		<b>-635</b>	<b>-258</b>
<b>Cash flows from operating activities</b>		<b>-3,383</b>	<b>-2,307</b>
Taxes paid	8.	-	-
<b>Net cash from operating activities</b>		<b>-3,383</b>	<b>-2,307</b>
Acquisition of property, plant and equipment and intangible assets, excluding development costs	9.	-50	-221
Proceeds from the disposal of property, plant and equipment and intangible assets		-2	-10
Capitalised development expenses	9.	-19	-76
Investment grants (incl. CIR offsetting capitalised expenses)		49	-15
Subscription to Neoxy capital increases		-	-2,000
Neoxy shareholder loans		-2,500	-
Interest received	7.	838	665
Increase in non-current financial assets	11.	-62	-1,501
Decrease in non-current financial assets		12	-
Increase in current financial assets (liquidity contract)		-1	-400
<b>Net cash flow related to investment activities</b>		<b>-1,735</b>	<b>-3,557</b>
Capital increase	14.1.	129	93
Purchases/sales of treasury shares		-306	-202
Proceeds from new borrowings and financial liabilities	16.	-	1,001
Repayment of borrowings and financial liabilities	16.	-702	-818
Repayment of bonds		-	-3,567
Payment of lease liabilities	10.	-110	-110
Interest paid on convertible bonds	16.	-	-178
Interest paid on borrowings and financial liabilities	16.	-38	-27
Interest paid on lease liabilities	16.	-10	-9
<b>Net cash used in financing activities</b>		<b>-1,039</b>	<b>-3,816</b>
<b>Net change in cash and cash equivalents</b>		<b>-6,157</b>	<b>-9,681</b>
Cash and cash equivalents as of 1 January		49,559	62,333
Effect of exchange rate changes on cash held			
<b>Cash and cash equivalents as of 30 June</b>		<b>43,402</b>	<b>52,652</b>



## 3.2 NOTES TO THE HALF-YEARLY SUMMARY FINANCIAL STATEMENTS

### Note 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 chemical ("greentech") company offering innovative solutions to replace petroleum-based ingredients with products derived from non-food biomass and transformed using natural microorganisms, in a zero industrial waste circular economy approach.

The solutions offered by AFYREN 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 a carbon footprint divided by 5.

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 condensed consolidated half-yearly IFRS financial statements include the financial statements of AFYREN and its subsidiary AFYREN Canada<sup>3</sup>, as well as the equity-accounted shares of AFYREN NEOXY, in which AFYREN holds a 51.08% stake, and which is jointly controlled by AFYREN and Bpifrance. In June 2024, AFYREN set up a wholly-owned subsidiary in Thailand, AFYREN Services. At 30 June 2024, this subsidiary was not consolidated.

These financial statements were approved by the Company's Board of Directors on 27/09/2024.

### Note 2 Basis of preparation

#### 2.1 Statement of compliance

These condensed half-yearly consolidated financial statements of the Company for the six months ended 30 June 2024 have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union (EU) and should be read in conjunction with the

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<sup>3</sup> In the third quarter of 2024, AFYREN recorded the closure of 9478-2687 Québec Inc, a subsidiary created during the 2022 financial year, which had remained inactive and whose accounts were not material.





Company's most recent annual financial statements for the year ended 31 December 2023 (the "most recent annual financial statements").

They do not include all the information required for a full set of consolidated financial statements prepared in accordance with IFRS. They do, however, include a selection of notes explaining significant events and transactions with a view to understanding changes in the Group's financial position and performance since the last annual financial statements.

The accounting principles used to prepare these condensed half-yearly consolidated financial statements are identical to those applied by the Company at 31 December 2023, with the exception of:

- Texts that are mandatory for application from 1 January 2024;
- Specific provisions of IAS 34 used to prepare the half-yearly consolidated financial statements

The new texts that must be applied to quarterly financial statements from 1 January 2024 are the amendments to IAS 1 – Classification of liabilities as current or non-current, and to IFRS 16 – Lease liability in a sale and leaseback. The new texts do not have a material impact on the Company's financial statements.

Standards and interpretations that are not yet mandatory at 30 June 2024 have not been applied early. The expected impacts are not considered material

## **2.2 Use of estimates and judgements**

In preparing these condensed half-yearly consolidated financial statements, Management has made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual values may differ from estimated values depending on changes in uncertainties.

Management's significant judgments in applying the Company's accounting policies and the main sources of estimation uncertainty are those described in the latest annual financial statements.

## **2.3 Functional and presentation currency**

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

## **2.4 Seasonality of activities**

The Company's activities are not seasonal by nature. Consequently, the interim results at 30 June 2024 are indicative of those that may be expected for the full year 2024.



## Note 3 Significant events during the period

### **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.

Agronomic studies carried out on various crops (tomatoes, cucumbers, potatoes, wheat) have demonstrated the qualities of Afyren Neoxy fertiliser, which is rich in potassium and low in chlorine. This fertiliser complies with organic farming specifications, and its properties make it particularly suitable for demanding crops such as vines, arboriculture and market gardening.

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.

Afyren announced the completion of work that had been planned for a long time, enabling it to improve the management of operations and launch continuous production under optimal conditions. On this occasion, the company confirmed its target of starting up continuous production in 2024 and reaching break-even in 2025.

As continuous production had not started by 30 June 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. Its purpose is to manage commercial relations with the planned Thai joint venture with Mitr Phol, Thailand's leading group in the production of cane sugar and its derivatives. At the date of this half-yearly financial report, the subsidiary has not commenced operations and its financial statements are 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.

### ***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 accordance with 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/>

## **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 Nouredine 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.

## **Financing**

During the first half of 2024, Afyren contributed €2 million to the financing of its subsidiary Afyren Neoxy by means of a shareholder loan.





### ***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.

As of 30 June 2024, the following resources were included in the liquidity account:

- Number of shares: 69,875 shares
- Cash balance of the liquidity account: €84,221

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 January 2024, the Board of Directors used the authorisation granted to it under the eighteenth resolution adopted by the combined general meeting of 21 June 2023 to grant 12,868 2023 free shares to two Company employees.

It also recorded the definitive vesting of 10,075 shares granted in 2023 to three employees and 25,762 free ordinary shares to each of the two executives, in accordance with the grant decided by the Board of Directors on 24 March 2022.

Lastly, it recorded the cancellation of 30,670 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 €1,249.98, corresponding to 62,499 shares with a nominal value of €0.02 each.

### ***Long-term incentive plan (LTIP)***

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 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 for the first half of 2023 are set out in the company's 2023 Half-Yearly Financial Report, available [here](#).*

### **Afyren Neoxy:**

#### ***Operations***

See above



## **Financing**

During the first half of 2024, AFYREN contributed €2.5 million to the financing of its subsidiary Afyren Neoxy by means of a shareholder loan.

*Significant events for the first half of 2023 are set out in the company's 2023 Half-Yearly Financial Report, available [here](#).*

## **Note 4      Subsequent events**

### **Financing**

In July 2024, AFYREN took out a 36-month loan of €0.3 million from BNP.

In order to cover Afyren Neoxy's additional financing requirements, Afyren has topped up its shareholder loan. At the reporting date, Afyren's contribution to its subsidiary amounted to €7.8 million.

### **Grant and exercise of free shares**

In July 2024, Afyren's Board of Directors used the authorisation granted by the combined general meeting of 19 June 2024 to grant 4,000 new free shares to an executive employee of a subsidiary.

In July 2024, Afyren recorded the definitive vesting of 815 free ordinary shares granted in 2023 to an employee and the exercise of 25,000 BSPCE3 by an employee.

### **Canadian subsidiary**

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

### **New contract**

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.

### **Afyren Neoxy update**

On the occasion of the Company's 2024 half-year results, AFYREN is also providing an update on the start-up work on the AFYREN NEOYXY plant. Despite tangible progress, enabling first product commercialization to customers, adjustments in operations are needed to reach continuous production. These relate to the separation-purification, in particular with the ongoing replacement of a piece of equipment damaged by a corrosion incident, with the ambition to resume full production cycles at the end of November 2024. Achieving the objective of continuous production by the end of 2024 therefore depends on replacing this equipment



without delay and more generally, the ongoing improvement in the reliability of separation-purification.

The objective of reaching break-even<sup>4</sup> of the plant in 2025 is confirmed.

Operating costs related to the start-up as well as the necessary investments, are covered for now by a shareholder loan from AFYREN to its subsidiary AFYREN NEOXY. To date, this financing facility amounts to €7.8 million. A more comprehensive financing package, including debt financing, is currently being structured. AFYREN would participate in this plan as a 51% shareholder in AFYREN NEOXY by mobilizing part of its available cash. It would cover start-up delays and the ramp-up period, right through to financial equilibrium.

## Note 5 Equity-accounted investment in Afyren Neoxy

In December 2018, a partnership with Bpifrance was set up via the Afyren Neoxy joint venture under the joint control of both 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	2024.06	2023.12	2023.06
<b>Percentage of shares held</b>	<b>51.08%</b>	<b>51.08%</b>	<b>51.08%</b>
Non-current assets	76,750	74,559	
Current assets excluding cash and cash equivalents	4,914	4,840	
Cash and cash equivalents	(1,630)	7,450	
Non-current liabilities	33,135	34,206	
Current liabilities	24,600	25,039	
<b>Net assets (100%)</b>	<b>22,298</b>	<b>27,604</b>	
Net assets attributable to Afyren	11,390	14,100	
Goodwill	85	85	
<b>Carrying value of interests in the Neoxy joint venture</b>	<b>11,475</b>	<b>14,185</b>	
Operating income	(4,397)		(4,498)
Net financial income (expense)	(906)		(540)
Income tax	-		42
Net income	(5,305)		(4,996)
Other comprehensive income	-		-
<b>Comprehensive income (100%)</b>	<b>(5,305)</b>		<b>(4,996)</b>
Afyren's share of Neoxy's comprehensive income	(2,710)		(2,529)
Dividends received by Afyren			-

<sup>4</sup> The plant's current production EBITDA, corresponding to current operating income adjusted for depreciation, amortisation and net impairment of tangible and intangible fixed assets, and, where applicable, for the annual royalty package relating to the remuneration of a technology licence granted 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 Afyren Neoxy's share capital during the first half of 2024.

### ***Convertible bonds***

Afyren Neoxy's general meeting of 11 May 2023 decided to issue 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.

### ***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.

During the first half of 2024, Afyren contributed €2.5 million to the financing of its subsidiary Afyren Neoxy by means of a shareholder loan.

### ***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 is recorded as fixed asset liabilities for €4.7 million as of 30 June 2024 (compared with €4.5 million as of 31 December 2023).

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 €33 million. 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 €13.5 million recognised at the rate of progress of expenditure and an investment grant of €2.4 million which will be recognised at the rate of depreciation of the asset once it is commissioned.

A first disbursement of €9.6 million (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.

## **Note 6      Operational data**

### **6.1      Segment reporting**

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, almost all of its activities and assets are located in France. The activities and assets of the Canadian subsidiary are not material.



## 6.2 Revenues

Revenues break down as follows:

In €k	2024.06	2023.06
Licence and development of industrial know-how	709	708
Other services	656	1,247
<b>Total revenues</b>	<b>1,364</b>	<b>1,956</b>

The €0.6 million decrease in other services at 30 June 2024 is explained by a reduction in administrative services provided by Afyren to Afyren Neoxy in connection with specific projects and, more generally, an increase in the activity of on-site teams.

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

In €k	2024.06	2023.12
<b>Contract liabilities as of 1 January</b>	<b>1,321</b>	<b>2,640</b>
Increase in financial expenses for the year on the licence agreement	24	98
Revenues recognised during the period included in the opening	-334	-1,417
<b>Contract liabilities at end of period</b>	<b>1,012</b>	<b>1,321</b>
Of which current liabilities	637	1,321
Of which non-current liabilities	0	0

As of 30 June 2024, the remaining duration of the industrialisation phase is 0.5 years. Accordingly, the sum of the non-discounted services still to be performed at the balance sheet date under the license and industrialisation service agreement amounts to €0.6 million (vs.

## 6.3 Other income

Other income breaks down as follows:

In €k	2024.06	2023.06
Operating grant	208	184
Investment grant recognised under profit or loss	32	32
Capitalised production	-	0
Gain on disposal of fixed assets	2	10
Other	-0	0
<b>Total other income</b>	<b>242</b>	<b>226</b>



## 6.4 Operating expenses

Operating expenses break down as follows:

In €k	2024.06	2023.06
<b>Total employee benefits</b>	<b>-3,029</b>	<b>-3,249</b>
Purchases of consumables and equipment	-247	-138
Rental expenses	-140	-74
Maintenance and repairs	-23	-21
Remuneration of intermediaries and fees	-756	-794
Travel and assignment expenses	-216	-236
Advertising and communication	-44	-66
Other external expenses	-248	-209
<b>Total purchases and external expenses</b>	<b>-1,675</b>	<b>-1,538</b>
<b>Total depreciation of fixed assets and rights of use</b>	<b>-405</b>	<b>-406</b>
<b>Taxes</b>	<b>-42</b>	<b>-30</b>
<b>Other expenses</b>	<b>-46</b>	<b>-56</b>
<b>Total other expenses</b>	<b>-88</b>	<b>-86</b>

## 6.5 Personnel costs

Personnel costs break down as follows:

In €k	2024.06	2023.06
Wages and salaries	-1,886	-1,835
Social security contributions	-536	-542
Expenses related to defined contribution post-employment plans	-183	-194
Expenses related to defined benefit post-employment benefit plans	-1	9
Share-based payments settled in equity instruments	-401	-593
Other personnel expenses	-23	-95
<b>Total</b>	<b>-3,029</b>	<b>-3,249</b>

The change in personnel expenses is mainly due to lower share-based compensation costs (IFRS 2).

## 6.6 Share-based payments

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 authorisations were implemented during 2023 and 2024:

- 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 3,940 free shares (2021 free share grant) to an Afyren Neoxy 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 authorisations were 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 190,207 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 and 30 June 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. On 30 June 2024, in order to determine the corresponding compensation expense, it was estimated that 100% of these targets had been achieved.





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 of the three tranches (in €)
BSPCE 5	25,000	27/06/2019	Employment (3 years)	10 years	5.69
BSPCE 5	52,500	01/07/2019	Employment (3 years)	10 years	5.69
BSPCE 5	87,500	01/07/2019	Employment (3 years)	10 years	5.69
BSPCE 5	10,000	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	95,000	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	10,000	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	102,500	21/01/2021	Employment (3 years)	10 years	5.67
2021 free share grants	106,544	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	515,240	24/03/2022	Employment (3 years)	n.a.	5.36
BSPCE 5	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	13,936	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.	4.98
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	190,206	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
2024-LTIP2 free share grants	180,500	28/03/2024	Employment (until 31/03/2027), performance and development	n.a.	1.90
<b>Total</b>	<b>1,696,949</b>				

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 free share grants issued in 2024	2023-LTIP free share grants issued in 2024
Fair value at grant date (in €)		From 1.90 to 2.22	1.90
Share price on grant date (in €)		From 1.90 to 2.22	1.90
Option exercise price (in €)		n.a.	n.a.
Expected volatility (weighted average)		n.a.	n.a.
Expected life (weighted average)		1 to 2 years	3 years
Expected dividends		0%	0%
Risk-free interest rate (based on government bonds)		n.a.	n.a.



In 2023 and 2024, the change in the number of BSPCEs is as follows:

Number of BSPCEs	First half of 2024	Weighted average exercise price 2024.06 (in €)	2023	Weighted average exercise price 2023.12 (in €)	First half of 2023	Weighted average exercise price 2023.06 (in €)
Outstanding as of 1 January	545,002	2.02	630,000	2.02	630,000	2.39
Lapsed during the period			-32,500	2.06	-26,667	2.06
Exercised during the period	-62,499	2.06	-52,498	2.06	-44,998	2.06
Granted during the period	-				-	
<b>Outstanding at year-end</b>	<b>482,503</b>	<b>2.01</b>	<b>545,002</b>	<b>2.02</b>	<b>558,335</b>	<b>2.43</b>
<b>Exercisable at year-end</b>	<b>466,667</b>		<b>493,333</b>		<b>509,167</b>	

In 2023 and 2024, the change in the number of free shares granted is as follows:

Number of free shares granted	First half of 2024	Weighted average exercise price 2024.06 (in €)	2023	Weighted average exercise price 2023.12 (in €)	First half of 2023	Weighted average exercise price 2023.06 (in €)
Outstanding as of 1 January	698,895	-	533,209	-	533,209	-
Lapsed during the period	-30,670		-8,995		-2,549	
Exercised during the period	-51,524		-51,524		-51,524	
Granted during the period	194,569	-	226,205	-	10,075	-
<b>Outstanding at year-end</b>	<b>811,270</b>	<b>-</b>	<b>698,895</b>	<b>-</b>	<b>489,211</b>	<b>-</b>
<b>Exercisable at year-end</b>	<b>-</b>		<b>-</b>		<b>-</b>	

In 2023 and over the first half of 2024, the number of BSPCE 2, BSPCE 3 and BSPCE 4 is unchanged.

## Note 7 Net financial income (expense)

The Company's financial income and expenses include:

In €k	2024.06	2023.06
Interest expense on borrowings	-34	-20
Interest expense on convertible bonds	-	-106
Interest expense on repayable advances	-5	-9
Interest expense on lease liabilities - IFRS 16	-10	-9
Financing component on the license agreement	-24	-98
Foreign exchange losses	-1	-1
<b>Total financial expenses</b>	<b>-73</b>	<b>-243</b>
Other financial income	845	665
Currency gains	1	0
Change in fair value of financial assets	205	81
<b>Total financial income</b>	<b>1,051</b>	<b>746</b>
<b>Net financial income (expense)</b>	<b>978</b>	<b>503</b>



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 corresponds to interest income on term accounts.

## Note 8 Income tax

The effective tax rate used is 25% for both periods.

## Note 9 Intangible assets and property, plant and equipment

### 9.1 Intangible assets

Intangible assets break down as follows:

In €k	2023.12	Acquisitions	Disposals	Charges for the period	Reclassifications	2024.06
Technology developed in-house	3,682	-	-	-	-	3,682
Concessions, patents and similar rights	767	15	-	-	-	782
Ongoing development costs	1,036	19	-	-	-	1,055
Other intangible assets	-	-	-	-	-	-
<b>Intangible assets (gross value)</b>	<b>5,485</b>	<b>34</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,519</b>
Amortisation of technology developed in-house	-1,853	-	-	-183	-	-2,036
Amortisation of concessions, patents and similar rights	-299	-	-	-38	-	-337
Amortisation of other intangible assets	-	-	-	-	-	-
<b>Amortisation of intangible assets</b>	<b>-2,152</b>	<b>-</b>	<b>-</b>	<b>-221</b>	<b>-</b>	<b>-2,373</b>
<b>Total net value</b>	<b>3,333</b>	<b>34</b>	<b>-</b>	<b>-221</b>	<b>-</b>	<b>3,146</b>

  

In €k	2022.12	Acquisitions	Disposals	Charges for the period	Reclassifications	2023.06
Technology developed in-house	3,682	-	-	-	-	3,682
Concessions, patents and similar rights	744	14	-	-	-	759
Ongoing development costs	905	76	-	-	-	981
Other intangible assets	-	-	-	-	-	-
<b>Intangible assets (gross value)</b>	<b>5,331</b>	<b>90</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,421</b>
Amortisation of technology developed in-house	-1,485	-	-	-183	-	-1,667
Amortisation of concessions, patents and similar rights	-225	-	-	-36	-	-261
Amortisation of other intangible assets	-	-	-	-	-	-
<b>Amortisation of intangible assets</b>	<b>-1,710</b>	<b>-</b>	<b>-</b>	<b>-219</b>	<b>-</b>	<b>-1,929</b>
<b>Total net value</b>	<b>3,621</b>	<b>90</b>	<b>-</b>	<b>-219</b>	<b>-</b>	<b>3,492</b>

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 breaks down as follows:

In €k	2023.12	Acquisitions	Disposals	Charges for the period	Reclassifications	2024.06
Other technical facilities, equipment and tools	585	24	-	-	-	608
Fixtures and fittings	134	-	-	-	-	134
Office furniture	63	-	-	-	-	63
Computer hardware	9	-	-	-	-	9
Other property, plant and equipment	-	-	-	-	-	-0
Property, plant and equipment in progress	-	11	-	-	-	11
<b>Property, plant and equipment (gross value)</b>	<b>791</b>	<b>35</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>825</b>
Depreciation of other technical installations, equipment and tools	-380	-	-	-74	-	-454
Depreciation of fixtures and fittings	-39	-	-	-13	-	-52
Depreciation of office furniture	-28	-	-	-	-	-28
Depreciation of computer equipment	-6	-	-	-	-	-6
Depreciation of other property, plant and equipment	-	-	-	-	0	0
<b>Depreciation of property, plant and equipment</b>	<b>-453</b>	<b>-</b>	<b>-</b>	<b>-87</b>	<b>0</b>	<b>-540</b>
<b>Total net value</b>	<b>338</b>	<b>35</b>	<b>-</b>	<b>-87</b>	<b>0</b>	<b>285</b>

In €k	2022.12	Acquisitions	Disposals	Charges for the period	Reclassifications	2023.06
Other technical facilities, equipment and tools	451	70	-	-	5	526
Fixtures and fittings	75	-	-26	-	67	116
Office furniture	17	-	-	-	42	59
Computer hardware	8	1	-	-	-	9
Other property, plant and equipment	-0	-	-0	-	-	-0
Property, plant and equipment in progress	120	6	-	-	-113	12
<b>Property, plant and equipment (gross value)</b>	<b>671</b>	<b>77</b>	<b>-26</b>	<b>-</b>	<b>-0</b>	<b>722</b>
Depreciation of other technical installations, equipment and tools	-270	-	-	-49	-	-319
Depreciation of fixtures and fittings	-27	-	14	-16	-	-29
Depreciation of office furniture	-12	-	-	-8	-	-19
Depreciation of computer equipment	-4	-	-	-1	-	-5
Depreciation of other property, plant and equipment	-0	-	-	0	-	0
<b>Depreciation of property, plant and equipment</b>	<b>-313</b>	<b>-</b>	<b>14</b>	<b>-73</b>	<b>-</b>	<b>-373</b>
<b>Total net value</b>	<b>358</b>	<b>77</b>	<b>-12</b>	<b>-73</b>	<b>-0</b>	<b>349</b>

Changes in property, plant and equipment during the period ended 30 June 2024 mainly relate to the acquisition of equipment and the refurbishment of new premises.





### 9.3 Impairment testing

No indication of impairment was identified in either period.

#### Note 10 Leases

In the course of its business, the Company leases premises, vehicles and equipment.

The main contracts 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
<b>Balance as of 1 January 2023</b>	<b>380</b>	<b>65</b>	<b>0</b>	<b>446</b>
Depreciation charge for the period	-178	-31	-9	-218
Reversal of depreciation for the period				-
Additions to the "rights of use" asset	120	13	92	225
Derecognition of the "rights of use" asset	-12			-12
<b>Balance as of 31 December 2023</b>	<b>310</b>	<b>48</b>	<b>83</b>	<b>441</b>
Depreciation charge for the period	-79	-9	-9	-98
Reversal of depreciation for the period				-
Additions to the "rights of use" asset				-
Derecognition of the "rights of use" asset		-16		-16
<b>Balance as of 30 June 2024</b>	<b>231</b>	<b>23</b>	<b>74</b>	<b>328</b>

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	2024.06	2023.06
Interest expense on lease liabilities	10	9
Expenses related to short-term leases	25	17
Expenses related to leases of low-value assets, excluding short-term leases of low-value assets	51	35
<b>Balance as of 30 June</b>	<b>85</b>	<b>60</b>



- **Amounts recognised in cash flows:**

In €k	2024.06	2023.06
Total cash outflows from leases	241	176

## Note 11 Non-current financial assets

Non-current financial assets break down as follows:

In €k	2024.06	2023.12
Other financial assets	62	0
Convertible bonds	1,322	1,117
Deposits and guarantees paid	53	65
<b>Non-current financial assets</b>	<b>1,437</b>	<b>1,182</b>

Non-current financial assets correspond to:

- At 30 June 2024, the stake in Afyren Services (a Thai subsidiary wholly-owned by Afyren), which was created in June 2024 and is not consolidated.
- At 30 June 2024 and 31 December 2023, €0.05 million in guarantees paid under lease contracts
- At 30 June 2024 and 31 December 2023, convertible bonds (issued by Afyren Neoxy) subscribed by Afyren during the first half of 2023:
  - At 30 June 2024, €1.3 million, corresponding to the fair value of the instruments of €1.8 million, 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 was charged corresponding to Afyren's share of the equity component of the bonds, recognised in Afyren Neoxy's financial statements.



## Note 12 Trade receivables and other current assets

Trade receivables and other current assets break down as follows:

In €k	2024.06	2023.12
Trade receivables	352	466
Impairment of receivables in respect of expected losses	-	-
<b>Total trade receivables</b>	<b>352</b>	<b>466</b>
<b>Current financial assets</b>	<b>100</b>	<b>99</b>
Prepaid expenses	82	175
Tax receivables	105	135
Shareholder loans - assets	2,508	-
Research tax credit receivable	661	461
Other current assets	37	54
<b>Total other current assets</b>	<b>3,392</b>	<b>824</b>

Trade receivables correspond to receivables from Afyren Neoxy under service agreements entered into with the latter.

The "Current financial assets" item amounting to €0.1 million at 30 June 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 with Natixis Corporate & Investment Banking in April 2023 and January 2024, 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.

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.

At 30 June 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.

At 30 June 2024, the research tax credit receivable comprises the CIR relating to the financial year ended 31 December 2023 and the CIR calculated in respect of the first half of 2024.



## Note 13 Cash and cash equivalents

In €k	2024.06	2023.12
Bank accounts	2,306	5,844
Cash equivalents	41,096	43,715
<b>Cash and cash equivalents in the statement of financial position</b>	<b>43,402</b>	<b>49,559</b>
Bank overdrafts repayable on demand and used for cash management purposes	-	-
<b>Cash and cash equivalents in the cash flow statement</b>	<b>43,402</b>	<b>49,559</b>

The “Cash equivalents” item corresponds to term accounts. As of 30 June 2024, these term accounts are open for a period ranging from 3 months to 1 year and are redeemable at any time early subject to 32 days notice.

## Note 14 Equity

### 14.1 Share capital

The Company's share capital consists of:

	Ordinary shares		A preference shares		Total	
	2024.06	2023.12	2024.06	2023.12	2024.06	2023.12
<b>Number of shares:</b>						
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	62,499	154,022	-	-	62,499	154,022
<b>Outstanding at end of period - fully paid-up shares</b>	<b>15,793,924</b>	<b>15,731,425</b>	<b>10,291,165</b>	<b>10,291,165</b>	<b>26,085,089</b>	<b>26,022,590</b>

	Ordinary shares		A preference shares		Total	
	2023.06	2022.12	2023.06	2022.12	2023.06	2022.12
<b>Number of shares:</b>						
Outstanding as of 1 January	15,577,403	15,470,859	10,291,165	10,291,165	25,868,568	25,762,024
Capital decrease	-	-	-	-	-	-
Capital increase	96,522	106,544	-	-	96,522	106,544
<b>Outstanding at end of period - fully paid-up shares</b>	<b>15,673,925</b>	<b>15,577,403</b>	<b>10,291,165</b>	<b>10,291,165</b>	<b>25,965,090</b>	<b>25,868,568</b>

### **2024 capital transactions**

Capital transactions during the first half of 2024 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 €1,249.98, through the issue of 62,499 new ordinary shares with a nominal value of €0.02 each. The total exercise price was €127,497.96, giving an issue premium of €126,247.98.

At 30 June 2024, the share capital was thus increased to €521,701.78, divided into 26,085,089 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 €398.42, through the issue of 19,921 new ordinary shares with a nominal value of €0.02 each. The total exercise price was €41,037.26, representing an issue premium of €40,638.84.
- On 24 March 2023, a capital increase was recorded following the vesting of free shares granted on 24 March 2022 for an amount of €1,030.48, through 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 €468.22, 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 as a result of the exercise of 9,166 BSPCEs for a total amount of €183.32, through the issue of 9,166 new ordinary shares with a nominal value of €0.02 each. The total exercise price was €18,881.96, representing an issue premium of €18,698.64.
- On 1 January 2024, a capital increase was recorded as a result of the exercise of 50,000 BSPCEs 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.

At 31 December 2023, the share capital was thus increased to €520,451.80, divided into 26,022,590 shares.

## 14.2 Earnings per share

Net income attributable to holders of ordinary (basic) shares	2024.06	2023.06
In €k		
Net income for the period attributable to owners of the Company	-5,322	-5,123
<b>Net income attributable to holders of ordinary shares</b>	<b>-5,322</b>	<b>-5,123</b>
Weighted average number of ordinary (basic) shares	2024.06	2023.06
Number of ordinary shares as of 1 January	26,022,590	25,889,382
Capital decrease	-	-
Capital increase (in number of shares)	62,499	96,522
<b>Weighted average number of ordinary shares during the period</b>	<b>26,045,535</b>	<b>25,889,382</b>
<b>Basic earnings per share (in €)</b>	<b>-0.20</b>	<b>-0.20</b>
<b>Diluted earnings per share (in €)</b>	<b>-0.20</b>	<b>-0.20</b>



Diluted earnings per share correspond to basic earnings insofar as the BSPCE issued are anti-dilutive given the Company's negative net income.

## Note 15 Provisions and contingent liabilities

As of 30 June 2024 and 31 December 2023, the provision of €0.01 million relates to a labour dispute.

Furthermore, the Company has not identified any material contingent liabilities.

## Note 16 Borrowings, financial liabilities and lease liabilities

### 16.1 Main terms and conditions of borrowings and financial liabilities

The terms and conditions of outstanding loans are as follows:

In €k	Currency	Variable/fixed interest rate	Maturity year	Nominal value	2024.06 Carrying amount	2023.12 Carrying amount
State guaranteed loan (PGE) - BNP	EUR	Fixed rate	2026	780	401	501
State guaranteed loan (PGE) - BPI	EUR	Fixed rate	2026	300	169	206
State guaranteed loan (PGE) - BPAR	EUR	Fixed rate	2026	780	394	491
State guaranteed loan (PGE) - CA	EUR	Fixed rate	2026	780	392	490
<b>Total state guaranteed loans (PGE)</b>				<b>2,640</b>	<b>1,356</b>	<b>1,688</b>
BPI PAI 2 repayable advance	EUR	Fixed rate	2024	150	-	15
BPI PAI 3 repayable advance	EUR	Fixed rate	2024	302	45	76
BPI PAI 3 repayable advance	EUR	Fixed rate	2025	198	59	79
BPI CMI2 repayable advance	EUR	Fixed rate	2024	573	45	134
<b>Total repayable advances</b>				<b>1,223</b>	<b>149</b>	<b>303</b>
BPI ADI Zero rate	EUR	Fixed rate	2024	690	69	138
Total equity loan	EUR	Fixed rate	2024	400	-	45
BPI R&D Innovation loan 1	EUR	Fixed rate	2027	750	563	638
BPI R&D Innovation loan 2	EUR	Fixed rate	2028	200	180	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	41	49
BPI Prospecting insurance	EUR	Fixed rate	2029	52	52	52
<b>Total other borrowings</b>				<b>3,167</b>	<b>1,905</b>	<b>2,121</b>
<b>Lease liability</b>	EUR	Fixed rate		<b>314</b>	<b>314</b>	<b>432</b>
<b>Accrued interest</b>				<b>250</b>	<b>250</b>	<b>242</b>
<b>Total</b>				<b>7,344</b>	<b>3,974</b>	<b>4,787</b>
<b>Current portion</b>					<b>1,585</b>	<b>1,611</b>
<b>Non-current portion</b>					<b>2,390</b>	<b>3,176</b>



## **Borrowings**

During the 2023 financial year, Afyren:

- Repaid in cash the convertible bonds issued in March 2020 for €3.6 million.
- Took out an R&D innovation loan from Bpifrance for €1 million.

During the first half of 2024, Afyren repaid €0.8 million of its borrowings.

## **Note 17 Current and non-current trade and other liabilities**

Trade payables and other liabilities break down as follows:

In €k	2024.06	2023.12
<b>Total trade payables</b>	<b>282</b>	<b>388</b>
<b>Current deferred income (customer contract liabilities)</b>	<b>637</b>	<b>1,321</b>
Social security liabilities	1,113	1,009
Tax liabilities	88	85
<b>Total other current liabilities</b>	<b>1,201</b>	<b>1,095</b>
Non-current deferred income (customer contract liabilities)	0	0
Non-current deferred income (grant)	1,012	962
<b>Total</b>	<b>3,133</b>	<b>3,767</b>

Regarding current and non-current deferred income relating to customer contract liabilities - see Note 3.2.6.2.

Other non-current deferred income relates to investment grants received and mainly includes two grants:

- CMI 2 grant for €0.6 million received as part of Bpifrance's innovation support programme;
- Booster R&D grant of €0.4 million received as part of the project to demonstrate the semi-industrial production of natural products in the Auvergne-Rhône-Alpes region.



## Note 18 Financial instruments and risk management

### 18.1 Classification and fair value of financial instruments

In €k	Accounting category	Level in the fair value hierarchy	2024.06		2023.12	
			Total net carrying amount	Fair value	Total net carrying amount	Fair value
Other financial assets	Fair value	Level 2 - Note 2	62	62	0	0
Convertible bonds	Fair value through profit or loss	Level 3 - Note 6	1,322	1,322	1,117	1,117
Deposits and guarantees	Fair value	Level 2 - Note 2	53	53	65	65
<b>Total non-current financial assets</b>			<b>1,437</b>	<b>1,437</b>	<b>1,182</b>	<b>1,182</b>
Trade receivables	Amortised cost	Note 1	352	352	466	466
Current financial assets	Amortised cost	Note 1	100	100	99	99
Other current financial assets	Amortised cost	Note 1	2,541	2,541	33	33
Cash and cash equivalents	Amortised cost	Note 1	43,402	43,402	49,559	49,559
<b>Total current financial assets</b>			<b>46,395</b>	<b>46,395</b>	<b>50,157</b>	<b>50,157</b>
<b>Total assets</b>			<b>47,832</b>	<b>47,832</b>	<b>51,339</b>	<b>51,339</b>
Convertible bonds	Fair value	Level 2 - Note 5	-	-	-	-
Borrowings and financial liabilities	Amortised cost	Level 2 - Note 5	2,269	2,269	2,952	2,952
<b>Total non-current financial liabilities</b>			<b>2,269</b>	<b>2,269</b>	<b>2,952</b>	<b>2,952</b>
<b>Non-current lease liability</b>	Amortised cost	Level 2 - Note 3	<b>121</b>	<b>121</b>	<b>224</b>	<b>224</b>
Convertible bonds	Fair value	Level 2 - Note 5	-	-	-	-
Borrowings and financial liabilities	Amortised cost	Level 2 - Note 5	1,391	1,391	1,402	1,402
Trade payables	Amortised cost	Note 1	282	282	388	388
<b>Total current financial liabilities</b>			<b>1,674</b>	<b>1,674</b>	<b>1,790</b>	<b>1,790</b>
<b>Current lease liability</b>	Amortised cost	Note 3	<b>193</b>	<b>193</b>	<b>208</b>	<b>208</b>
<b>Total liabilities</b>			<b>4,257</b>	<b>4,257</b>	<b>5,174</b>	<b>5,174</b>

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 convertible bonds has been estimated using a Black-Scholes model. The main assumptions are as follows:

	11/05/2023	30/06/2023	31/12/2023	30/06/2024
<b>Fair value per share (in €)</b>	1.00	1.00	1.00	1.00
<b>Risk-free interest rate</b>	2.74%	3.20%	2.28%	2.89%
<b>Dividend yield</b>	0.00%	0.00%	0.00%	0.00%
<b>Expected share price volatility</b>	48.06%	52.94%	43.86%	59.81%
<b>Credit spread (basis points)</b>	1,567 bp	1,505 bp	1,383 bp	1,369 bp

As of 30 June 2024, 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 -/+€0.06 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 30 June 2023, a change of +/- 0.5% in the share price would lead to a change in fair value of +€1 million /-€0.8 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.

## Note 19 Related party transaction

Transactions with AFYREN NEOXY are as follows:

K€	2024.06	2023.12	2023.06
Non-current financial asset	1,322	1,117	1,109
Trade receivable	332	463	1,286
Shareholder loans - assets	2,508		
Customer contract liabilities (deferred income)	637	1,321	2,030
Financial expenses	-24	-98	-98
Financial income	212	70	10
Purchases and external expenses	78	185	72
Revenues	1,364	3,379	1,956
- Licensing income and development of industrial know-how	709	1,417	708
- Other services	656	1,962	1,247



## Note 20 Off-balance sheet commitment

In €k	2024.06	2023.12
Guarantees given (related to BPI advances)	25	33
<b>Guarantees received:</b>		
Guarantee received from BPI: National guarantee fund - Equity loan for the start-up of SMEs and VSEs.	32	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	32	30



### 3.3 STATUTORY AUDITOR'S LIMITED REVIEW REPORT

#### STATUTORY AUDITOR'S REVIEW REPORT ON THE CONDENSED INTERIM FINANCIAL STATEMENTS AT THE 30 JUNE 2024

Period from January 1<sup>st</sup>, 2024, to June 30, 2024

To the Chairman of the Board of Directors,

In our capacity as statutory auditor of AFYREN and in response to your request, we have reviewed the condensed interim financial statements of AFYREN, prepared under IFRS, for the period from January 1, 2024, to June 30, 2024 as they are attached to this report.

These condensed interim financial statements are the responsibility of the Chairman of the Board of Directors. Our role is to express a conclusion on these condensed interim financial statements based on our review.

We conducted our review in accordance with professional standards applicable in France, as well as with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with IAS 34 - IFRS standard as adopted in the European Union relating to interim financial information.

Lyon, September 27, 2024

The Statutory Auditor

RSM Rhône-Alpes

**Gaël Dhalluin**



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