



Production operations at AFYREN NEOXY plant make significant progress, with first lots delivered

- **Production of several tons of products and first deliveries to customers**
- **Operation units reliability improvement to start continuous production and gradually increase volumes**

Clermont-Ferrand/Lyon, June 8, 2023, at 7:45 am CEST – AFYREN, a greentech company that offers manufacturers bio-based, low-carbon ingredients produced using unique fermentation technology based on a completely circular model, today announced significant progress in production at the AFYREN NEOXY plant and the delivery of the first lots of biobased organic acids.

In the second half of 2020, AFYREN launched the construction of its first plant, AFYREN NEOXY, located in Carling-Saint Avold in the Grand Est region. This is the world's first plant for the industrial-scale production of biobased carboxylic acids from sugar beet by-products.

In the first quarter of 2022, construction of the plant was completed on schedule, despite the health crisis, paving the way for the industrial start-up phase. This preparatory phase for the launch of production includes a number of technical tests and the gradual commissioning of the factory's equipment and machinery.

Operations carried out over the last few weeks resulted in the production of several metric tons of product and the delivery of the first lots. AFYREN has previously announced commercial commitments for 75%¹ of AFYREN NEOXY's annual production of acids and 100% of the fertilizer, representing total cumulative sales of more than €165² million, to be realized over the coming financial years.

AFYREN'S teams are constantly working to make operations more reliable, with a view to starting continuous production in the autumn of 2023. AFYREN then plans to gradually ramp up volumes to produce 16,000 tons of carboxylic acids per year at full capacity, for total annual sales (including fertilizer sales) of around €35 million³. AFYREN is targeting a current production EBITDA margin for this plant at full capacity of 25%. AFYREN NEOXY's break-even point (positive current production EBITDA margin) is still expected by the end of 2023, given current estimates for the start of production and ramp-up.

Nicolas SORDET, CEO of AFYREN, said: *"The production and delivery of the first lots of biobased organic acids from the AFYREN NEOXY plant marks an important stage in the industrial start-up of this first-of-its-kind plant. These significant achievements are the fruit of the highly motivated AFYREN and AFYREN NEOXY teams, whose commitment I salute. I would also like to thank our customers for their unfailing support for our innovative project. We will now continue to ramp up our production to meet the expectations of our customers. Faced with growing demand from manufacturers for rapidly available biobased alternatives, we are working in parallel to increase our production capacity, particularly internationally. More than ever, we are motivated to make a low-carbon and circular industry possible by providing biobased solutions built with our partners to benefit the environment."*

¹ Of which 71% contractualized and > 5% pre-contractualized (letters of intent or memorandums of understanding)

² On the contracted part only, total volumes over the contracted period x sales price

³ Before inflation-related price increases

About AFYREN

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

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

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

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



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