



AFYREN chooses Thailand for its second biobased organic acids plant, entering a partnership project with Mitr Phol, a global leader in the sugar industry

- First international project for AFYREN, as announced at the time of its IPO; This comes as its first plant starts up in France.
- With this project in Thailand, AFYREN is targeting the Asian market, which represents 25% of the world market for carboxylic acids.
- A Letter Agreement has been signed between AFYREN and Mitr Phol, the world's third largest sugar producer,¹ for an industrial partnership based on AFYREN's technology.
- The project will take the form of a joint venture 70% owned by the majority partner AFYREN, with 30% held by Mitr Phol.
- Mitr Phol will optimize its industrial circular platform, "From Waste to Value" model with high value-added biobased outlets for its sugarcane co-products.
- Competitive long-term access to local biomass by-products for a target production capacity of about 28,000 tons of bio-based and low-carbon products.

Clermont-Ferrand/Lyon (France) and Bangkok (Thailand), January 26th, 2023, 13h30 CET – AFYREN (ISIN: FR0014005AC9, ticker: ALAFY), a greentech company that offers manufacturers bio-based, low-carbon ingredients produced using unique fermentation technology based on a completely circular model, and Mitr Phol, a Thai company that is a leading producer of cane sugar and its derivatives, announced the signature of a Letter Agreement for the purpose of establishing a biorefinery in Thailand.

The signing took place in the presence of Mr. Olivier Becht, French Minister Delegate to the Minister of Europe, and Khun Warawan Chitaroon, Director General of The Office of Industrial Economics, Ministry of Industry, Thailand, highlighting the support of both French and Thai governments for this strategic project.

*"This project is a major step forward in AFYREN's development. With this second plant project, we are organizing our presence in a strategic region in the heart of Asia to better serve our customers," said **Nicolas Sordet, CEO of AFYREN**. By partnering with Mitr Phol, AFYREN is securing long-term access to a sustainable raw material from the local sugarcane industry. We look forward to working with Mitr Phol and benefiting from its long experience in the region."*

*"This innovative partnership with AFYREN is in line with our strategic vision towards sustainable development as it will allow us to strengthen the circular and sustainable model of our industrial activity with the development of biobased products that are friendly to the environment." said **Khun Verajet Vongkusolkiet, Chief Executive Officer – Thailand Sugar, Renewable Energy and New Business of Mitr Phol Group**.*

¹ <https://deallab.substack.com/p/top-sugar-manufacturers-by-sales>

An ideal location

By choosing to build in the vicinity of Bangkok, Thailand, AFYREN will be able to support local, regional and international customers from as close a distance as possible in the strategic Asian market, which accounts for a quarter of global demand for carboxylic acids. The growth of this market is driven in particular by the dynamics of the food and animal nutrition sectors. AFYREN's bio-based organic acids are used in many food products as preservatives or natural flavourings, as well as in many animal feed products, notably as an alternative to the preventive use of antibiotics.

In addition to benefiting from the growth of the Thai market, AFYREN will be able to take advantage of the country's geographical location in the heart of South-East Asia, to export part of the new factory's production to other Asian countries.

A strategic agreement for both companies

The agreement between AFYREN and Mitr Phol would lead to the creation of the AFYREN Group's second bio-based organic acid production plant. It is in line with AFYREN's "build and operate" development strategy, which aims to get as close as possible to raw material sourcing and to its customers' markets, with priority given to Asia and North America.

The agreement is also in line with the Mitr Phol Group's vision "to be the world class sugar and biobased leader by combining our fully integrated agribusiness model with innovative technology and management talent to create value for better life for all."

The accord is expected to be finalized mid-2023, subject to agreement by the parties on the final terms of the partnership.

A virtuous, circular project

The choices of both site and partner are perfectly in line with both groups' corporate social responsibility (CSR) strategies:

- **The project will have a positive impact on a social level** with the creation of 80 direct jobs and 280 indirect jobs to ensure production. AFYREN and Mitr Phol will capitalize on the know-how and skills developed in their respective activities (in France and Thailand) and will ensure the recruitment, training and development of the plant's future employees.
- **The project succeeds on an environmental level** because the plant under consideration will benefit from direct access to its raw materials, considerably reducing the environmental footprint associated with transport. The AFYREN process also offers an interesting outlet for a raw material that is not yet widely used.

In addition, the plant will have access to renewable and low carbon electricity and steam, produced by cogeneration of biomass, strengthening the biorefinery and circular economy model. Like AFYREN's first plant, the Thai plant fermentation process will not consume water, and the mineral by-products of production will be used as a high-value natural fertilizer.

With this approach, AFYREN continues its commitment to produce biobased acids with a much lower carbon footprint than those produced using traditional petro-based feedstocks.

The partnership reaffirms Mitr Phol's key corporate sustainability strategy towards Net Zero in 2050 through the development of biobased products which will be new alternative opportunity for a greener world. This year, Mitr Phol is also ranked the 2nd in global sustainability rankings of the food category according to the Corporate Sustainability Assessment (CSA) conducted by S&P Global.

A second industrial tool for large-scale production, which will benefit from AFYREN first plant's experience (located in Europe)

The Thai plant under consideration will be located in the immediate vicinity of Mitr Phol's operations, close to Bangkok. In addition to providing a serviced plot of land, Mitr Phol will ensure the long-term supply of the sugarcane co-products that will be used to produce AFYREN's organic acids.

This second plant aims to have a production capacity of approximately 28,000 tons per year, representing an annualized turnover of approximately 60 million euros in full capacity, in line with the objectives announced at the time of AFYREN's IPO in October 2021. Production start-up is expected by 2025, with the timetable to be specified at the end of the engineering studies scheduled for second semester of 2023.

The construction and operation of the plant will benefit from the experience of AFYREN NEOXY, the Group's first plant with a production capacity of 16,000 tons per year, which production is currently starting.

About Mitr Phol

Mitr Phol Group is the world's third largest sugar producer and currently operates 16 sugar mill, 11 biomass power plants, and 4 ethanol plants with over 143,000 farmers in charge across Thailand, Laos, China, Australia and Indonesia. Mitr Phol Group is also a large biomass producer in Asia. It also operates in the wood substitute material business, fertilizer business and bio-based business with sustainability as a core driven strategy.

Find more about us : www.mitrphol.com

About AFYREN

Founded in 2012 to respond to industry's growing need to reduce the use of petroleum derivatives as ingredients, AFYREN produces biomolecules from the reuse of non-food biomass. AFYREN's production replicates the properties of equivalent petroleum-based molecules that are widely used in human and animal nutrition, cosmetics, flavors and fragrances and fine chemicals. By offering natural alternatives to these strategic markets, AFYREN is engaged in a low-carbon economy and proposes a truly circular approach, with the use of local biomass and the choice of strategic locations as close as possible to its customers. Resulting from 10 years of research, AFYREN's disruptive innovation won the 2030 Global Innovation Contest in the "Plant proteins and plant chemistry" category and was selected in the French Tech 120 in 2020 and 2021. In 2018, AFYREN committed to its industrial project by creating the AFYREN NEOXY joint venture with Bpifrance's SPI fund. AFYREN NEOXY is dedicated to the first industrial production of AFYREN natural organic acids in the Grand Est region. In 2022, the AFYREN NEOXY factory opened its doors in 2022. AFYREN and AFYREN NEOXY now employ nearly 100 people at their sites in Lyon, Clermont-Ferrand and Carling Saint-Avold.

In 2021, AFYREN listed on Euronext Growth® exchange in Paris, raising a total amount of 70.4 million euros with the objective of accelerating its industrial development (ISIN code: FR0014005AC9, ticker: ALAFY).

Find out more on: <https://afyren.com/en/>

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