



AFYREN announces its 2024 half-year financial results

AFYREN NEOXY: first products commercialized but adjustments in operations needed to reach continuous production

- Ambition to reach continuous production by end 2024 is maintained, subject to adjustments to the separation-purification stage
- First tons of biobased acids and fertilizers commercialized to customers
- Further development of partnerships and commercial pipeline to prepare for the future
- First sustainability report published and good execution of the ESG roadmap

A solid financial base, supporting the start-up of AFYREN NEOXY

- Stable loss reflecting good control of operating expenses
- Cash position of €43 million at 30 June 2024, with cash burn of €6 million, including transitional support for the start-up of AFYREN NEOXY's continuous production

Clermont-Ferrand/Lyon, September 30, 2024, 07h30 CEST - AFYREN, a greentech company that offers manufacturers natural, low-carbon ingredients produced using unique fermentation technology based on a completely circular model, today announced financial results for the half-year ended June 30, 2024, and approved by the Board of Directors on September 27, 2024.

Nicolas SORDET, CEO of AFYREN, said: " *This summer saw many temperature records fall. Faced with this reality, repeating year after year, AFYREN is proud to offer a concrete response to the challenges of decarbonizing industry. The strategic priority given to the continuous start-up of our AFYREN NEOXY plant should not overshadow the many successes achieved in other areas, whether in R&D, partnerships, our ESG roadmap or the commercial pipeline.* "



RECENT HIGHLIGHTS

AFYREN NEOXY: tangible progress made with the first tons of biobased acids and fertilizer commercialized to customers, while continuous production is envisaged after the adjustments currently being made to the separation-purification stage

Following the on-time delivery of the AFYREN NEOXY plant and its successful industrial commissioning, several quarters of tests and trials were necessary for the teams to master the critical stages of a pioneering process second to none, worldwide.

During this period, the upstream fermentation-concentration process was confirmed. Adjustment work is now focusing on the downstream stages of the process.

	Role	Objective	Status
Fermentation & Concentration	Enable transformation of feedstock into Acids	Replicating the pilot's performance on an industrial scale	Confirmed
	Concentrate reaction medium	Achieve expected performances	Confirmed
Separation & Purification	Extract Acids and produce Fertilizer	Improve the reliability of industrial equipment and process management	Several long cycles successfully executed Reliability work in progress to enable more stable continuous operation
	Purification of Acids	Produce in line with standard market specifications	Largely validated by the production of industrial volumes at the quality required by customers Ongoing replacement of a piece of equipment damaged by a corrosion incident

These recent advances have enabled:

- the production and commercialization of over a hundred tons of fertilizer since April 2024;
- the production of several dozen tons of acids and commercialization to three customers, meeting the quality standards of the human food, cosmetics, and life sciences markets.

AFYREN NEOXY will record its first acids sales in the second half of 2024.

Adjustment in operations required to achieve 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-even¹ of the plant in the course of 2025 is confirmed.

AFYREN NEOXY: a financing plan for the start-up of operations currently being structured

Today, as anticipated, additional financing requirements, including 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.

¹ Current EBITDA from production: corresponding to current operating income adjusted for depreciation, amortization and net impairment of property, plant and equipment and intangible assets and the royalties for the remuneration of a technology licence granted by AFYREN.



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.

Strategic partnerships and commercial progresses

In parallel with the launch of AFYREN NEOXY, a strategic priority for the Group, AFYREN is continuing to make progress on securing raw materials and commercial outlets for its products.

In the first half of 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 molecules that can be used to replace petroleum-based molecules. This initiative opens up an attractive recycling option and a concrete, circular solution to the challenges of decarbonization. It marks a significant step forward in the collaboration between the two companies, initiated in 2020 as part of the AFTER-BIOCHEM consortium.

In Asia, AFYREN is progressing with the structuring of its commercial activities, within the framework of the planned partnership with Mittr Phol, a leading Thai group in the production of cane sugar and its derivatives, via the creation of AFYREN SERVICES (THAILAND) CO. LTD, a wholly owned subsidiary of AFYREN.

More recently, AFYREN announced the signature of a new multi-year commercial contract with a US-based manufacturer of nutraceutical products, a high-value and fast-growing market. 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 flavorings for food supplements. Initially based on limited volumes, this contract may evolve towards larger quantities.

Tangible progress on the ESG² roadmap

Integral to AFYREN's value proposition and supported by ambitious corporate governance, ESG is at the heart of AFYREN's strategy.

Recent achievements include:

- Signing of the global Responsible Care® charter attesting to the commitment of all AFYREN sites;
- Success of the second HR survey (AFYREN Global People Survey), with 98% participation;
- 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 companies³;
- Publication of AFYREN's first sustainability report, voluntarily drawn up 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](#).

A SOLID FINANCIAL BASE

A stable loss thanks to disciplined cost management

Simplified P&L (in thousands of euros)	06/2024	06/2023	Var.
Revenue	1,364	1,956	-30%
<i>licensing and development of industrial know-how</i>	709	708	-
<i>other services provided</i>	656	1,247	-47%
Operating loss	(3,590)	(3,097)	+16%
Net financial result	978	503	+94%
Share in loss of equity-accounted company (net of tax)	(2,710)	(2,529)	+7%
Net loss	(5,322)	(5,123)	+4%

The Company's revenues amounted to €1.36 million in the first half of 2024, a 30% decline compared with €1.96 million in the first half of 2023, in line with a reduced scope of services provided to its subsidiary AFYREN NEOXY, given the increased activity of local teams.

² Environmental, social and governance criteria

³ In terms of employee numbers and sector



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, local teams taking up an increased workload.

Net operating expenses⁴ 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.

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

Net financial income was positive in the first half of 2024: financial income from cash investments 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).

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, with no meaningful revenues.

Group 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 production at the AFYREN NEOXY plant.

[A solid cash position of €43 million thanks to limited cash consumption](#)

Simplified balance sheet (in thousands of euros)	06/2024	12/2023
Non-current financial assets	16,671	19,479
<i>of which equity-accounted securities</i>	11,475	14,185
Current assets	47,246	50,948
<i>of which cash and cash equivalents</i>	43,402	49,559
Total assets	63,917	70,427
Equity	56,734	61,799
Non-current provisions	3,477	4,213
<i>of which loans and financial debts</i>	2,390	3,176
Current liabilities	3,706	4,414
<i>of which loans and financial debts</i>	1,585	1,611
Total liabilities	63,917	70,427

At 30 June 2024, Group has a cash position of €43.4 million. Cash outflows totalled €6.2 million in the first six months of 2024, of which €2.5 million related to short-term financing of the subsidiary AFYREN NEOXY by means of a shareholder loan, and €0.7 million related to debt repayments.

⁴Net of other income, mainly operating grants including in particular the research tax credit



At the end of June 2024, AFYREN had a solid balance sheet and shareholders' equity of €56.7 million, with the decrease compared with the end of 2023 attributable to the net loss for the period. Total financial debt was limited to €4.0 million⁵ at the end of June 2024, compared with €4.8 million at the end of 2023, with the decrease mainly due to the normal repayment of debt.

OUTLOOK AND FINANCIAL OBJECTIVES

As of the date of this press release, AFYREN aims at starting 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 tons 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 fertilizer 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%⁶.

2024 HALF-YEAR FINANCIAL REPORT AVAILABILITY

The Company will make its 2024 half-year financial report in French available to the public today. An English version will follow shortly.

⁵Including rental liabilities, which represent 121 thousand euros at the end of June 2024 for the non-current portion and 193 thousand euros for the current portion

⁶ Current EBITDA margin is defined at Company level.



About AFYREN

AFYREN is a French greentech company launched in 2012 to meet the challenge of decarbonizing industrial supplies. Its natural, innovative and proprietary fermentation technology valorizes local biomass from non-food agricultural co-products, replacing petro-sourced ingredients usually used in many product formulations. AFYREN's 100% biobased, low-carbon and sustainable solutions can meet decarbonization challenges in a wide variety of strategic sectors: human and animal nutrition, flavors and fragrances, life sciences and materials, and lubricants and technical fluids. AFYREN's plug-and-play, circular technology combines sustainability and competitiveness, with no need for manufacturers to change their processes.

The Group's first French plant, AFYREN NEOXY, a joint venture with Bpifrance's SPI fund, is located in the Grand-Est region of France, in Saint Avold, serving mainly the European market.

AFYREN is also pursuing a project in Thailand with a world leader in the sugar industry, and is developing its presence in the Americas, following up on distribution agreements it has already signed.

At the end of 2023, the AFYREN Group employed about 120 people in Lyon, Clermont-Ferrand and Carling Saint-Avold. The company invests 20% of its annual budget in R&D to further develop its sustainable solutions.

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

Find out more: afyren.com



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Appendix

1. Income statement

(in thousands of euros)	06/2024	06/2023
Revenue	1 364	1 956
Other income	242	226
Purchases and external expenses	(1 675)	(1 538)
Payroll costs	(3 029)	(3 249)
Depreciation of fixed assets and rights of use	(405)	(406)
Other expenses	(88)	(86)
Current operating income	(3 590)	(3 097)
Non-current operating income	-	-
Operating income	(3 590)	(3 097)
Financial income	1 051	746
Financial expenses	(73)	(243)
Net financial income	978	503
Share in income of equity-accounted company (net of tax)	(2 710)	(2 529)
Income before tax	(5 322)	(5 123)
Income tax	0	-
Net income for the year	(5 322)	(5 123)
Earnings per share		
Basic earnings per share (in euros)	(0,20)	(0,20)
Diluted earnings per share (in euros)	(0,20)	(0,20)



2. Balance sheet

(in thousands of euros)	06/2024	12/2023
Intangible assets	3 146	3 333
Property, plant and equipment	285	338
Rights of use	328	441
Equity-accounted securities	11 475	14 185
Non-current financial assets	1 437	1 182
Non-current assets	16 671	19 479
Trade receivables	352	466
Current financial assets	100	99
Other current assets	3 392	824
Cash and cash equivalents	43 402	49 559
Current assets	47 246	50 948
Total assets	63 917	70 427
Share capital	522	520
Issue premiums	85 391	85 264
Reserves	(9 815)	(4 679)
Retained earnings	(14 042)	(9 720)
Net income for the year	(5 322)	(9 586)
Equity attributable to the owners of the Company	56 734	61 799
Non-current borrowings and financial liabilities	2 269	2 952
Non-current lease liabilities	121	224
Defined benefit liabilities	61	61
Non-current provisions	14	14
Non-current deferred income (customer contract liabilities)	0	0
Non-current deferred income (grant)	1 012	962
Non-current liabilities	3 477	4 213
Current borrowings and financial liabilities	1 391	1 402
Current lease liabilities	193	208
Trade payables	282	388
Current deferred income (customer contract liabilities)	637	1 321
Other current liabilities	1 202	1 095
Current liabilities	3 706	4 414
Total liabilities	7 183	8 628
Total equity and liabilities	63 917	70 427



3. Cash flow statement (simplified)

(in thousands of euros)	06/2024	06/2023
Net income for the year	(5 322)	(5 123)
Total elimination of expenses and income with no cash impact	2 574	3 074
Total cash flow	(2 748)	(2 049)
Total changes in working capital	(635)	(258)
Net cash from operating activities	(3 383)	(2 307)
Acquisition of PPE and intangible assets, net of disposals	(52)	(231)
Capitalised development expenses	(19)	(76)
Investment grants (incl. CIR offsetting capitalised expenses)	49	(15)
Subscription to AFYREN NEOXY capital increase	-	(2 000)
Current account contribution to AFYREN NEOXY	(2 500)	-
Interest received	838	665
Net variation in non-current financial assets	(50)	(1 501)
Variation in current financial assets (liquidity contract)	(1)	(400)
Net cash used in investing activities	(1 735)	(3 557)
Capital increase	129	93
Purchase / sales of treasury share	(306)	(202)
Proceeds from new borrowings and financial liabilities	-	1 001
Repayment of borrowings and financial liabilities	(702)	(818)
Repayment of convertible bonds	-	(3 567)
Payment of lease liabilities	(110)	(110)
Interest paid on borrowings and financial liabilities	(38)	(27)
Interest paid on bonds	-	(178)
Interest paid on lease liabilities	(10)	(9)
Net cash used in financing activities	(1 039)	(3 816)
Net change in cash and cash equivalents	(6 157)	(9 681)
Cash and cash equivalents as of January 1 st	49 559	62 333
Cash and cash equivalents as of Dec 31	43 402	52 652