



AFYREN announces the industrial commissioning of its AFYREN NEOXY plant and publishes its 2021 Full-Year Results

- **Finalization of the construction of the AFYREN NEOXY plant at cost and on time despite the health crisis context**
- **Industrial commissioning of the plant with the launch of the test phase**
- **Strong cash position of €67 million at the end of 2021 following the success of the IPO**
- **Execution of the strategy in line with the plan presented at the IPO and confirmation of the financial outlook and objectives**

Clermont-Ferrand/Lyon, March 24, 2022 5:45 pm CET - AFYREN, a greentech company that offers manufacturers natural, low-carbon products created with technology based on natural micro-organisms, today announced the completion of the construction phase of the AFYREN NEOXY plant, its industrial commissioning and the annual financial results for the year ending December 31, 2021.

Nicolas SORDET, AFYREN's CEO, stated: *"2021 was a transforming year for AFYREN, culminating in the IPO in September. The year 2022 also promises to be full of challenges and we are pleased to have met the first one with the launch of the industrial commissioning of our AFYREN NEOXY plant on the Carling Saint-Avoid site, in accordance with the announced schedule and at cost. We now have the financial resources and a first industrial tool to accelerate the achievement of our Purpose, "We enable low-carbon, circular industry by providing biobased solutions built with our partners to benefit the environment"."*

Industrial commissioning of AFYREN NEOXY plant

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

Today, the construction phase for this plant is nearing completion: all the equipment has been delivered and the acceptance and start-up process is underway in accordance with the planned schedule. These tests will be spread out over several weeks for a gradual commissioning of the different equipment, a test phase that will prepare the launch of production.

The construction phase went smoothly and on time, despite the health crisis (more than 200,000 hours worked, with a strong mobilization of our teams and partners, bringing the number of people present on site simultaneously to more than 150 at the height of the project). The construction phase was completed at cost, including provisions for possible adjustments to be made during the start-up phase. The operating team is now fully recruited.

AFYREN NEOXY will launch the production of its seven biobased organic acids with the objective of delivering the first batches during 2022.

Jean SAINT-DONAT, President of AFYREN NEOXY, adds: *"The industrial commissioning of the AFYREN NEOXY plant is a key step in the history of AFYREN. We are ready to start and deliver the first batches of biobased acids developed with AFYREN technology this year. We are facing this transition to industrial scale with serenity alongside the fifty or so new employees already recruited and trained, and we are confirming our deep commitment to the environment by promoting short supply and sales channels thanks to our strategic geolocation in the heart of Europe."*

2021 key financial elements

Income statement

In €k	2021.12	2020.12
Sales	3,036	3,991
Other income	410	244
Operating expenses	(5,622)	(4,408)
Recurring operating income	(2 176)	(172)
Non-recurring operating income	-	329
Operating income	(2 176)	158
Net financial income	(403)	(608)
Share of net income of equity-accounted entities	(1,029)	(1,674)
Profit before tax	(3,608)	(2,124)
Income tax	0	(9)
Net income	(3,609)	(2,133)

Sales in 2021 amount to €3.04 million, against €3.99 million in 2020. The sales are essentially composed of income from the various contracts concluded with AFYREN NEOXY (patent and know-how licenses, services related to the obtaining of the BBI grant¹ by AFYREN NEOXY, commercial and administrative assistance services).

As expected, the Company recorded a net loss in 2021, amounting to €3.61 million (compared to €2.13 million in 2020), as a consequence of the acceleration of investments prior to the operation of the industrial units.

Cash and cash equivalents amounted to €67.13 million as of December 31, 2021, thanks in particular to the capital increase within the framework of AFYREN's IPO in September 2021, which raised nearly €70 million.

Purpose and extra-financial rating significantly improved

Following several months of reflection and consultation with its internal and external stakeholders, AFYREN and its board of directors define and formalize its Purpose in early 2022: **"We enable low-carbon, circular industry by providing biobased solutions built with our partners to benefit the environment."**

¹ The BBI grant is awarded through a €3.7 billion public-private partnership between the European Union and the Bio-industries consortium, of which AFYREN NEOXY is a member, which aims, among other things, to facilitate the transition to a sustainable bioeconomy

In 2021, AFYREN already initiated a first external rating with Gaïa Rating, a subsidiary of EthiFinance, and obtained an "Advanced" score of 55/100. After all of the work carried out in 2021, including the implementation of the Purpose and materiality, the placement of a person in charge of ESG in AFYREN's Executive Committee, as well as the creation of a code of conduct for its suppliers, AFYREN obtained, at the beginning of 2022, **a rating of 66/100**.

This progress of 11 points compared to the previous year puts AFYREN in the "Advanced +" on the EthiFinance scale, highlighting a level of ESG maturity that is significantly higher (+ 33 pts) than what is observed for comparable companies in terms of headcount and sector of activity.

Outlook and financial objectives

The commissioning of the first AFYREN NEOXY plant will enable the delivery of the first batches from 2022. In parallel, AFYREN is currently studying the implementation of plant n°2 for commissioning at the end of 2024, notably by analyzing different scenarios for several raw materials, in North America and Asia, by ongoing discussions with potential partners and by evaluating the structuring of the financing.

On a longer-term basis, and with two complementary plants (plant n°2 and n°3), AFYREN reaffirms its financial outlook and objectives:

- 1) Have an annual production capacity of more than 70,000 tons by 2026
- 2) Deliver positive adjusted current EBITDA margin for AFYREN NEOXY by 2023, and a positive recurring EBITDA margin for AFYREN by 2025²
- 3) Achieve a recurring EBITDA margin at Group level of around 30% in 2027 with sales in excess of €150 million³

² Recurring EBITDA is defined at Company level and reflects recurring operating income adjusted for depreciation, amortization and net impairment of property, plant and equipment and intangible assets. Restated current EBITDA is defined at the level of the production units and reflects current operating income adjusted for depreciation, amortization and net impairment of property, plant and equipment and intangible assets, and, where applicable, for the annual flat-rate portion of royalties relating to the remuneration of a technology license granted by Afyren (including the fixed and variable portions).

³ Revenues in excess of €150 million reflect the combined revenues of the production units

About AFYREN

Founded in 2012 to meet the growing need of industries to reduce the use of petroleum derivatives in their production chain, AFYREN produces biomolecules derived from the reuse of non-food biomass. These ingredients are widely used in human and animal nutrition, flavors and fragrances, cosmetics, and fine chemicals. This production of renewable carbon, which is firmly grounded in the circular economy, uses fermentation technologies that are the result of 10 years of research and are patented worldwide. AFYREN is a winner of 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. The AFYREN NEOXY plant under construction in the Grand Est region will produce AFYREN organic acids in 2022. At the end of December 2021, AFYREN and AFYREN NEOXY employ more than 70 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 (Afyren's ISIN: FR0014005AC9, ticker: ALAFY).

For more information: afyren.com



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