



## AFYREN announces its 2023 financial results

- **On the path to sustainable production**
  - AFYREN NEOXY: significant steps toward continuous production
  - Industrial development continues in France and abroad
  - Further improvement in extra-financial rating (83/100; +4pts)
- **A solid financial base thanks to disciplined management**
  - Tight control of operating expenses in 2023 kept loss stable vs. 2022
  - Limited cash consumption: €50 million in cash available as of December 31, 2023
- **Timetable adjusted as operational and financial goals are maintained**
  - AFYREN NEOXY: start-up of continuous production in 2024, with break-even in 2025, as communicated in December 2023
  - Plants 2 and 3: commissioning schedule adjusted
  - Operational and financial goals for the 3 units maintained

**Clermont-Ferrand/Lyon, April 2, 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, announced today its audited annual financial results for the year ended December 31, 2023, as approved by the Board of Directors on March 28, 2024.

**Nicolas SORDET, CEO of AFYREN, said:** *"Founded in 2012 with the aim of offering an industrial-scale solution for transforming biomass co-products into alternatives to petroleum-based products, AFYREN has taken just ten years to move from the fundamental research phase to industrial production. By focusing on low-value raw materials, processed with our innovative natural fermentation technology, we can implement a profitable business model independent of oil-market fluctuations. The ingredients we produce meet the critical needs of manufacturers seeking more natural products and/or products with a reduced carbon footprint. This is underscored by the fact that our 1<sup>st</sup> AFYREN NEOXY plant has 165 million euros in sales secured by contracts. This industrial and commercial maturity sets us apart from other high-impact projects. Achieving our operational, financial and environmental ambitions is our priority, beginning with the start-up of continuous production at AFYREN NEOXY."*



## RECENT MILESTONES

### Update on AFYREN NEOXY's progress

Following the on-time delivery of the AFYREN NEOXY plant in 2022 and its successful industrial commissioning, operational teams focused in 2023 on the start-up of production, with the manufacture of several tons of products and the delivery of the first batches in mid-2023.

Work carried out in the second half of 2023 revealed the following findings:

- Fermentation cycles (a biological process) carried out since 2022 have confirmed the core of the process, with yields coming in as expected.
- Some post-fermentation stages (related to separation and purification by chemical processes) are not yet stable enough to allow the plant to run continuously.
- To date, work has focused on the separation stage. This requires long, continuous cycles to carry out the adjustments and modifications that will enable operation under the pre-defined design.

In light of these factors, in December 2023 the Company revised its operating timetable to aim for the start of continuous production in 2024, with break-even<sup>1</sup> in 2025.

Shareholders AFYREN and Bpifrance have confirmed their commitment in 2023 by subscribing to a cash capital increase and convertible bonds. Any additional plant requirements in 2024 will be covered.

In recognition of the work carried out by AFYREN NEOXY and its AFTER-BIOCHEM consortium partners and the industrial milestones achieved, AFYREN NEOXY received at the end of 2023 a further payment of €3.4 million from CBE JU<sup>2</sup>, a European Union entity.

In this same context, AFYREN and SUEZ announced in March 2024 that they would continue their collaboration on the use of waste from SUEZ's collection and treatment activities (in particular bio-waste) in the AFYREN process.

In the autumn of 2023, AFYREN NEOXY's governance evolved: Jérémy Pessiot, Deputy CEO, R&D Director and co-Founder of AFYREN, took over as Chairman to further strengthen the links between the parent company and its plant.

### Ongoing industrial development in France and abroad

In 2023, the teams continued to work on AFYREN's industrial development worldwide. In Asia, AFYREN is in the process of setting up a joint venture in Thailand with Mitr Phol, the world's 3<sup>rd</sup> largest sugar group. The aim of the project is to set up a biobased carboxylic acid plant near Bangkok.

In 2023, discussions focused on the constitution and governance of the joint venture, the licensing of biotechnological know-how and local industrial facilities. They are continuing with a view to reaching a final agreement on the terms of the partnership.

In addition, studies continue to be carried out to increase AFYREN's production capacity, in France and abroad. The AFYREN NEOXY extension scenario is under assessment, offering the possibility to capitalize on existing assets with a better control on the financial budget.

In 2024, AFYREN's operational teams will continue this work, while giving priority to the start-up of continuous production at the first plant.

### Concrete progress on the ESG<sup>3</sup> roadmap

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

---

<sup>1</sup> 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.

<sup>2</sup> Circular Bio-based Europe Joint Undertaking

<sup>3</sup> Environmental, social and governance criteria



Recent achievements include:

- Participation in the “*Convention des Entreprises pour le Climat*” (CEC) and publication of a regenerative roadmap in early 2024. ([link](#))
- The success of the Group's first HR survey (AFYREN Global People Survey), reflecting team commitment with a 97% participation rate.
- In 2023, EcoVadis, one of the world's most recognized independent CSR assessment platforms, award AFYREN a silver medal for its first rating exercise.
- A further increase in Ethifinance's extra-financial rating in 2024 to 83/100 (Platinum Level), underscored a higher level of ESG maturity compared with similar companies<sup>4</sup>.

Since the end of 2023, the Company has been analyzing its ESG performance indicators in the light of future CSRD requirements ("Gap Analysis"). A selection of extra-financial indicators will be detailed in AFYREN's first CSR report, scheduled for publication in the second quarter of 2024.

## A SOLID FINANCIAL BASE

### A stable loss thanks to disciplined cost management

Simplified P&L (in thousands of euros)	12/2023	12/2022	Var.
<b>Revenue</b>	<b>3,379</b>	<b>3,456</b>	-2%
<i>licensing and development of industrial know-how</i>	1,417	1,417	-
<i>other services provided</i>	1,962	2,039	-4%
<b>Operating loss</b>	<b>(5,928)</b>	<b>(5,371)</b>	+10%
Net financial result	1,142	(166)	-
Share in loss of equity-accounted company (net of tax)	(4,800)	(3,662)	+31%
<b>Net loss</b>	<b>(9,586)</b>	<b>(9,200)</b>	+4%

The Company's revenue amounted to €3.4 million in 2023, unchanged from €3.4 million in 2022. Revenue is essentially made up of income from intellectual property and know-how held by the Group, unchanged compared with 2022, and income from various contracts entered into with AFYREN NEOXY, slightly down compared with 2022. These contracts cover various technical services provided during the start-up of the plant.

Net operating expenses<sup>5</sup> amounted to €9.3 million in 2023, compared with €8.8 million in 2022, an increase of €0.5 million mainly attributable to:

- staff costs up €0.9 million due to the increase in the number of employees, with the average number of full-time equivalents (FTE) increasing by 8 people
- purchases and external expenses, up €0.7 million, including expenses related to the development of the Group's next plants, particularly in Thailand

These increases are partially offset by lower non-cash expenses related to the recognition of long-term incentive plans for managers and employees compared with 2022 (down €1.1 million).

Within operating expenses, research and development spending recognized as expenses amount to €1.8 million in 2023, stable compared with 2022.

Current operating result was a loss of €5.9 million.

Financial result records a €1.3 million improvement thanks to financial income from cash and cash equivalent investment, as financial costs are slightly down.

The share accounted for in AFYREN NEOXY's net income was a loss of €4.8 million at end 2023, compared with a loss of €3.7 million at end 2022. This change is mainly related to the plant's operating expenses, in the absence of revenue. AFYREN NEOXY will recognize revenue when acid batches are delivered to its customers from continuous production.

<sup>4</sup>In terms of employee numbers and sector

<sup>5</sup>Net of other income, mainly operating grants including in particular the research tax credit



Net result was a loss of €9.6 million at the end of 2023, compared with a loss of €9.2 million at the end of 2022 reflecting a well-controlled cost base in the pre-continuous production / pre-revenue phase.

€50 million in cash available as of December 31, 2023 thanks to limited cash consumption

<b>Simplified balance sheet (in thousands of euros)</b>	<b>12/2023</b>	<b>12/2022</b>
Non-current financial assets	19,479	20,998
<i>of which equity-accounted securities</i>	<i>14,185</i>	<i>16,513</i>
Current assets	50,948	63,822
<i>of which cash and cash equivalents</i>	<i>49,559</i>	<i>62,333</i>
<b>Total assets</b>	<b>70,427</b>	<b>84,821</b>
Equity	61,799	70,978
Non-current provisions	4,213	5,885
<i>of which loans and financial debts</i>	<i>3,176</i>	<i>3,485</i>
Current liabilities	4,414	7,958
<i>of which loans and financial debts</i>	<i>1,611</i>	<i>5,054</i>
<b>Total liabilities</b>	<b>70,427</b>	<b>84,821</b>

As of end December 2023, AFYREN has a solid balance sheet with Shareholder's equity of €61.8 million, the decrease compared to end of December 2022 coming from the net loss of the period.

Total financial debt is limited, at €4.8 million<sup>6</sup> compared with €8.5 million at end 2022. The decrease comes mostly from the repayment in March 2023 of convertible bonds subscribed in March 2020.

The Group has a cash position of €49.6 million. Cash outflows over the period totaled €12.8 million, of which €7.1 million related to the strengthening of the AFYREN NEOXY financial position and the repayment of the convertible bonds, against €1 million of new loan subscription ("Prêt Innovation"). Adjusted for these items, the underlying cash burn was €6.7 million.

## OUTLOOK AND FINANCIAL GOALS

The anticipated delays in the start-up of AFYREN NEOXY have an impact on the timetable for future plants, which must capitalize on the return on experience from the first.

The Company is maintaining its medium-term operating (3 units) and financial goals of the initial plans presented in 2021 (€150 million in annual sales and 30% EBITDA margin), but envisages a sequence starting with a 18- to 24-month delay.

AFYREN aims to achieve the following:

- three production units with a combined installed capacity of around 70,000 tons of acids (vs 72,000 tons) by 2028; of which at least two in continuous production (including the existing plant AFYREN NEOXY)<sup>7</sup>. These three units will also produce a high added-value fertilizer, ensuring the circularity of the model;
- accumulated production revenue from the three units of more than €150 million, at full capacity;
- a target current EBITDA margin at Group level of around 30%<sup>8</sup>, at full capacity.

## 2023 FINANCIAL REPORT AVAILABLE

The Company will make its 2023 annual financial report in French available to the public and file it with the Autorité des marchés financiers no later than April 12, 2024. An English version will follow shortly.

<sup>6</sup> Including lease liabilities, which represented €0.4 million at the end of December 2023

<sup>7</sup> The commissioning sequence may vary depending on the choice between extending NEOXY or moving to a new site.

<sup>8</sup> 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, AFYREN 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](https://afyren.com)



## Contacts

**AFYREN**  
**Director for ESG,**  
**Communications and Public**  
**Affairs**  
Caroline Petigny  
[caroline.petigny@afyren.com](mailto:caroline.petigny@afyren.com)

**Investor Relations**  
Mark Reinhard  
[investisseurs@afyren.com](mailto:investisseurs@afyren.com)

**NewCap**  
**Investor Relations**  
Théo Martin / Mathilde Bohin  
Tel: 01 44 71 94 94  
[afyren@newcap.eu](mailto:afyren@newcap.eu)

**NewCap**  
**Media Relations**  
Nicolas Mérigeau / Gaëlle  
Fromageat  
Tel: 01 44 71 94 98  
[afyren@newcap.eu](mailto:afyren@newcap.eu)

**International Media relations**  
Bogert-Magnier Communications  
James Connell  
+33 6 2152 1755  
[jim@bogert-magnier.com](mailto:jim@bogert-magnier.com)

## Financial calendar

Event – publication	Dates
FY 2023 Financial report (in French)	April 12, 2024 at the latest
Shareholder's meeting	June 19, 2024, in Lyon
HY 2024 results	September 30, 2024



## Appendix

### **1. Income statement**

<b>(in thousands of euros)</b>	<b>12/2023</b>	<b>12/2022</b>
<b>Revenue</b>	3,379	3,456
Other income	527	460
Purchases and external expenses	(3,053)	(2,396)
Payroll costs	(5,835)	(6,104)
Depreciation of fixed assets and rights of use	(814)	(629)
Other expenses	(132)	(158)
<b>Current operating income</b>	<b>(5,928)</b>	<b>(5,371)</b>
Non-current operating income	-	-
<b>Operating income</b>	<b>(5,928)</b>	<b>(5,371)</b>
Financial income	1,439	179
Financial expenses	(297)	(345)
<b>Net financial income</b>	<b>1,142</b>	<b>(166)</b>
Share in income of equity-accounted company (net of tax)	(4,800)	(3,662)
<b>Income before tax</b>	<b>(9,586)</b>	<b>(9,200)</b>
Income tax	-	-
<b>Net income for the year</b>	<b>(9,586)</b>	<b>(9,200)</b>
Earnings per share		
Basic earnings per share (in euros)	(0.37)	(0.36)
Diluted earnings per share (in euros)	(0.37)	(0.36)



## 2. Balance sheet

(in thousands of euros)	12/2023	12/2022
Intangible assets	3,333	3,621
Property, plant and equipment	338	358
Rights of use	441	446
Equity-accounted securities	14,185	16,513
Non-current financial assets	1,182	62
<b>Non-current assets</b>	<b>19,479</b>	<b>20,998</b>
Trade receivables	466	788
Current financial assets	99	71
Other current assets	824	630
Cash and cash equivalents	49,559	62,333
<b>Current assets</b>	<b>50,948</b>	<b>63,822</b>
<b>Total assets</b>	<b>70,427</b>	<b>84,821</b>
Share capital	520	517
Issue premiums	85,264	85,089
Reserves	(4,679)	399
Retained earnings	(9,720)	(5,828)
Net income for the year	(9,586)	(9,200)
<b>Equity attributable to the owners of the Company</b>	<b>61,799</b>	<b>70,977</b>
Non-current borrowings and financial liabilities	2,952	3,261
Non-current lease liabilities	224	224
Defined benefit liabilities	61	67
Non-current provisions	14	14
Non-current deferred income (customer contract liabilities)	0	1,321
Non-current deferred income (grant)	962	997
<b>Non-current liabilities</b>	<b>4,213</b>	<b>5,885</b>
Current borrowings and financial liabilities	1,402	4,867
Current lease liabilities	208	187
Trade payables	388	520
Current deferred income (customer contract liabilities)	1,321	1,319
Other current liabilities	1,095	1,066
<b>Current liabilities</b>	<b>4,414</b>	<b>7,958</b>
<b>Total liabilities</b>	<b>8,628</b>	<b>13,843</b>
<b>Total equity and liabilities</b>	<b>70,427</b>	<b>84,821</b>



### 3. Cash flow statement (simplified)

(in thousands of euros)	12/2023	12/2022
<b>Net income for the year</b>	<b>(9,586)</b>	<b>(9,200)</b>
<b>Total elimination of expenses and income with no cash impact</b>	<b>5,751</b>	<b>6 876</b>
<b>Total cash flow</b>	<b>(3,835)</b>	<b>(2,324)</b>
<b>Total changes in working capital</b>	<b>(1,206)</b>	<b>(973)</b>
<b>Net cash from operating activities</b>	<b>(5,041)</b>	<b>(3,297)</b>
Acquisition of PPE and intangible assets, net of disposals	(416)	(221)
Capitalised development expenses	(131)	(245)
Investment grants (incl. CIR offsetting capitalised expenses)	(34)	7
Subscription to AFYREN NEOXY capital increase	(2,000)	-
Interest received	1,407	179
Increase in non-current financial assets	(1,503)	(34)
Increase in current financial assets (liquidity contract)	(400)	(47)
<b>Net cash used in investing activities</b>	<b>(3,078)</b>	<b>(361)</b>
Capital increase	178	-
Purchase / sales of treasury share	(419)	-
Proceeds from new borrowings and financial liabilities	1,000	127
Repayment of borrowings and financial liabilities	(1,361)	(779)
Repayment of convertible bonds	(3,567)	-
Payment of lease liabilities	(209)	(142)
Interest paid on borrowings and financial liabilities	(78)	(162)
Interest paid on bonds	(178)	(178)
Interest paid on lease liabilities	(21)	(4)
<b>Net cash used in financing activities</b>	<b>(4,655)</b>	<b>(1,138)</b>
<b>Net change in cash and cash equivalents</b>	<b>(12,774)</b>	<b>(4,796)</b>
Cash and cash equivalents as of January 1 <sup>st</sup>	62,333	67,128
<b>Cash and cash equivalents as of Dec 31</b>	<b>49,559</b>	<b>62,333</b>