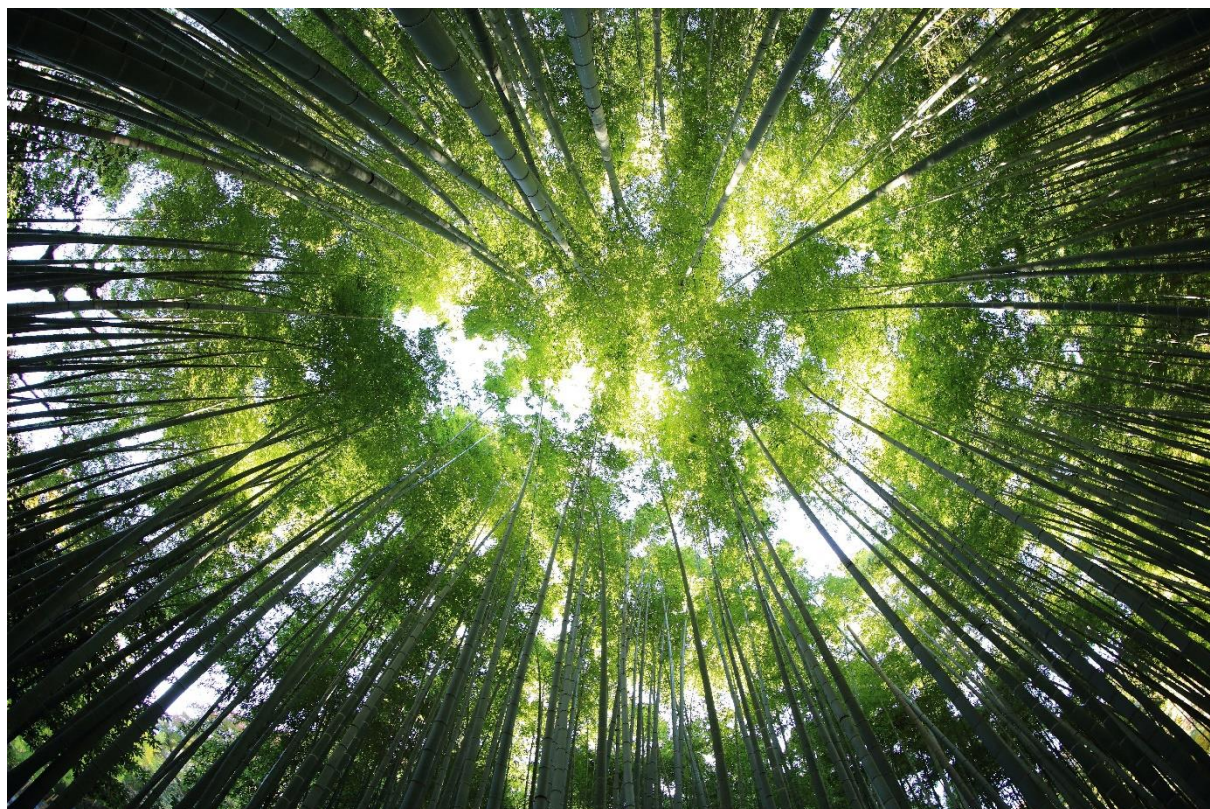




**2022**  
**HALF-YEARLY FINANCIAL REPORT**



|   |           |
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## 1. ATTESTATION BY THE PERSON RESPONSIBLE FOR THE HALF-YEARLY FINANCIAL REPORT

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"I certify that to my knowledge, the condensed IFRS financial statements for the past six months have been prepared in accordance with the applicable accounting standards and provide a true and fair view of the net assets, financial position and financial performance of the Company. I equally certify that to my knowledge, the attached half-yearly business report faithfully represents the significant events that have occurred during the first six months of the financial year and their impact on the consolidated financial statements, as well as the main transactions that have taken place with related parties, and provide a description of the principal risks and uncertainties associated with the remaining six months of the financial year".

Nicolas Sordet, Chief Executive Officer

Signed in Lyon, France, on September 27, 2022



## 2. HALF-YEARLY BUSINESS REPORT

## 2. HALF-YEARLY BUSINESS REPORT

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### 2.1 ALTERNATIVE PERFORMANCE INDICATORS

At the date of this report, the industrial capacity has been commissioned, no operating performance indicators are yet available for the six-months period ended 30 June 2022.

The indicators currently monitored by management are:

- At the level of Afyren, the level of monthly spending with reference to the budget;
- At the level of Afyren Neoxy, the cost of the construction project, including the total installed cost, as well as cash consumption in reference to the budget.

In addition to the accounting aggregates, management has identified four alternative performance indicators ("APIs") to monitor the performance of the Company, its holding and its future subsidiaries on a regular and ongoing basis, including two financial indicators, i.e., revenues and current EBITDA margin, by production unit (i.e. subsidiary or holding of the Company) and also at the Company level. These two indicators provide information on the economic performance of each of the production units, and on the overall development of the Company, its holding and its future subsidiaries. These indicators are not available for the 2020 and 2021 financial years, because they are either not calculable (which is the case for Afyren Neoxy, for example, which does not yet generate revenues), or are not relevant to the progress of the Company's project (which is the case, for example, for the Company's recurrent EBITDA margin, which was close to 0% already in 2020, but which will increase with the acceleration of expenses before - according to the Company's forecasts - returning to breakeven).

#### (I) Revenue indicator

Revenues are understood to be at the level of the plants owned by the Company's subsidiaries or holdings, and are used to measure both the operational and commercial performance of production (volume and price).

At the Company level, revenues are used to measure the overall sales performance.

#### (II) Current EBITDA margin indicator

Current EBITDA is understood to be at the Company level and corresponds to current operating profit restated for depreciation and amortisation and net impairment of property, plant and equipment and intangible assets.

Restated current EBITDA is understood to be at the production unit level and corresponds to current operating income adjusted for depreciation, amortisation and net impairment of property, plant and equipment and intangible assets and, where applicable, the annual fixed part of royalties relating to the remuneration of a technology licence granted by Afyren (including both the fixed and variable portions).

The current EBITDA margin is measured in relation to revenues.<sup>1</sup>

This API is used to measure:

- the asset's operating profitability, including all operating costs, regardless of its financing or investment policy;
- the Company's ability to manage its structural costs to continue developing the technology, and to develop and operate its plants.

### **(III) Committed and installed capacity indicator**

This indicator tracks acid production capacity (in kilotonnes) at two stages of completion: committed capacity (i.e., having passed the "FEL3"<sup>2</sup> stage in the Company's plant preparation process) and installed capacity (i.e., after production has started).

### **(IV) ESG performance monitoring indicator**

The Company is currently developing indicators to monitor ESG (environmental, social and governance) performance. The indicator selected could be based on a non-financial rating such as the Gaia index. The Company inherently provides an efficient solution from an environmental point of view (including an 80% reduction in CO2 emissions compared with petroleum-based products). The Company wishes to manage its ESG performance in a more comprehensive way, not only in terms of the environment but also in terms of social and governance issues. The Company believes that this type of rating will allow it to monitor the Company's overall ESG performance, beyond its initial environmental strengths.

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<sup>1</sup> The monitoring of this indicator will start once the first plant generates revenues.

<sup>2</sup> Finalisation of baseline studies

## 2.2 ANALYSIS OF FIRST-HALF ACTIVITY AND RESULTS

### 2.2.1 OUTLOOK AND TRENDS

AFYREN is currently studying the implementation of the plant n°2 for a commissioning at the end of 2024, in particular by the analysis of the various scenarios on several raw materials, in North America and in Asia, by the discussions in progress with potential partners and by the evaluation of the structuring of the financing. These analyses take into account the climate issues and possible opportunities to access an available and low-value raw material through partnership agreements, in order to optimize the carbon impact of the AFYREN solution. These analyses include feasibility studies (in terms of logistics, energy, CO2 impact, security of supply, and customer proximity) which will be used to confirm the deployment schedule.

In the longer term, and with two complementary plants (plant n°2 and n°3), AFYREN reaffirms its outlook and financial objectives:

- 1) To have an annual production capacity of more than 70,000 tons by 2026
- 2) To reach a positive adjusted current EBITDA margin for AFYREN NEOXY by 2023, and a positive current EBITDA margin for AFYREN by 2025<sup>3</sup>
- 3) Achieve a recurring EBITDA margin at Group level of around 30% in 2027 with sales in excess of €150 million<sup>4</sup>

### 2.2.2 SIGNIFICANT EVENTS DURING THE PERIOD

#### 2.2.2.1 COMMERCIAL SITUATION

At the date of this document, 70% of the plant's full-capacity acid volumes have already been pre-sold through sales contracts, some of which are on a take-or-pay basis over several years.

These contracts concern various sectors of application, such as human food, animal food, flavours and fragrances or lubricants. This confirms the multi-sector approach of Afyren and its products and mitigates the risks related to a single-sector approach.

All these sectors are looking for biobased and low-carbon solutions for their supply needs. It is in this context, reinforced by the current energy crisis, that Afyren can provide its customers with solutions by offering an alternative to products from petrochemicals.

The contracts concern Afyren's entire portfolio of acids and enable the company and its subsidiary Afyren Neoxy to confidently plan the start of production in this first plant for commercial markets.

The remaining available production capacity is subject to contractual discussions, which are ongoing as of the date of this document. It should be noted that some of these discussions also involve volumes that would be produced by the next plant.

As a reminder, in addition to these acids, Afyren's technology generates, as its sole residue, a by-product that is used as fertiliser. The volumes of this fertiliser have already been fully pre-sold by its first plant, Afyren Neoxy, to Terrial.

<sup>3</sup> Current EBITDA is defined in section 2.1 "Alternative Performance Indicators" of this document.

<sup>4</sup> Revenues in excess of €150 million reflect the combined revenues of the production units.

#### 2.2.2.2 CSR POLICY - FORMALISING THE PURPOSE

After several months of reflection and consultation with its internal and external stakeholders, AFYREN consulted, with the support of a specialised independent firm, all AFYREN employees via an online questionnaire or qualitative interviews, and conducted about fifteen interviews with suppliers, customers, institutions and partners.

This analysis led to the definition of a materiality matrix, which ensures that the Group's CSR commitments and ambitions are aligned with the main impacts of its business and the expectations of its stakeholders.

This consultation of the stakeholders also allowed AFYREN and its Board of Directors to define and formalise its Purpose: "We enable low-carbon, circular industry by providing biobased solutions built with our partners to benefit the environment".

The material ESG issues that AFYREN identified with its stakeholders have been integrated into three pillars of essential commitments so that its Purpose is reflected on a daily basis:

- Provide sustainable, high-performance, biobased solutions
- Enable a low carbon, circular, and responsible industry
- Building for and with our environment

#### 2.2.2.3 INDUSTRIAL COMMISSIONING OF AFYREN NEOXY

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.

On 24 March 2022, after 18 months of construction, Afyren announced the industrial commissioning of its Afyren Neoxy plant. This is a major milestone in Afyren's industrial development, with the completion of the construction of the AFYREN NEOXY plant, the first industrial-size unit based on the technology developed by Afyren. This project was completed on budget and on time, despite the health crisis.

This industrial unit is now in the start-up phase. This phase consists of tests for a gradual commissioning of the various equipment, a preparatory phase for the launch of production.

The entire Afyren Neoxy team has been recruited, and the launch of production and delivery of the first batches is expected in the second half of 2022, once all tests have been completed.

#### 2.2.2.4 APPOINTMENT OF NEW DIRECTORS

At the annual general meeting (AGM) on 15 June 2022, the shareholders approved all the proposed resolutions, including the appointments of (i) Mrs Patrizia Marraghini as Chairman of the Audit Committee and independent director on the Board of Directors, and (ii) Mrs Caroline Lebel as director.

#### 2.2.2.5 UPDATE ON THE ENERGY CRISIS RELATED TO THE WAR IN UKRAINE

As of 30 June 2022, the first production unit of the Afyren Neoxy group is still in the start-up phase, and the financial impact of this crisis is insignificant on the Company's financial statements. Nevertheless, with the start-up of the production of the Afyren Neoxy plant, future impacts are anticipated on the cost of access to energy, particularly gas, required for the operation of the plant. This additional production cost is the subject of commercial



discussions, as is the case for the entire industrial sector, in order to limit its impact by adjusting sales prices.

It should be noted that Afyren's petrochemical competition, i.e., 99% of the current market, is impacted by this crisis in two areas: in terms of the costs of its raw material, namely oil derivatives, and also in terms of the costs of energy, with energy-intensive transformation processes. The entire value chain is therefore subject to this inflationary context, which is reflected in an increase in the market price of the acids produced by Afyren.

As a reminder, Afyren uses agricultural by-products as raw materials, and not a main agricultural product. Accordingly, Afyren's production does not compete with human food. The use of these residues as inputs in the production process is one of the cornerstones of Afyren's low-carbon, zero industrial waste, circular economy approach.

Also, this approach does not put competitive pressure on foodstuffs such as sugar or wheat. Moreover, for its first Afyren Neoxy plant, Afyren has signed a five-year contract with the Südzucker group for the supply of sugar beet residues for the plant's production needs, at a price fixed within a contractual price band set for the term of the contract.

The second impact stems from the increase in the cost of a chemical input due to the Ukrainian crisis but tempered downstream by the increase in the sale price of fertilisers produced by Afyren.

#### **2.2.2.6 GRANT OF FOUNDER SHARE WARRANTS (BSPCE)**

By a decision dated 4 February 2022, the Board of Directors implemented the delegation of authority granted by the combined general meeting of 11 June 2021, which authorised the Board of Directors to issue Company founder share warrants (the "2021 BSPCEs"). This grant covers 17,500 2021 BSPCEs in favour of the Chairman of the Board of Directors. The acquisition of shares is subject to a condition of attendance over a period of 3 years.

By a decision dated 24 March 2022, the Board of Directors implemented the delegation of authority granted by the combined general meeting of 11 June 2021, which authorised the Board of Directors to issue Company founder share warrants (the "2021 BSPCEs"). This grant covers 15,000 2021 BSPCEs in favour of an Afyren employee. The acquisition of shares is subject to a condition of attendance over a period of 3 years.

#### **2.2.2.7 ISSUE OF FREE SHARES**

In accordance with the terms of the combined general meeting of 11 June 2021, the Board of Directors decided on 24 March 2022 to grant 257,620 free shares to each of the two executives. The acquisition of shares is subject to a condition of attendance over a period of 3 years and market performance.

## 2.2.3 BUSINESS COMMENTARY

The reader is invited to read the following information relating to the Company's financial position and results together with the Company's condensed financial statements prepared for the purposes of the half-yearly financial report for the first half of 2021 and 2022, which were subject to a limited review by the statutory auditor whose limited review report is presented in section 3.2.

The comments on the financial statements below are based solely on these financial statements.

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union ("EU-IFRS").

Figures in thousands of euros in the tables and analyses in this section have been rounded. As a result, the totals may not correspond to the sum of the separately rounded figures. Similarly, the sum of the percentages, calculated from rounded figures, may not add up to 100%.

### 2.2.3.1 KEY FIGURES

| In € thousands  | 2022.06        | 2021.06       |
|---|----------------|---------------|
| <b>Revenues</b>   | <b>1,763</b>   | 1,522         |
| Of which licence and development of industrial know-how         | 708            | 708           |
| Of which other services   | 1,054          | 814           |
| <b>Operating income</b>   | <b>- 2,580</b> | -856          |
| <b>Net financial income</b>                                     | <b>-160</b>    | -222          |
| <b>Share in income of equity-accounted company (net of tax)</b> | <b>-1,420</b>  | -463          |
| <b>Net income</b>   | <b>- 4,160</b> | <b>-1,540</b> |

Readers are invited to refer to the review of the financial statements and results below.

### 2.2.3.2 REVENUES

The accounting treatment and components of revenues are also detailed in note 6.2 to the IFRS Financial Statements for the half year ended 30 June 2022 in section 3.1.

| In € thousands                                 | 2022.06      | 2021.06 |
|--|--------------|---------|
| Licence and development of industrial know-how | 708          | 708     |
| Other services                                 | 1,054        | 814     |
| <b>Total revenue</b>                           | <b>1,763</b> | 1,522   |

The Company's revenue is up +16%, from €1,522 thousand in the first half of 2021 to €1,763 thousand in the first half of 2022. This increase is due exclusively to the growth in services invoiced to Afyren Neoxy, explained by the increase in technical staff provided to Afyren Neoxy in this intense plant start-up phase, enabling the transfer of skills to the Afyren Neoxy teams in order to operate this production capacity based on Afyren's technology (see change in revenues by type below).

## Change in revenues by type

- Licence and development of industrial know-how:

Revenues generated by the licence agreement was €708 thousand in the first half of 2022, unchanged from the first half of 2021. It corresponds exclusively to the fixed part of the know-how licence granted to Afyren Neoxy in December 2018.

- Provision of technical staff and other services:

Revenues from this item amounted to €1,054 thousand in the first half of 2022 compared with €814 thousand in the first half of 2021. It corresponds to the services invoiced by the Company to Afyren Neoxy under the agreements signed between the two companies, mainly including:

- the provision of technical staff by Afyren, as provided for in the licence agreement. Revenues generated by this service is up to €624 thousand in the first half of 2022, compared with €362 thousand in the first half of 2021, due to the increased provision of staff in connection with the start-up of Afyren Neoxy;
- administrative services amounting to €50 thousand in the first half of 2022, unchanged compared to the first half of 2021; and
- commercial services amounting to €225 thousand in the first half of 2022, unchanged compared to the first half of 2021;
- the support service for the AFTER-BIOCHEM project provided for under Afyren Neoxy's BBI grant in the amount of €155 thousand in the first half of 2022, unchanged compared to the first half of 2021. The terms of this grant are described in Note 5 "BioBased Industries Grant" to the IFRS Financial Statements at 30 June 2022 in section 3.1 of this document.

### 2.2.3.3 CURRENT OPERATING INCOME

#### Other income

| In € thousands                                   | 2022.06    | 2021.06    |
|--|------------|------------|
| Operating grant                                  | 204        | 89         |
| Investment grant recognised under profit or loss | 32         | 32         |
| Other  | -1         | 1          |
| <b>Total other income</b>                        | <b>234</b> | <b>122</b> |

Other income amounted to €234 thousand in the first half of 2022 compared to €122 thousand in the first half of 2021. It mainly includes operating grants (including the research tax credit) and investment grants received.

This item is detailed in Note 6.3 "Other income" of the IFRS financial statements for the half year ended 30 June 2022 in section 3.1.

## Operating expenses

| In € thousands  | 2022.06       | 2021.06       |
|---|---------------|---------------|
| <b>Total employee benefits</b>                              | <b>-3,024</b> | <b>-1,652</b> |
| Purchases of consumables and equipment                      | -94           | -52           |
| Rental expenses   | -45           | -41           |
| Maintenance and repairs                                     | -9            | -7            |
| Remuneration of intermediaries and fees                     | -633          | -308          |
| Travel and assignment expenses                              | -241          | -44           |
| Advertising and communication                               | -79           | -24           |
| Other external expenses                                     | -109          | -40           |
| <b>Total purchases and external expenses</b>                | <b>-1,210</b> | <b>-514</b>   |
| <b>Total depreciation of fixed assets and rights of use</b> | <b>-301</b>   | <b>-311</b>   |
| Taxes   | -22           | -14           |
| Other expenses  | -21           | -9            |
| <b>Total other expenses</b>                                 | <b>-43</b>    | <b>-23</b>    |
| <b>Total operating expenses</b>                             | <b>-4,578</b> | <b>-2,500</b> |

At 30 June 2022, current operating expenses totalled €4.6 million compared with €2.5 million at 30 June 2021, an increase of €2.1 million or 83%, resulting mainly from the increase in personnel expenses (+€1.4 million) and purchases and external charges (+€0.7 million).

In addition, research and development expenses recognised as expenses increased from €0.5 million at 30 June 2021 to €0.6 million at 30 June 2022.

This item is detailed in Note 6.4 "Operating expenses" of the IFRS financial statements for the half year ended 30 June 2022 in section 3.1.

## Payroll costs

| In € thousands   | 2022.06       | 2021.06       |
|--|---------------|---------------|
| Wages and salaries   | -1,427        | -1,075        |
| Social security contributions                                  | -398          | -314          |
| Expenses related to defined contribution post-employment plans | -145          | -112          |
| Expenses related to defined benefit post-employment plans      | -16           | -6            |
| Share-based payments settled in equity instruments             | -1,033        | -145          |
| Other personnel expenses                                       | -5            | -1            |
| <b>Total</b>   | <b>-3,024</b> | <b>-1,652</b> |

Personnel expenses amounted to €3,024 thousand in the first half of 2022 compared with €1,652 million at 30 June 2021. The increase in these expenses resulted mainly from:

- the increase in the average number of full-time equivalents (FTE) from 22 in June 2021 to 31 in June 2022 (excluding the Afyren Neoxy workforce);
- the recognition of an IFRS 2 expense of €1,033 thousand in June 2022 compared with €145 thousand in June 2021 following the award of founder share warrants (BSPCE) as part of the BSPCE 5 plan, as well as the granting of free shares.

The main purpose of these recruitments is to simultaneously build up future production capacity internationally, in parallel with the start-up of Afyren Neoxy, as well as to strengthen development projects aimed at expanding the product portfolio.

### Other expenses

Other expenses correspond to depreciation expenses on fixed assets and the right of use associated with leases as well as various expenses.

## 2.2.3.4 FORMATION OF NET INCOME

### Operating income

The operating income amounted to €(2,580) thousand at 30 June 2022 compared to €(855) thousand at 30 June 2021.

In this investment phase for the future of Afyren, with the support for the start-up of the first Afyren Neoxy plant and the preparation of the next plants, the operating income is naturally deteriorating while waiting for the first revenues from the sale of Afyren Neoxy products, in accordance with the company's planned outlook.

### Net financial income

| In € thousands                                  | 2022.06     | 2021.06     |
|---|-------------|-------------|
| Interest expense on borrowings                  | -15         | -1          |
| Interest expense on convertible bonds           | -74         | -102        |
| Interest expense on repayable advances          | -12         | -20         |
| Interest expense on lease liabilities - IFRS 16 | -1          | -3          |
| Financing component on the licence agreement    | -72         | -95         |
| <b>Total financial expenses</b>                 | <b>-174</b> | <b>-222</b> |
| <b>Total financial income</b>                   | <b>14</b>   | <b>0</b>    |
| <b>Net financial income (expense)</b>           | <b>-160</b> | <b>-222</b> |

Financial income mainly includes interest expenses related to the Company's financial debt and interest related to IFRS restatements (on convertible bonds and licence agreements).

### Share in income of equity-accounted company (net of tax)

The share of Afyren Neoxy's net income was €(1.4) million as of 30 June 2022 compared to (0.5) million as of 30 June 2021.

This deterioration in the results is mainly due to the fact that the entire team required to operate the plant has been recruited and is involved in the start-up of the plant. Thus, pending the delivery of the first batches and the start of the commercial ramp-up, Afyren Neoxy bears all its fixed operating costs without generating the associated revenues. As a reminder, the ramp-up phase of this plant to full capacity is scheduled over the next two years.

As of 30 June 2022, Afyren Neoxy's non-current assets amounted to €66.3 million, mainly including the newly built plant, and to a lesser extent the technology licence granted by Afyren to Afyren Neoxy. As of the date of this document, the construction site of this plant has been completed and the launch of the industrial commissioning of our AFYREN NEOXY plant on the Carling Saint-Avold site has been completed.

Current assets, which amounted to €11.0 million, mainly include receivables for grants to be received, including the BBI grant for €8 million.

The reader is invited to refer to Note 5 of the IFRS Financial Statements for the half year ended 30 June 2022 in section 3.1.

### Net income

Net income amounted to €(4.2) million as of 30 June 2022 compared to (1.5) million as of 30 June 2021.

This net loss is in line with the company's expectations, in a phase where the Afyren and Afyren Neoxy teams are fully mobilised before the delivery of the first batches and the start of the revenue flow from Afyren Neoxy, Afyren's first plant.

### 2.2.3.5 SIMPLIFIED BALANCE SHEET

| In € thousands                                | 2022.06       | 2021.06       | Change        |
|---|---------------|---------------|---------------|
| <b>Non-current assets</b>                     | <b>22,771</b> | <b>24,246</b> | <b>-1,475</b> |
| Of which equity-accounted securities          | 18,753        | 20,171        | -1,418        |
| <b>Current assets</b>                         | <b>66,098</b> | <b>68,903</b> | <b>-2,805</b> |
| Of which cash and cash equivalents            | 64,831        | 67,128        | -2,297        |
| <b>Total assets</b>                           | <b>88,869</b> | <b>93,149</b> | <b>-4,280</b> |
| <b>Equity</b>                                 | <b>74,677</b> | <b>77,856</b> | <b>-3,179</b> |
| <b>Non-current liabilities</b>                | <b>6,855</b>  | <b>11,717</b> | <b>-4,862</b> |
| Of which borrowings and financial liabilities | 3,831         | 7,957         | -4,126        |
| <b>Current liabilities</b>                    | <b>7,337</b>  | <b>3,576</b>  | <b>3,761</b>  |
| Of which borrowings and financial liabilities | 4,671         | 847           | 3,824         |
| <b>Total liabilities</b>                      | <b>88,869</b> | <b>93,149</b> | <b>-4,280</b> |

The Company had cash and cash equivalents of €64,831 thousand at the end of the period and additional funding obtained in 2021 and in the first half of 2022, mainly comprising funds raised during the capital increase through a public offering for a net amount of €66.5 million. The Company can thus finance its growth through the financing of new industrial projects as well as research and development work.

## 2.2.4 CASH FLOW

| In € thousands                                 | 2022.06       | 2021.06       |
|--|---------------|---------------|
| Net cash from operating activities             | -1,536        | -1,316        |
| Net cash used in investing activities          | -232          | -586          |
| Net cash from financing activities             | -528          | -367          |
| <b>Net change in cash and cash equivalents</b> | <b>-2,297</b> | <b>-2,269</b> |

### 2.2.4.1 CASH FLOW FROM OPERATING ACTIVITIES

| In € thousands   | 2022.06       | 2021.06       |
|--|---------------|---------------|
| Net income for the period                                | -4,160        | -1,540        |
| Depreciation of fixed assets and rights of use           | 301           | 311           |
| Net financial income                                     | 160           | 222           |
| Share in income of equity-accounted company (net of tax) | 1,420         | 463           |
| Cost of share-based payments                             | 1,033         | 145           |
| Income tax   | 0             | 0             |
| Dilution result  | -             | -             |
| Gains or losses on disposals of fixed assets             | -             | -             |
| Other items  | -             | -             |
| <b>Cash flow</b>   | <b>-1,246</b> | <b>-400</b>   |
| Net change in WCR  | -290          | -916          |
| Taxes paid   | -             | -             |
| <b>Net cash from operating activities</b>                | <b>-1,536</b> | <b>-1,316</b> |

### Change in working capital requirement (WCR)

| In € thousands                     | 2022.06     | 2021.06     |
|------------------------------------|-------------|-------------|
| Trade receivables                  | 142         | -66         |
| Customer contract liabilities      | -636        | -613        |
| Trade payables                     | -106        | -12         |
| Provisions and employee benefits   | 16          | 6           |
| Other current receivables/payables | 295         | -230        |
| <b>Total changes</b>               | <b>-290</b> | <b>-916</b> |

The change in working capital requirement between 30 June 2021 and 30 June 2022 is mainly explained by the increase in the change in trade receivables of +€208 thousand, partially offset by the change in trade payables of -€94 thousand.

## 2.2.4.2 CASH FLOW FROM INVESTING ACTIVITIES

| In € thousands  | 2022.06     | 2021.06     |
|---|-------------|-------------|
| Acquisition of property, plant and equipment and intangible assets                | -198        | -525        |
| Proceeds from the disposal of property, plant and equipment and intangible assets | -           | -           |
| Capitalised development expenses  | -17         | -140        |
| Investment grants (incl. CIR offsetting capitalised expenses)                     | -31         | 79          |
| Stake in the equity-accounted company   | -           | -           |
| Increase in financial assets  | -           | -           |
| Decrease in financial assets  | -           | -           |
| Increase in current financial assets (liquidity contract)                         | -           | -           |
| Interest received   | 14          | -           |
| <b>Net cash used in investing activities</b>                                      | <b>-232</b> | <b>-586</b> |

The decrease in net cash used in investing activities between the two periods is mainly due to lower spending on ongoing projects.

## 2.2.4.3 CASH FLOW FROM FINANCING ACTIVITIES

| In € thousands   | 2022.06     | 2021.06     |
|--|-------------|-------------|
| Proceeds from new borrowings and financial liabilities | 76          | 201         |
| Repayment of borrowings and financial liabilities      | -274        | -211        |
| Payment of lease liabilities                           | -52         | -61         |
| Interest paid on borrowings and financial liabilities  | -99         | -115        |
| Interest paid on bonds                                 | -178        | -178        |
| Interest paid on lease liabilities                     | -1          | -3          |
| <b>Net cash from financing activities</b>              | <b>-528</b> | <b>-367</b> |

New borrowings and repayments are described in note 16 of the IFRS Financial Statements for the half year ended 30 June 2022 in section 3.1.

## 2.2.5 FINANCIAL LIABILITIES

### Evolution of financial liabilities

| In € thousands                                      |              |
|---|--------------|
| <b>Financial liabilities as of 31 December 2020</b> | <b>9,007</b> |
| Taking out new loans                                | 200          |
| Repayment of loans                                  | -528         |
| <b>Financial liabilities as of 31 December 2021</b> | <b>8,479</b> |
| Taking out new loans                                | 76           |
| Repayment of loans                                  | -274         |
| <b>Financial liabilities as of 30 June 2022</b>     | <b>8,281</b> |



In 2021, the Company took out an R&D innovation loan from Bpifrance for €200 thousand.

In 2022, the Company took out a Boehringer revitalisation loan from Banque Populaire for €76 thousand.

See Notes 16 to the Condensed Financial Statements for the half year ended 30 June 2022 in section 3.1.

### Information on borrowing conditions and funding structure

| In € thousands                            | Currency | Variable/fixed interest rate | Contractual rate | Maturity year | Nominal value | 2022.06 Carrying amount | 2021.12 Carrying amount |
|---|----------|------------------------------|------------------|---------------|---------------|-------------------------|-------------------------|
| Convertible bonds                         | EUR      | Fixed rate                   | 7.00%            | 2023          | 3,567         | 3,340                   | 3,444                   |
| <b>Total convertible bonds</b>            |          |                              |                  |               | <b>3,567</b>  | <b>3,340</b>            | <b>3,444</b>            |
| State guaranteed loan (PGE) - BNP         | EUR      | Fixed rate                   | 0.75%            | 2026          | 780           | 797                     | 797                     |
| State guaranteed loan (PGE) - BPI         | EUR      | Fixed rate                   | 0.75%            | 2026          | 300           | 300                     | 300                     |
| State guaranteed loan (PGE) - BPAR        | EUR      | Fixed rate                   | 0.73%            | 2026          | 780           | 782                     | 782                     |
| State guaranteed loan (PGE) - CA          | EUR      | Fixed rate                   | 0.55%            | 2026          | 780           | 780                     | 780                     |
| <b>Total state guaranteed loans (PGE)</b> |          |                              |                  |               | <b>2,640</b>  | <b>2,659</b>            | <b>2,659</b>            |
| BPI PAI 1 repayable advance               | EUR      | Fixed rate                   | 5.33%            | 2022          | 50            | 8                       | 13                      |
| BPI PAI 2 repayable advance               | EUR      | Fixed rate                   | 5.84%            | 2023          | 150           | 60                      | 75                      |
| BPI PAI 3 repayable advance               | EUR      | Fixed rate                   | 4.40%            | 2024          | 302           | 151                     | 181                     |
| BPI PAI 3 repayable advance               | EUR      | Fixed rate                   | 4.67%            | 2026          | 198           | 129                     | 149                     |
| BPI CMI2 repayable advance                | EUR      | Fixed rate                   | 0.00%            | 2022          | 573           | 343                     | 408                     |
| <b>Total repayable advances</b>           |          |                              |                  |               | <b>1,273</b>  | <b>690</b>              | <b>825</b>              |
| BPI ADI Zero rate                         | EUR      | Fixed rate                   | 0.00%            | 2023          | 690           | 311                     | 380                     |
| Total equity loan                         | EUR      | Fixed rate                   | 1.00%            | 2024          | 400           | 246                     | 312                     |
| BPI R&D Innovation loan 1                 | EUR      | Fixed rate                   | 0.63%            | 2027          | 750           | 750                     | 750                     |
| BPI R&D Innovation loan 2                 | EUR      | Fixed rate                   | 0.71%            | 2028          | 200           | 200                     | 200                     |
| BP Boehringer loan                        | EUR      | Fixed rate                   | 0.00%            | 2027          | 75            | 71                      | -                       |
| <b>Total other borrowings</b>             |          |                              |                  |               | <b>2,349</b>  | <b>1,578</b>            | <b>1,642</b>            |
| Lease liability                           | EUR      | Fixed rate                   |                  |               | 297           | 102                     | 145                     |
| <b>Accrued interest</b>                   |          |                              |                  |               |               | <b>235</b>              | <b>234</b>              |
| <b>Total</b>                              |          |                              |                  |               | <b>10,126</b> | <b>8,604</b>            | <b>8,949</b>            |
| Current share                             |          |                              |                  |               |               | 4,761                   | 950                     |
| Non-current share                         |          |                              |                  |               |               | 3,843                   | 7,999                   |

## 2.3 INVESTMENTS

### Main investments made

The Company did not make any significant additional investments during the period. It is executing its budget, which includes improving the equipment of its production pilot.

Among its expenses, part of its teams is involved, under the various contracts between Afyren and Afyren Neoxy, in carrying out the construction of the Afyren Neoxy production unit and in preparing for the start-up of operations (including the marketing of the remaining available volumes).

### Major investments underway or firmly committed to, and how they will be financed

The main investments under way correspond to the construction works for the Afyren Neoxy plant. This concerns all the Capex of this first plant, including the purchase of the equipment needed for production, roads, the plant's electrical system, control and command systems as well as all the services related to construction and mainly engineering.

## 2.4 STAKE IN THE EQUITY-ACCOUNTED COMPANY

The following table summarises the financial information of Afyren Neoxy as prepared in its IFRS financial statements using the same accounting methods as Afyren. It also reconciles the condensed financial information of the carrying amount of Afyren's investment in Afyren Neoxy:

| In €k   | 2022.06       | 2021.12       | 2021.06       |
|---|---------------|---------------|---------------|
| <b>Percentage of shares held</b>                              | <b>50.62%</b> | <b>50.62%</b> | <b>50.62%</b> |
| Non-current assets  | 66,307        | 57,442        |               |
| Current assets excluding cash and cash equivalents            | 11,052        | 14,627        |               |
| Cash and cash equivalents                                     | 17,317        | 15,301        |               |
| Non-current liabilities                                       | 25,269        | 15,709        |               |
| Current liabilities   | 32,360        | 31,812        |               |
| <b>Net assets (100%)</b>                                      | <b>37,047</b> | <b>39,849</b> |               |
| Net assets attributable to Afyren                             | 18,753        | 20,171        |               |
| Elimination of unrealised profits on downstream transactions  |               |               |               |
| <b>Carrying value of interests in the Neoxy joint venture</b> | <b>18,753</b> | <b>20,171</b> | <b>-</b>      |
| Operating income  | -2,510        |               | -983          |
| Net financial income (expense)                                | -232          |               | 69            |
| Income tax  | -             |               | 3             |
| Net income  | -2,808        |               | -915          |
| Other comprehensive income                                    | 5             |               |               |
| <b>Comprehensive income (100%)</b>                            | <b>-2,804</b> |               | <b>-915</b>   |
| Afyren's share of Neoxy's comprehensive income                | -1,419        |               | -463          |
| Dividends received by Afyren                                  | -             |               | -             |

## 2.5 MAIN TRANSACTIONS WITH RELATED PARTIES

The main transactions with related parties are detailed in section 3.1 - note 19 to the half-yearly Condensed Financial Statements at 30 June 2022.

## 2.6 SUBSEQUENT EVENTS

- **Signing of new sales contracts**

In August 2022, Afyren announced the signing of two new sales contracts for Afyren Neoxy with two players in the cosmetics and nutraceutical markets, underlining the growing interest in its low-carbon business model among many companies seeking more sustainable ingredients.

Thanks to these agreements, AFYREN has now secured 70% of the sales of the anticipated production of organic acids from the Afyren Neoxy plant to a number of customers in multiple markets (in addition to the sale of fertilisers, which is already 100% secured).

- **Creation of a CSR Committee, reporting to the Board of Directors**

On 5 July 2022, the Board of Directors approved the creation of the CSR Committee, which reports to the Board of Directors in the same way as the Audit Committee and the Compensation Committee. This committee is composed of Caroline Lebel, director, as Chair of the CSR Committee, as well as Patrizia Marraghini, independent director, and Nicolas Sordet, Director and Chief Executive Officer of the company.

The operating charter is currently being drafted.

## 2.7 MAIN RISKS AND UNCERTAINTIES FOR THE REMAINING SIX MONTHS

The main risks and uncertainties to which the Company believes it is exposed as of the date of this half-yearly financial report are detailed in section 3.8 "Risk Factors" of the 2021 annual financial report, published on 14 April 2022. These risk factors remain applicable as of the date of this report and have not changed significantly, with the exception of the potential impact of the Russian-Ukrainian conflict discussed in section 2.2.3.5 of this document.



## 3. CONDENSED FINANCIAL STATEMENTS

### 3 CONDENSED FINANCIAL STATEMENTS AS OF 30 JUNE 2022

#### 3.1 CONDENSED FINANCIAL STATEMENTS AS OF 30 JUNE 2022

##### CONDENSED HALF-YEARLY STATEMENT OF INCOME

| In €k  | Notes    | 2022.06       | 2021.06       |
|--|----------|---------------|---------------|
| Revenues   | 6.2      | 1,763         | 1,522         |
| Other income   | 6.3      | 234           | 122           |
| Purchases and external expenses                          | 6.4      | -1,210        | -514          |
| Payroll costs  | 6.4      | -3,024        | -1,652        |
| Depreciation of fixed assets and rights of use           | 9. & 10. | -301          | -311          |
| Other expenses   |          | -42           | -23           |
| <b>Current operating income</b>                          |          | <b>-2,580</b> | <b>-855</b>   |
| <b>Operating income</b>                                  |          | <b>-2,580</b> | <b>-855</b>   |
| Financial income   | 7.       | 14            | 0             |
| Financial expenses                                       | 7.       | -174          | -222          |
| <b>Net financial income</b>                              |          | <b>-160</b>   | <b>-222</b>   |
| Share in income of equity-accounted company (net of tax) | 5.       | -1,420        | -463          |
| <b>Income before tax</b>                                 |          | <b>-4,160</b> | <b>-1,540</b> |
| Income tax   | 8.       | 0             | -0            |
| <b>Net income for the period</b>                         |          | <b>-4,160</b> | <b>-1,540</b> |
| <b>Earnings per share</b>                                |          |               |               |
| Basic earnings per share (in euros)                      | 14.2     | -0.16         | -0.64         |
| Diluted earnings per share (in euros)                    | 14.2     | -0.16         | -0.64         |

## CONDENSED HALF-YEARLY STATEMENT OF COMPREHENSIVE INCOME

| In €k   | Notes | 2022.06       | 2021.06       |
|---|-------|---------------|---------------|
| <b>Net income for the period</b>  |       | -4,160        | -1,540        |
| <b>Other comprehensive income</b>   |       |               |               |
| Revaluations of defined benefit liabilities (actuarial gains and losses)                                |       | 27            | 0             |
| Related tax   |       | -7            | -0            |
| Equity-accounted company - share of other comprehensive income (actuarial gains and losses, net of tax) |       | 5             | -             |
| <b>Total items that will not be reclassified subsequently to profit or loss</b>                         |       | <b>25</b>     | <b>0</b>      |
| <b>Total items that will be reclassified subsequently to profit or loss</b>                             |       | <b>-</b>      | <b>-</b>      |
| <b>Other comprehensive income for the period, net of tax</b>  |       | <b>25</b>     | <b>0</b>      |
| <b>Comprehensive income for the period</b>  |       | <b>-4,135</b> | <b>-1,540</b> |

## CONDENSED HALF-YEARLY STATEMENT OF FINANCIAL POSITION

| In €k   | Note | 2022.06       | 2021.12       |
|---|------|---------------|---------------|
| Intangible assets   | 9.1. | 3,585         | 3,760         |
| Property, plant and equipment                               | 9.2. | 296           | 139           |
| Rights of use   | 10.  | 109           | 148           |
| Equity-accounted securities                                 | 5.   | 18,753        | 20,171        |
| Non-current financial assets                                |      | 28            | 28            |
| <b>Non-current assets</b>                                   |      | <b>22,771</b> | <b>24,246</b> |
| Trade receivables   | 12.  | 480           | 622           |
| Current financial assets                                    | 12.  | 146           | 230           |
| Other current assets  | 12.  | 641           | 923           |
| Cash and cash equivalents                                   | 13.  | 64,831        | 67,128        |
| <b>Current assets</b>                                       |      | <b>66,098</b> | <b>68,903</b> |
| <b>Total assets</b>   |      | <b>88,869</b> | <b>93,149</b> |
|   |      | 2022.06       | 2021.12       |
| Share capital   | 14.  | 515           | 515           |
| Issue premiums  | 14.  | 85,069        | 85,069        |
| Reserves  | 14.  | -919          | -986          |
| Retained earnings   | 14.  | -5,828        | -3,133        |
| Net income for the period                                   | 14.  | -4,160        | -3,609        |
| <b>Equity attributable to the owners of the Company</b>     |      | <b>74,677</b> | <b>77,856</b> |
| Non-current borrowings and financial liabilities            | 16.  | 3,831         | 7,957         |
| Non-current lease liabilities                               | 16.  | 12            | 42            |
| Defined benefit liabilities                                 |      | 59            | 73            |
| Non-current provisions                                      | 15.  | 14            | 14            |
| Non-current deferred income (customer contract liabilities) | 6.2. | 1,981         | 2,640         |
| Non-current deferred income (grant)                         | 17.  | 959           | 990           |
| <b>Non-current liabilities</b>                              |      | <b>6,855</b>  | <b>11,717</b> |
| Current borrowings and financial liabilities                | 16.  | 4,671         | 847           |
| Current lease liabilities                                   | 16.  | 90            | 103           |
| Trade payables  | 16.  | 427           | 513           |
| Current deferred income (customer contract liabilities)     | 6.2. | 1,295         | 1,272         |
| Other current liabilities                                   | 16.  | 853           | 841           |
| <b>Current liabilities</b>                                  |      | <b>7,337</b>  | <b>3,576</b>  |
| <b>Total liabilities</b>                                    |      | <b>14,192</b> | <b>15,293</b> |
| <b>Total equity and liabilities</b>                         |      | <b>88,669</b> | <b>93,149</b> |

## CONDENSED HALF-YEARLY STATEMENT OF CHANGES IN EQUITY

| In €k   | Note   | Share capital | Issue premiums | Equity component of convertible bonds | Treasury share reserve | Other reserves | Retained earnings | Profit (loss) for the year | Total shareholders' equity |
|---|--------|---------------|----------------|---------------------------------------|------------------------|----------------|-------------------|----------------------------|----------------------------|
| <b>Position as of 1<sup>st</sup> January 2021</b>   |        | <b>350</b>    | <b>23,609</b>  | <b>227</b>                            | <b>-</b>               | <b>-339</b>    | <b>-2,141</b>     | <b>-2,133</b>              | <b>19,573</b>              |
| Net income for the period                           |        |               |                |                                       |                        |                |                   | -1,540                     | -1,540                     |
| Other comprehensive income for the period           |        |               |                |                                       |                        | 0              |                   |                            | 0                          |
| <b>Comprehensive income (loss) for the period</b>   |        | <b>-</b>      | <b>-</b>       | <b>-</b>                              | <b>-</b>               | <b>0</b>       | <b>-</b>          | <b>-1,540</b>              | <b>-1,540</b>              |
| Appropriation of earnings from previous year        |        |               |                |                                       |                        | -1,141         | -992              | 2,133                      | -                          |
| Capital increase                                    | 14.    |               |                |                                       |                        |                |                   |                            | -                          |
| Convertible bond issue                              | 16.    |               |                |                                       |                        |                |                   |                            | -                          |
| Share-based payments settled in equity instruments  | 6.4.1. |               |                |                                       |                        | 145            |                   |                            | 145                        |
| <b>Total transactions with the Company's owners</b> |        | <b>-</b>      | <b>-</b>       | <b>-</b>                              | <b>-</b>               | <b>-996</b>    | <b>-992</b>       | <b>2,133</b>               | <b>145</b>                 |
| <b>Position as of 30 June 2021</b>                  |        | <b>350</b>    | <b>23,609</b>  | <b>227</b>                            | <b>-</b>               | <b>-1,335</b>  | <b>-3,133</b>     | <b>-1,540</b>              | <b>18,178</b>              |
| <b>Position as of 1<sup>st</sup> January 2022</b>   |        | <b>515</b>    | <b>85,069</b>  | <b>227</b>                            | <b>-70</b>             | <b>-1,143</b>  | <b>-3,133</b>     | <b>-3,609</b>              | <b>77,856</b>              |
| Net income for the period                           |        |               |                |                                       |                        |                |                   | -4,160                     | -4,160                     |
| Other comprehensive income for the period           |        |               |                |                                       |                        | 25             |                   |                            | 25                         |
| <b>Comprehensive income (loss) for the period</b>   |        | <b>-</b>      | <b>-</b>       | <b>-</b>                              | <b>-</b>               | <b>25</b>      | <b>-</b>          | <b>-4,160</b>              | <b>-4,135</b>              |
| Appropriation of earnings from previous year        |        |               |                |                                       |                        | -914           | -2,695            | 3,609                      | -                          |
| Capital increase                                    | 14.    |               |                |                                       |                        |                |                   |                            | -                          |
| Convertible bond issue                              | 16.    |               |                |                                       |                        |                |                   |                            | -                          |
| Share-based payments settled in equity instruments  | 6.4.1  |               |                |                                       |                        | 1,033          |                   |                            | 1,033                      |
| Purchases/sales of treasury shares                  |        |               |                |                                       | -85                    |                |                   |                            | -85                        |
| <b>Total transactions with the Company's owners</b> |        | <b>-</b>      | <b>-</b>       | <b>-</b>                              | <b>-85</b>             | <b>119</b>     | <b>-2,695</b>     | <b>3,609</b>               | <b>948</b>                 |
| <b>Position as of 30 June 2022</b>                  |        | <b>515</b>    | <b>85,069</b>  | <b>227</b>                            | <b>-154</b>            | <b>-992</b>    | <b>-5,828</b>     | <b>-4,160</b>              | <b>74,677</b>              |



## CONDENSED HALF-YEARLY CASH FLOW STATEMENT

| In €k   | Note      | 2022.06       | 2021.06        |
|---|-----------|---------------|----------------|
| <b>Net income for the period</b>  |           | <b>-4,160</b> | <b>- 1,540</b> |
| <i>Adjustments for:</i>   |           |               |                |
| - Depreciation of fixed assets and rights of use  | 9. & 10   | 301           | 311            |
| - Net financial income  | 7.        | 160           | 222            |
| - Share in income of equity-accounted company (net of tax)                                      | 5.        | 1,420         | 463            |
| - Cost of share-based payments  | 6.4.1.    | 1,033         | 145            |
| - Income tax  | 8.        | -0            | 0              |
| <b>Total elimination of expenses and income with no impact on cash</b>                          |           | <b>2,914</b>  | <b>1,140</b>   |
| <b>Total cash flow</b>  |           | <b>-1,246</b> | <b>-400</b>    |
| <i>Changes in:</i>  |           |               |                |
| - Trade receivables   | 12.       | 142           | -66            |
| - Customer contract liabilities   | 6.2       | -636          | - 613          |
| - Trade payables  | 17.       | -106          | -12            |
| - Provisions and employee benefits  | 6.4.1     | 16            | 6              |
| - Other current receivables/payables  | 12. & 17. | 295           | -230           |
| <b>Total changes</b>  |           | <b>-290</b>   | <b>-916</b>    |
| <b>Cash flows from operating activities</b>   |           | <b>-1,536</b> | <b>-1,316</b>  |
| Tax paid  | 8.        | -             | -              |
| <b>Net cash from operating activities</b>   |           | <b>-1,536</b> | <b>-1,316</b>  |
| Acquisition of property, plant and equipment and intangible assets, excluding development costs | 9.        | -198          | -525           |
| Capitalised development expenses  | 9.        | -17           | -140           |
| Investment grants (incl. CIR offsetting capitalised expenses)                                   |           | -31           | 79             |
| Interest received   | 7.        | 14            | -              |
| <b>Net cash used in investing activities</b>  |           | <b>-232</b>   | <b>-586</b>    |
| Proceeds from new borrowings and financial liabilities  | 16.       | 76            | 201            |
| Repayment of borrowings and financial liabilities   | 16.       | -274          | -211           |
| Payment of lease liabilities  | 10.       | -52           | -61            |
| Interest paid on bonds  | 16.       | -178          | -178           |
| Interest paid on borrowings and financial liabilities   | 16.       | -99           | -115           |
| Interest paid on lease liabilities  | 16.       | -1            | -3             |
| <b>Net cash used in financing activities</b>  |           | <b>-528</b>   | <b>-367</b>    |
| <b>Net change in cash and cash equivalents</b>  |           | <b>-2,297</b> | <b>-2,269</b>  |
| Cash and cash equivalents as of January 1st   |           | 67,128        | 9,508          |
| Effect of exchange rate changes on cash held  |           |               |                |
| <b>Cash and cash equivalents as of June 30</b>  |           | <b>64,831</b> | <b>7,239</b>   |

# NOTES TO THE CONDENSED HALF-YEARLY FINANCIAL STATEMENTS

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## 1. Description of the Company and the business

Afyren S.A. ("the Company" or "Afyren") is a French company with its registered office in Clermont-Ferrand (63100).

Afyren is an innovative company specialising in microbiology and process engineering for the recycling of biomass in "green" bioenergy and chemistry. It has developed processes for the production and extraction of molecules and metabolites, all from fermentable biomass. These processes enable the production of carboxylic acids and are different from the dominant petroleum-sourced offering on the market. These processes have been tested inter alia on the Company's pilot site and have enabled the production of molecules. These molecules are commonly used in applications such as human food, animal food, flavours and fragrances, industrial lubricants, etc.

Afyren offers manufacturers alternative biobased molecules, thanks to its environmentally-friendly technology based on natural microorganisms. In this respect, Afyren has developed in-house patents and know-how ("the Technology").

In December 2018, Afyren set up a partnership with two Bpifrance SPI (Sociétés de Projets Industriels) funds led by Afyren Neoxy in order to carry out the project to develop the first industrial-scale plant for the production of biobased carboxylic acids from sugar beet by-products (molasses, pulp, vinasse) and, where applicable, from biomass using exclusively the technology developed by Afyren. To do so, Afyren has granted Afyren Neoxy a licence to use its Technology in a given territory, namely the European Union, Great Britain, Norway, Switzerland and the USA mainly.

Afyren Neoxy is based on the Carling Chemisis platform in Saint-Avold, Moselle. It is dedicated to the production of a family of seven organic acids. The plant was commissioned in March 2022 and is expected to be able to deliver the first batches during 2022. This location is at the heart of Europe, close to the targeted geographical markets while maintaining large export capacity for specialty acids.

These IFRS condensed half-yearly financial statements include the financial statements of Afyren as well as the equity-accounted securities of Afyren Neoxy, which was 50.62%-owned as of 30 June 2022 and was jointly controlled by Afyren and Bpifrance.

They were approved by the Company's Board of Directors on 27 September 2022.

## 2. Basis of preparation

### 2.1. Statement of compliance

These half-yearly condensed financial statements for the six months ended 30 June 2022 have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union (EU) and should be read in conjunction with the Company's latest annual financial statements for the year ended 31 December 2021 (the "latest annual financial statements").

They do not include all the information necessary for a complete set of financial statements prepared in accordance with IFRS. However, they include a selection of notes explaining significant events and transactions with a view to understanding changes in the Group's financial position and performance since the most recent annual financial statements.

The accounting principles used to prepare these half-year condensed financial statements are identical to those applied by the Company as at 31 December 2021, with the exception of:

- texts that are mandatory for application from 1 January 2022;
- the specific provisions of IAS 34 used to prepare the half-yearly financial statements.

The new texts that are mandatory for application from 1 January 2022 are the amendments to IFRS 3, IAS 16 and IAS 37 as well as the annual improvements to IFRS – Cycle 2018-2020 relating to IFRS 1, IFRS 9, IFRS 16 and IAS 41. The new texts do not have a material impact on the Company's financial statements.

The applicable standards and interpretations that were not yet mandatory as of 30 June 2022 were not applied early. The expected impacts are not material.

### 2.2. Use of estimates and judgements

In preparing these half-yearly condensed financial statements, management has made judgements and estimates that have an impact on the application of the Company's accounting policies and on the amounts of assets and liabilities, income and expenses. Actual values may differ from those estimated according to changes in uncertainties.

Management's significant judgments in applying the Company's accounting policies and the main sources of estimation uncertainty are the same as those described in the latest annual financial statements.

### 2.3. Functional and presentation currency

The financial statements are presented in euros, which is the Company's functional currency. Amounts are rounded to the nearest million euros unless otherwise stated.

### 2.4. Seasonality of activities

The Company's business is not seasonal in nature. Accordingly, the interim results as at 30 June 2022 are indicative of those that may be expected for the entire 2022 financial year.

### 3. Significant events during the period

Afyren Company

#### **During the first half of 2022:**

##### *Update on the energy crisis and the war in Ukraine*

- Increasing energy costs

As of 30 June 2022, the first production unit of the Afyren Neoxy group is still in the start-up phase, and the financial impact of this crisis is insignificant on the Company's financial statements. Nevertheless, with the start-up of the production of the Afyren Neoxy plant, future impacts are anticipated on the cost of access to energy, particularly gas, required for the operation of the plant. This additional production cost is the subject of commercial discussions, as is the case for the entire industrial sector, in order to limit its impact by adjusting sales prices.

It should be noted that Afyren's petrochemical competition, i.e. 99% of the current market, is impacted by this crisis in two areas: in terms of the costs of its raw material, namely oil derivatives, and also in terms of the costs of energy, with energy-intensive transformation processes. The entire value chain is therefore subject to this inflationary context, which is reflected in an increase in the market price of the acids produced by Afyren.

As a reminder, Afyren uses agricultural by-products as raw materials, and not a main agricultural product. Accordingly, Afyren's production does not compete with human food. The use of these residues as inputs in the production process is one of the cornerstones of Afyren's low-carbon, zero industrial waste, circular economy approach.

Also, this approach does not put competitive pressure on foodstuffs such as sugar or wheat. Moreover, for its first Afyren Neoxy plant, Afyren has signed a five-year contract with the Südzucker group for the supply of sugar beet residues for the plant's production needs, at a price fixed within a contractual price band set for the term of the contract.

The second impact stems from the increase in the cost of a chemical input due to the Ukrainian crisis but tempered downstream by the increase in the sale price of fertilisers produced by Afyren.

##### *Grant of founder share warrants (2021 BSPCEs)*

By a decision dated 4 February 2022, the Board of Directors implemented the delegation of authority granted by the combined general meeting of 11 June 2021, which authorised the Board of Directors to issue Company founder share warrants (the "2021 BSPCEs"). This grant covers 17,500 2021 BSPCEs in favour of the Chairman of the Board of Directors. The acquisition of shares is subject to a condition of attendance over a period of 3 years.

By a decision dated 24 March 2022, the Board of Directors implemented the delegation of authority granted by the combined general meeting of 11 June 2021, which authorised the Board of Directors to issue Company founder share warrants (the "2021 BSPCEs"). This grant covers 15,000 2021 BSPCEs in favour of an Afyren employee. The acquisition of shares is subject to a condition of attendance over a period of 3 years.

### *Issue of 2021 free shares*

In accordance with the terms of the combined general meeting of 11 June 2021, the Board of Directors decided on 24 March 2022 to grant 257,620 free shares to each of the two executives. The acquisition of shares is subject to a condition of attendance over a period of 3 years and market performance.

### **During the first half of 2021:**

#### *Taking out a loan*

The Company took out an R&D Innovation loan in the amount of €0.2 million with Bpifrance in December 2020 and disbursed in January 2021 (see note 16).

#### *Issue of free shares*

In accordance with the terms of the combined general meeting of 11 June 2021, the Board of Directors decided on 7 December 2021 to grant 106,544 free shares to employees and corporate officers of Afyren and Afyren Neoxy.

#### *Reduction in the nominal value of the share*

The combined general meeting of 11 June 2021 decided to divide the nominal value of the Company's shares by five, reducing it from €0.10 to €0.02. The number of shares thus increased from 3,495,133 to 17,475,665.

### **Afyren Neoxy, accounted for by the equity method:**

### **During the first half of 2022:**

#### *Commercial situation*

At the date of this document, 70% of the plant's full-capacity acid volumes have already been pre-sold through sales contracts, some of which are on a take-or-pay basis over several years.

These contracts concern various sectors of application, such as human food, animal food, flavours and fragrances or lubricants. This confirms the multi-sector approach of Afyren and its products and mitigates the risks related to a single-sector approach.

All these sectors are looking for biobased and low-carbon solutions for their supply needs. It is in this context, reinforced by the current energy crisis, that Afyren can provide its customers with solutions by offering an alternative to products from petrochemicals.

The contracts concern Afyren's entire portfolio of acids and enable the company and its subsidiary Afyren Neoxy to confidently plan the start of production in this first plant for commercial markets.

The remaining available production capacity is subject to contractual discussions, which are ongoing as of the date of this document. It should be noted that some of these discussions also involve volumes that would be produced by the next plant.

As a reminder, in addition to these acids, Afyren's technology generates, as its sole residue, a by-product that is used as fertiliser. The volumes of this fertiliser have already been fully pre-sold by its first plant, Afyren Neoxy, to Terrial.

### *Industrial commissioning of AFYREN NEOXY plant*

On 24 March 2022, after 18 months of construction, Afyren announced the industrial commissioning of its Afyren Neoxy plant. This is a major milestone in Afyren's industrial development, with the completion of the construction of the AFYREN NEOXY plant, the first industrial-size unit based on the technology developed by Afyren. This project was completed on budget and on time, despite the health crisis.

This industrial unit is now in the start-up phase. This phase consists of tests for a gradual commissioning of the various equipment, a preparatory phase for the launch of production.

The entire Afyren Neoxy team has been recruited, and the launch of production and delivery of the first batches is expected in the second half of 2022, once all tests have been completed.

### *Bank financing*

In 2021, Afyren Neoxy received the first €2.5 million tranche of the loan taken out with the Banque Populaire (for a total of €5 million). In the first half of 2022, it received the second €2.5 million tranche of this financing.

### *Other financing*

Since 1 January 2022, AFYREN NEOXY has entered into several leases:

- Signature of a leasing contract with Natiocrédimurs and BPCE Lease. The contract covers equipment for a total amount of €8 million. As of 30 June 2022, €6.8 million had been received.
- Signature of a leasing contract with Lixxbail. The contract covers industrial equipment for a total amount of €2 million. As of 30 June 2022, €1.8 million had been received.
- Signature of a leasing contract with Etica/Crédit Agricole. The contract covers computer hardware, software and related services for a total amount of €1 million. As of 30 June 2022, €0.8 million had been received.

### *Grants and other financial support*

During the first half of 2022:

- an amount of €0.5 million was received under the agreement entered into with the Grand Est region
- an amount of €1.6 million was received under the agreement entered into with the Grand Est Region (European Regional Development Fund: ERDF)
- an amount of €1.7 million was received under the agreement entered into with Bio Based Industries Joint Undertaking (BBI)

### *Signing of sales contracts for the sale of Afyren Neoxy's production*

In May 2022, Afyren announced the signature of a new sales contract for Afyren Neoxy, with a European animal nutrition company, for the supply of organic acid.

### **During the first half of 2021:**

#### *Signing of commercial contracts for the sale of Afyren Neoxy's production:*

As a reminder, during the year 2021, in addition to the natural acids sales contract signed in 2018, Afyren Neoxy entered into several production sales contracts:

- A contract for the sale of the entire fertiliser production of Afyren Neoxy was entered into in February 2021;
- A sales contract in the world of lubricants was concluded in June 2021;
- A distribution agreement for Afyren Neoxy's natural acids in the strategic Flavours and Fragrances market, signed in November 2021, with effect from 2022;
- Two additional contracts for the nutrition and health markets, signed in December 2021, with effect from 2022.

Thanks to the signing of these different contracts, more than 60% of the target acid volume of the Afyren Neoxy plant, at full capacity, is secured, together with 100% of the fertilisers, allowing Afyren Neoxy to confidently start its production ramp-up, which is scheduled to last two years.

#### *Bank financing:*

On 30 June 2021, Afyren Neoxy benefited from the first €2.5 million tranche of the loan taken out with the Banque Populaire (for a total of €5 million).

#### *Total grants*

In the first half of 2021, Afyren Neoxy received a grant of €3.4 million from *Total Développement Régional* (see Note 5).

#### *Regional planning grant*

Afyren Neoxy was awarded a regional planning grant in the amount of €0.7 million, of which €0.3 million was disbursed in April 2021.

## 4. Subsequent events

Afyren Neoxy, accounted for by the equity method:

#### *Signing of commercial contracts for the sale of Afyren Neoxy's production*

In August 2022, Afyren announced the signing of two new sales contracts for Afyren Neoxy with two players in the cosmetics and nutraceutical markets, underlining the growing interest in its low-carbon business model among many companies seeking more sustainable ingredients.

Thanks to these agreements, AFYREN has now secured 70% of the sales of the anticipated production of organic acids from the Afyren Neoxy plant to a number of customers in multiple markets (in addition to the sale of fertilisers, which is already 100% secured).

## 5. Equity-accounted investment in Afyren Neoxy

In December 2018, a partnership with Bpifrance was set up via the Afyren Neoxy joint venture under the joint control of both partners. The partnership provides that a number of decisions relating to activities with a potentially significant impact on returns, i.e., constituting substantive rights within the meaning of the standard, must be taken unanimously by the partners.

The following table summarises the financial information of Afyren Neoxy as prepared in its IFRS financial statements using the same accounting methods as Afyren. It also reconciles the summary financial information of the carrying amount of Afyren's investment in Afyren Neoxy:

| In €k   | 2022.06       | 2021.12       | 2021.06       |
|---|---------------|---------------|---------------|
| <b>Percentage of shares held</b>                              | <b>50.62%</b> | <b>50.62%</b> | <b>50.62%</b> |
| Non-current assets  | 66,307        | 57,442        |               |
| Current assets excluding cash and cash equivalents            | 11,052        | 14,627        |               |
| Cash and cash equivalents                                     | 17,317        | 15,301        |               |
| Non-current liabilities                                       | 25,269        | 15,709        |               |
| Current liabilities   | 32,360        | 31,812        |               |
| <b>Net assets (100%)</b>                                      | <b>37,047</b> | <b>39,849</b> |               |
| Net assets attributable to Afyren                             | 18,753        | 20,171        |               |
| Elimination of unrealised profits on downstream transactions  |               |               |               |
| <b>Carrying value of interests in the Neoxy joint venture</b> | <b>18,753</b> | <b>20,171</b> | -             |
| Operating income  | -2,510        |               | -983          |
| Net financial income (expense)                                | -232          |               | 69            |
| Income tax  | -             |               | 3             |
| Net income  | -2,808        |               | -915          |
| Other comprehensive income                                    | 5             |               |               |
| <b>Comprehensive income (100%)</b>                            | <b>-2,804</b> |               | <b>-915</b>   |
| Afyren's share of Neoxy's comprehensive income                | -1,419        |               | -463          |
| Dividends received by Afyren                                  | -             |               | -             |

- *Recognition of know-how licence*

Afyren grants Afyren Neoxy a license to the technology consisting of patent rights and know-how to enable it to manufacture and market products. The rights of use start from the plant's industrialisation phase, which includes a design phase (carrying out studies and adapting the technology to the industrial level), a construction phase and then a start-up phase until the end of a ramp-up phase and the following twelve months. Afyren staff are made available to Afyren Neoxy during these phases and re-invoiced without any margin.

The plant design and construction phases run from 2019 to 2021, i.e., a duration of three years, and Afyren Neoxy plans to use this licence as soon as it is granted and during the start-up of production at its plant, which is expected to last 20 years.

The exclusivity of the licence agreement is granted until Afyren Neoxy reaches a production capacity of 50,000 tonnes. This license will have an initial duration of 10 years and will continue as long as Afyren Neoxy continues its production.

On the basis of these elements, Afyren Neoxy recorded an intangible asset with a present value of €10.6 million corresponding to 23 years of licence fees (3 years since its granting + 20 years of production), of which €7.5 million was paid in advance for the first 10 years. The outstanding balance is recorded as fixed asset liabilities for €4 million as of 30 June 2022 (compared with €3.8 million as of 31 December 2021).



The license is amortised over a period of 23 years, i.e., an annual expense of €0.5 million. In addition, an interest expense related to the accretion of this debt is recorded in financial expenses, i.e., €6.7 million over 23 years with insignificant annual amounts in 2022 and 2021.

- *Bio Based Industries (BBI) grant:*

Since May 2020, Afyren Neoxy has led a consortium of several companies in an innovative industrial project that will last for four years with an estimated overall cost of €33m. The overall grant paid by the European Commission will amount to €20 million, of which €16 million will be allocated to Afyren Neoxy relating to a spending commitment of €27.6 million.

If the level of spending is not reached, the Company will not be entitled to the planned level of grant, i.e. €16 million.

The total amount of this €16 million grant is divided into an operating grant of €13.5 million recognised at the rate of progress of expenditure and an investment grant of €2.4 million which will be recognised at the rate of depreciation of the asset once it is commissioned.

A first disbursement of €9.6m (i.e. 60%) was obtained in May 2020. On this first disbursement, a guarantee withholding of €0.8 million (i.e. 5% of the total amount to be paid) was taken by the financier and recorded as a non-current financial asset at fair value on the initial recognition date and then at amortised cost. The company did not receive any payments in 2021.

A second payment of €1.7m was made in the first half of 2022.

- ERDF grant:

Afyren Neoxy signed an agreement awarding European aid in 2019 under the European Regional Development Fund (ERDF) for €2 million. A payment of €1.6m was made in the first half of 2022.

- Regional grant:

In 2019, Afyren Neoxy signed a financing agreement with the Grand Est Region to finance the installation of the production unit for a total amount of €1 million. A payment of €0.5m was made in the first half of 2022.

- Banque Populaire loan:

In 2021, Afyren Neoxy benefited from the first drawdown of the loan taken out with the Banque Populaire (for a total amount of €5 million) for €2.5 million. In the first half of 2022, Afyren Neoxy received a second payment of €2.5 million in relation to this financing.

## 6. Operational data

### 6.1. Segment reporting

Afyren's activity is to carry out research and development, as well as industrialisation and marketing in order to develop processes for the production of molecules, extraction of molecules and metabolites, all from fermentable biomass. In addition, to date, it has so far granted only one licence, to Afyren Neoxy. The Company therefore has only one operating segment. Furthermore, all of its activities and assets are located in France.

### 6.2. Revenues

Revenues break down as follows:

| In €k  | 2022.06      | 2021.06      |
|--|--------------|--------------|
| Licence and development of industrial know-how | 708          | 708          |
| Other services                                 | 1,054        | 814          |
| <b>Total revenues</b>                          | <b>1,763</b> | <b>1,522</b> |

Changes in contract liabilities (deferred income) are explained as follows:

| In €k  | 2022.06      | 2021.12      |
|--|--------------|--------------|
| <b>Contract liabilities as of January 1<sup>st</sup></b>               | <b>3,912</b> | <b>5,139</b> |
| Increase in financial expenses for the period on the licence agreement | 72           | 190          |
| Revenues recognised during the period included in the opening          | -708         | -1,417       |
| <b>Contract liabilities at closing</b>                                 | <b>3,276</b> | <b>3,912</b> |
| Of which current liabilities   | 1,295        | 1,272        |
| Of which non-current liabilities                                       | 1,981        | 2,640        |

As of 30 June 2022, the remaining duration of the industrialisation phase is 2.5 years. Accordingly, the sum of the non-discounted services still to be performed at the balance sheet date under the license and industrialisation service agreement amounts to approximately €3.3 million, representing an income of €1.3 million per year.

### 6.3. Other income

Other income breaks down as follows:

| In €k  | 2022.06    | 2021.06    |
|--|------------|------------|
| Operating grant                                  | 204        | 89         |
| Investment grant recognised under profit or loss | 32         | 32         |
| Other  | -1         | 1          |
| <b>Total other income</b>                        | <b>234</b> | <b>122</b> |

## 6.4. Operating expenses

Operating expenses break down as follows:

| In €k   | 2022.06       | 2021.06       |
|---|---------------|---------------|
| <b>Total employee benefits</b>                              | <b>-3,024</b> | <b>-1,652</b> |
| Purchases of consumables and equipment                      | -94           | -52           |
| Rental expenses   | -45           | -41           |
| Maintenance and repairs                                     | -9            | -7            |
| Remuneration of intermediaries and fees                     | -633          | -308          |
| Travel and assignment expenses                              | -241          | -44           |
| Advertising and communication                               | -79           | -24           |
| Other external expenses                                     | -109          | -40           |
| <b>Total purchases and external expenses</b>                | <b>-1,210</b> | <b>-514</b>   |
| <b>Total depreciation of fixed assets and rights of use</b> | <b>-301</b>   | <b>-311</b>   |
| <b>Taxes</b>  | <b>-22</b>    | <b>-14</b>    |
| <b>Other expenses</b>                                       | <b>-21</b>    | <b>-9</b>     |
| <b>Total other expenses</b>                                 | <b>-43</b>    | <b>-23</b>    |

The increase in the remuneration of intermediaries and fees as of 30 June 2022 is mainly due to an increase in financial intermediaries and fees related to the listing, as well as an increase in fees related to the analysis and preparation of the next plant.

### 6.4.1 Share-based payments

On 26 June 2019, the general meeting of Afyren authorised the Chairman to implement a plan to award BSPCE 5 to Afyren employees. The exercise of the warrants is subject to a condition of presence. The vesting period is three years (divided into three annual tranches of 1/3) from the grant date. The warrants expire after 10 years from their granting decided by the Chairman.

In accordance with the terms of the combined general meeting of 11 June 2021, the Board of Directors of 7 December 2021 granted 106,544 free shares to employees and corporate officers of Afyren and Afyren Neoxy. Vesting of the shares is subject to continued employment for a period of one year.

By a decision dated 04 February 2022, the Board of Directors implemented the delegation of authority granted by the combined general meeting of 11 June 2021, which authorised the Board of Directors to issue Company founder share warrants (the "2021 BSPCEs"). This grant covers 17,500 2021 BSPCEs in favour of the Chairman of the Board of Directors. Vesting of the shares is subject to continued employment for a period of three years (33% after 12 months and then 1/24th per month).

By a decision dated 24 March 2022, the Board of Directors implemented the delegation of authority granted by the combined general meeting of 11 June 2021, which authorised the Board of Directors to issue Company founder share warrants (the "2021 BSPCEs"). This grant covers 15,000 2021 BSPCEs in favour of

an Afyren employee. Vesting of the shares is subject to continued employment for a period of three years (33% after 12 months and then 1/24th per month).

In accordance with the terms of the combined general meeting of 11 June 2021, the Board of Directors decided on 24 March 2022 to grant 257,620 free shares to each of the two executives. Vesting of the shares is subject to continued employment for a period of three years and market performance (three 10% tranches subject to a condition of employment only and a final 70% tranche also subject to a market performance condition).

The main characteristics and conditions relating to grants under these plans are as follows:

|                  | Number of shares granted | Grant date | Vesting conditions | Contractual life of options | Average fair value of the three tranches (in €) |
|------------------|--------------------------|------------|--------------------|-----------------------------|---|
| BSPCE 5          | 25,000                   | 27/06/2019 | Presence (3 years) | 10 years                    | 5.69  |
| BSPCE 5          | 52,500                   | 01/07/2019 | Presence (3 years) | 10 years                    | 5.69  |
| BSPCE 5          | 87,500                   | 01/07/2019 | Presence (3 years) | 10 years                    | 5.69  |
| BSPCE 5          | 10,000                   | 22/10/2019 | Presence (3 years) | 10 years                    | 5.70  |
| BSPCE 5          | 15,000                   | 30/10/2019 | Presence (3 years) | 10 years                    | 5.70  |
| BSPCE 5          | 95,000                   | 12/12/2019 | Presence (3 years) | 10 years                    | 5.70  |
| BSPCE 5          | 7,500                    | 21/05/2020 | Presence (3 years) | 10 years                    | 5.71  |
| BSPCE 5          | 175,000                  | 16/09/2020 | Presence (3 years) | 10 years                    | 5.68  |
| BSPCE 5          | 10,000                   | 01/11/2020 | Presence (3 years) | 10 years                    | 5.67  |
| BSPCE 5          | 10,000                   | 01/12/2020 | Presence (3 years) | 10 years                    | 5.67  |
| BSPCE 5          | 102,500                  | 21/01/2021 | Presence (3 years) | 10 years                    | 5.67  |
| Free shares 2021 | 106,544                  | 07/12/2021 | Presence (1 year)  | n.a.                        | 9.07  |
| BSPCE 5          | 17,500                   | 04/02/2022 | Presence (3 years) | 10 years                    | 3.83  |
| BSPCE 5          | 15,000                   | 24/03/2022 | Presence (3 years) | 10 years                    | 3.65  |
| Free shares 2021 | 515,240                  | 24/03/2022 | Presence (3 years) | n.a.                        | 5.36  |
| <b>Total</b>     | <b>1,244,284</b>         |            |                    |                             |   |

The data used to measure the fair values at the grant date of the BSPCE 5 granted in 2021 are:

|   |                       |
|---|-----------------------|
| Fair value at grant date (in €)                     | From 5.69 to 5.71     |
| Share price on grant date (in €)                    | 10.3                  |
| Option exercise price (in €)                        | 10.3                  |
| Expected volatility (weighted average)              | 63%                   |
| Expected life (weighted average)                    | 6 years               |
| Expected dividends                                  | 0%                    |
| Risk-free interest rate (based on government bonds) | From -0.68% to -0.39% |

The data used to measure the fair values at the grant date of the BSPCE 5 and the 2021 free share grants awarded in 2022 are:

|   | BSPCE 5               | AGA 2021              |
|---|-----------------------|-----------------------|
| Fair value at grant date (in €)                     | From 3.57 to 3.87     | From 4.26 to 7.91     |
| Share price on grant date (in €)                    | From 7.91 to 8.22     | 7.91                  |
| Option exercise price (in €)                        | 8.02                  | N/A                   |
| Expected volatility (weighted average)              | 53%                   | 61%                   |
| Expected life (weighted average)                    | 5 to 6 years          | 5 to 6 years          |
| Expected dividends                                  | 0%                    | 0%                    |
| Risk-free interest rate (based on government bonds) | From -0.56% to -0.50% | From -0.56% to -0.50% |

In 2022 and 2021, the change in the number of BSPCE 5 is as follows:

| Number of BSPCE 5                           | 2022.06        | Weighted average exercise price 2022.06 (in €) | 2021.12        | Weighted average exercise price 2021.12 (in €) | 2021.06        | Weighted average exercise price 2021.06 (in €) |
|---|----------------|--|----------------|--|----------------|--|
| <b>Outstanding as of January 1st</b>        | 590,000        | 2.06   | 487,500        | 2.06   | 487,500        | 2.06   |
| Lapsed during the period                    | -              | -  | -              | -  | -              | -  |
| Exercised during the period                 | -              | -  | -              | -  | -              | -  |
| Granted during the period                   | 32,500         | 8.02   | 102,500        | 2.06   | 102,500        | 2.06   |
| <b>Outstanding at the end of the period</b> | <b>622,500</b> | <b>2.37</b>                                    | <b>590,000</b> | <b>2.06</b>                                    | <b>590,000</b> | <b>2.06</b>                                    |
| <b>Exercisable at the end of the period</b> | <b>285,000</b> |  | <b>285,000</b> |  | <b>116,667</b> |  |

In 2022 and 2021, the change in the number of free shares granted in 2021 is as follows:

| Number of 2021 free share                   | 2022.06        | Weighted average exercise price 2022.06 (in €) | 2021.12        | Weighted average exercise price 2021.12 (in €) | 2021.06  | Weighted average exercise price 2021.06 (in €) |
|---|----------------|--|----------------|--|----------|--|
| <b>Outstanding as of January 1st</b>        | 106,544        | -  | -              | -  | -        | -  |
| Lapsed during the period                    | -              | -  | -              | -  | -        | -  |
| Exercised during the period                 | -              | -  | -              | -  | -        | -  |
| Granted during the period                   | 515,240        | -  | 106,544        | -  | -        | -  |
| <b>Outstanding at the end of the period</b> | <b>621,784</b> | <b>-</b>                                       | <b>106,544</b> | <b>-</b>                                       | <b>-</b> | <b>-</b>                                       |
| <b>Exercisable at the end of the period</b> | <b>-</b>       | <b>-</b>                                       | <b>-</b>       | <b>-</b>                                       | <b>-</b> | <b>-</b>                                       |

In 2021 and the first half of 2022, the number of BSPCE 2, BSPCE 3 and BSPCE 4 is unchanged.

## 7. Net financial income (expense)

The Company's financial income and expenses include:

| In €k   | 2022.06     | 2021.06     |
|---|-------------|-------------|
| Interest expense on borrowings                  | -15         | -1          |
| Interest expense on convertible bonds           | -74         | -102        |
| Interest expense on repayable advances          | -12         | -20         |
| Interest expense on lease liabilities - IFRS 16 | -1          | -3          |
| Financing component on the licence agreement    | -72         | -95         |
| <b>Total financial expenses</b>                 | <b>-174</b> | <b>-222</b> |
| <b>Total financial income</b>                   | <b>14</b>   | <b>0</b>    |
| <b>Net financial income (expense)</b>           | <b>-160</b> | <b>-222</b> |

## 8. Income tax

The effective tax rate used is 25% for the periods 30 June 2020 and 2021.

## 9. Intangible assets and property, plant and equipment

### 9.1 Intangible assets

Intangible assets break down as follows:

| In €k   | 2021.12       | Acquisitions | Disposals | Charges for the period | Reclassifications | 2022.06       |
|---|---------------|--------------|-----------|------------------------|-------------------|---------------|
| Technology developed in-house                           | 3,682         | -            | -         |                        |                   | 3,682         |
| Concessions, patents and similar rights                 | 685           | 28           | -         |                        |                   | 713           |
| Ongoing development costs                               | 660           | 17           | -         |                        |                   | 677           |
| Other intangible assets                                 | -             | -            | -         |                        |                   | -             |
| <b>Intangible assets (gross value)</b>                  | <b>5,027</b>  | <b>45</b>    | <b>-</b>  | <b>-</b>               | <b>-</b>          | <b>5,071</b>  |
| Amortisation of technology developed in-house           | -1,117        |              |           | -183                   |                   | -1,299        |
| Amortisation of concessions, patents and similar rights | -150          |              |           | -37                    |                   | -187          |
| Amortisation of other intangible assets                 | -             |              |           | -                      |                   | -             |
| <b>Amortisation of intangible assets</b>                | <b>-1,267</b> | <b>-</b>     | <b>-</b>  | <b>-220</b>            | <b>-</b>          | <b>-1,487</b> |
| <b>Total net value</b>                                  | <b>3,760</b>  | <b>45</b>    | <b>-</b>  | <b>-220</b>            | <b>-</b>          | <b>3,585</b>  |

| In €k   | 2020.12      | Acquisitions | Disposals | Charges for the period | Reclassifications | 2021.06       |
|---|--------------|--------------|-----------|------------------------|-------------------|---------------|
| Technology developed in-house                           | 3,682        |              |           |                        |                   | 3,682         |
| Concessions, patents and similar rights                 | 616          | 20           |           |                        |                   | 635           |
| Ongoing development costs                               | 500          | 140          |           |                        |                   | 640           |
| Other intangible assets                                 | -            | 947          |           |                        |                   | 947           |
| <b>Intangible assets (gross value)</b>                  | <b>4,798</b> | <b>1,106</b> | <b>-</b>  | <b>-</b>               | <b>-</b>          | <b>5,904</b>  |
| Amortisation of technology developed in-house           | -748         |              |           | -183                   |                   | -931          |
| Amortisation of concessions, patents and similar rights | -83          |              |           | -33                    |                   | -116          |
| Amortisation of other intangible assets                 | -            |              |           | -                      |                   | -             |
| <b>Amortisation of intangible assets</b>                | <b>-831</b>  | <b>-</b>     | <b>-</b>  | <b>-216</b>            | <b>-</b>          | <b>-1,047</b> |
| <b>Total net value</b>                                  | <b>3,966</b> | <b>1,106</b> | <b>-</b>  | <b>-216</b>            | <b>-</b>          | <b>4,856</b>  |

Changes in concessions, patents and similar rights correspond to the acquisition of patents required for research and development (processes involving fertiliser, vinasse, etc.).

Changes in ongoing development costs correspond to expenses incurred in connection with the "R&D Booster" project which began in February 2019.

## 9.2 Property, plant and equipment

Property, plant and equipment breaks down as follows:

| In €k  | 2021.12     | Acquisitions | Disposals | Charges for the period | Reclassifications | 2022.06     |
|--|-------------|--------------|-----------|------------------------|-------------------|-------------|
| Other technical facilities, equipment and tools                    | 294         | 167          |           |                        |                   | 461         |
| Fixtures and fittings  | 57          | 3            |           |                        |                   | 60          |
| Office furniture   | 17          |              |           |                        |                   | 17          |
| Computer hardware  | 6           |              |           |                        |                   | 6           |
| Other property, plant and equipment                                | 0           |              |           |                        |                   | 0           |
| Property, plant and equipment in progress                          | 2           | 20           |           |                        |                   | 22          |
| <b>Property, plant and equipment (gross value)</b>                 | <b>376</b>  | <b>190</b>   | -         | -                      | -                 | <b>566</b>  |
| Depreciation of other technical installations, equipment and tools | -210        |              |           | -25                    |                   | -235        |
| Depreciation of fixtures and fittings                              | -15         |              |           | -6                     |                   | -21         |
| Depreciation of office furniture                                   | -10         |              |           | -1                     |                   | -11         |
| Depreciation of computer equipment                                 | -3          |              |           | -1                     |                   | -3          |
| Depreciation of other property, plant and equipment                | 0           |              |           |                        |                   | 0           |
| <b>Depreciation of property, plant and equipment</b>               | <b>-237</b> | <b>-</b>     | <b>-</b>  | <b>-33</b>             | <b>-</b>          | <b>-270</b> |
| <b>Total net value</b>   | <b>139</b>  | <b>190</b>   | <b>-</b>  | <b>-33</b>             | <b>-</b>          | <b>296</b>  |

| In €k  | 2020.12     | Acquisitions | Disposals | Charges for the period | Reclassifications | 2021.06     |
|--|-------------|--------------|-----------|------------------------|-------------------|-------------|
| Other technical facilities, equipment and tools                    | 331         | 11           |           |                        |                   | 342         |
| Fixtures and fittings  | 53          | 3            |           |                        |                   | 56          |
| Office furniture   | 15          |              |           |                        |                   | 15          |
| Computer hardware  | 3           |              |           |                        |                   | 3           |
| Other property, plant and equipment                                | 0           |              |           |                        |                   | 0           |
| Property, plant and equipment in progress                          | -           | 2            |           |                        |                   | 2           |
| <b>Property, plant and equipment (gross value)</b>                 | <b>402</b>  | <b>16</b>    | <b>-</b>  | <b>-</b>               | <b>-</b>          | <b>418</b>  |
| Depreciation of other technical installations, equipment and tools | -324        |              |           | -3                     |                   | -328        |
| Depreciation of fixtures and fittings                              | -3          |              |           | -6                     |                   | -9          |
| Depreciation of office furniture                                   | -6          |              |           | -2                     |                   | -8          |
| Depreciation of computer equipment                                 | -2          |              |           | -0                     |                   | -3          |
| Depreciation of other property, plant and equipment                | 0           |              |           |                        |                   | -0          |
| <b>Depreciation of property, plant and equipment</b>               | <b>-336</b> | <b>-</b>     | <b>-</b>  | <b>-11</b>             | <b>-</b>          | <b>-347</b> |
| <b>Total net value</b>   | <b>66</b>   | <b>16</b>    | <b>-</b>  | <b>-11</b>             | <b>-</b>          | <b>71</b>   |

Changes in property, plant and equipment during the periods ended 30 June 2020 and 2021 mainly concern purchases of equipment.

### 9.3 Impairment testing

No indications of impairment were identified in either of the two periods.

### 10. Leases

In the course of its business, the Company leases premises, vehicles and equipment.

The main contracts are:

- The lease agreement for the Pilot site for a period of 28 months starting in February 2020 (no renewal and termination option). These are indexed fixed lease payments.
- The 3-6-9 contracts for the Clermont-Ferrand and Lyon offices signed in May and September 2020. The lease periods used correspond to the first three-year period insofar as an extension beyond that period is not reasonably certain given the growing needs for the premises. These are indexed fixed lease payments.

Vehicle leases have fixed lease payments and terms of approximately three years that do not contain any early termination or renewal options.

Short-term exempted contracts are mainly for temporary premises. Low-value exempt contracts are mainly for computer hardware.

The rights of use break down as follows:

| In €k  | Premises   | Vehicles  | Equipment | TOTAL      |
|--|------------|-----------|-----------|------------|
| <b>Balance as of 1<sup>st</sup> January 2021</b> | <b>191</b> | <b>35</b> | <b>96</b> | <b>322</b> |
| Depreciation charge for the period               | -73        | -23       | -55       | -151       |
| Reversal of depreciation for the period          |            |           |           | -          |
| Additions to the "rights of use" asset           |            | 17        |           | -          |
| Derecognition of "rights of use" assets          |            |           | -41       | -23        |
| <b>Balance as of 31 December 2021</b>            | <b>118</b> | <b>30</b> | <b>0</b>  | <b>148</b> |
| Depreciation charge for the period               | -36        | -12       |           | -48        |
| Reversal of depreciation for the period          |            |           |           | -          |
| Additions to the "rights of use" asset           |            | 9         |           | 9          |
| Derecognition of "rights of use" assets          |            |           |           | -          |
| <b>Balance as of 30 June 2022</b>                | <b>82</b>  | <b>27</b> | <b>0</b>  | <b>109</b> |

In addition, the related impacts on the income statement and in terms of cash flows are as follows:

- Amounts recognised in net income

| In €k   | 2022.06   | 2021.06   |
|---|-----------|-----------|
| Interest expense on lease liabilities   | 1         | 3         |
| Expenses related to short-term leases   | 4         | 11        |
| Expenses related to leases of low-value assets, excluding short-term leases of low-value assets | 25        | 27        |
| <b>Balance as of 30 June</b>  | <b>31</b> | <b>40</b> |



- Amounts recognised in cash flows:

|                                 | In €k | 2022.06 | 2021.06 |
|---------------------------------|-------|---------|---------|
| Total cash outflows from leases |       | 94      | 105     |

## 11. Non-current financial assets

The non-current financial assets are broken down as follows:

|                                     | In €k | 2022.06   | 2021.12   |
|-------------------------------------|-------|-----------|-----------|
| Deposits and guarantees paid        |       | 28        | 28        |
| <b>Non-current financial assets</b> |       | <b>28</b> | <b>28</b> |

Non-current financial assets correspond to guarantees paid under leases. They amounted to €0.02 million as of 30 June 2022 and 31 December 2021.

## 12. Trade receivables and other current assets

Trade receivables and other current assets break down as follows:

|   | In €k | 2022.06    | 2021.12    |
|---|-------|------------|------------|
| Trade receivables                                       |       | 480        | 622        |
| Impairment of receivables in respect of expected losses |       | -          | -          |
| <b>Total trade receivables</b>                          |       | <b>480</b> | <b>622</b> |
| <b>Current financial assets</b>                         |       | <b>146</b> | <b>230</b> |
| Prepaid expenses  |       | 79         | 74         |
| Tax receivables   |       | 106        | 474        |
| Shareholder loans - assets                              |       | 5          | 5          |
| Research tax credit receivable                          |       | 405        | 228        |
| Other current assets                                    |       | 45         | 142        |
| <b>Total other current assets</b>                       |       | <b>641</b> | <b>923</b> |

Trade receivables correspond to receivables from Afyren Neoxy under service agreements entered into with the latter.

The high level of tax receivables as of 31 December 2021 is due to the presence of a VAT credit of €0.4 million.

As of 30 June 2022, the CIR receivable consists of the CIR for the financial year ended 31 December 2021, which has not yet been received, and the CIR calculated for the first half of 2022.

The "Current financial assets" item amounting to €0.1 million as of 30 June 2022 and €0.2 million as of 31 December 2021 relates to the liquidity account opened on 1 November 2021.

When signing this 12-month liquidity agreement (with tacit renewal) with Oddo (the "Liquidity Provider"), the Company made a payment of €0.3 million. This sum is intended to finance purchases and sales of treasury shares made by the Liquidity Provider at market conditions.

### 13. Cash and cash equivalents

| In €k   | 2022.06       | 2021.12       |
|---|---------------|---------------|
| Bank accounts   | 14,799        | 37,110        |
| Cash equivalents  | 50,032        | 30,018        |
| <b>Cash and cash equivalents in the statement of financial position</b>   | <b>64,831</b> | <b>67,128</b> |
| Bank overdrafts repayable on demand and used for cash management purposes | -             | -             |
| <b>Cash and cash equivalents in the cash flow statement</b>               | <b>64,831</b> | <b>67,128</b> |

The "Cash equivalents" item amounting to €50 million as of 30 June 2022 and €30 million as of 31 December 2021 corresponds to term accounts.

On 29 October 2021, the Company opened two term accounts of €5 million and a third of €20 million. These term accounts are open for a period of 5 years and are redeemable at any time early subject to 32 days notice. These term accounts bear interest at an annual rate of 0.4%.

On 3 March 2022, the Company opened four term accounts of €5 million. These term accounts have a term of 5 years and are redeemable at any time early subject to 32 days notice. These term accounts bear interest at an annual rate of 0.25%.

### 14. Equity

#### 14.1 Share capital

The Company's share capital consists of:

|  | Ordinary shares   |                   | A preference shares |                   | Total             |                   |
|--|-------------------|-------------------|---------------------|-------------------|-------------------|-------------------|
|  | 2022.06           | 2021.12           | 2022.06             | 2021.12           | 2022.06           | 2021.12           |
| Number of shares:  |                   |                   |                     |                   |                   |                   |
| Outstanding as of 1st January                                  | 15,470,859        | 15,470,859        | 10,291,165          | 10,291,165        | 25,762,024        | 25,762,024        |
| Capital decrease   | -                 | -                 | -                   | -                 | -                 | -                 |
| Capital increase   | -                 | -                 | -                   | -                 | -                 | -                 |
| <b>Outstanding at the end of period - fully paid-up shares</b> | <b>15,470,859</b> | <b>15,470,859</b> | <b>10,291,165</b>   | <b>10,291,165</b> | <b>25,762,024</b> | <b>25,762,024</b> |

|  | Ordinary shares  |                  | A preference shares |                   | Total             |                   |
|--|------------------|------------------|---------------------|-------------------|-------------------|-------------------|
|  | 2021.06          | 2020.12          | 2021.06             | 2020.12           | 2021.06           | 2020.12           |
| Number of shares:  |                  |                  |                     |                   |                   |                   |
| Outstanding as of 1st January                                  | 7,184,500        | 7,184,500        | 10,291,165          | 2,572,805         | 17,475,665        | 9,757,305         |
| Capital decrease   | -                | -                | -                   | -                 | -                 | -                 |
| Capital increase   | -                | -                | -                   | 7,718,360         | -                 | 7,718,360         |
| <b>Outstanding at the end of period - fully paid-up shares</b> | <b>7,184,500</b> | <b>7,184,500</b> | <b>10,291,165</b>   | <b>10,291,165</b> | <b>17,475,665</b> | <b>17,475,665</b> |

The Combined general meeting of 11 June 2021 decided to divide the nominal value of the Company's shares by five, reducing it from €0.10 to €0.02. The number of shares was thus increased from 3,495,133 to 17,475,665.

## 14.2 Earnings per share

| <b>Net income attributable to holders of ordinary (basic) shares</b> | <b>2022.06</b> | <b>2021.06</b> |
|--|----------------|----------------|
| In €k  |                |                |
| Net income for the period attributable to owners of the Company      | -4,160         | -1,540         |
| <b>Net income attributable to holders of ordinary shares</b>         | <b>-4,160</b>  | <b>-1,540</b>  |

| <b>Weighted average number of ordinary (basic) shares</b>       | <b>2022.06</b>    | <b>2021.06</b>    |
|---|-------------------|-------------------|
| Number of ordinary shares as of 1 January                       | 25,762,024        | 17,475,665        |
| Capital decrease  | -                 | -                 |
| Capital increase (in number of shares)                          | -                 | -                 |
| <b>Weighted average number of ordinary shares of the period</b> | <b>25,762,024</b> | <b>17,475,665</b> |
| <b>Basic earnings per share (in €)</b>                          | <b>-0.16</b>      | <b>-0.64</b>      |
| <b>Diluted earnings per share (in €)</b>                        | <b>-0.16</b>      | <b>-0.64</b>      |

Diluted earnings per share correspond to basic earnings insofar as the BSPCE issued are anti-dilutive given the Company's negative net income.

## 15. Provisions and contingent liabilities

As of 30 June 2022, and 31 December 2021, the provision of €0.01 million relates to a labour dispute.

Furthermore, the Company has not identified any contingent liabilities.

## 16. Borrowings, financial liabilities and lease liabilities

### 16.1 Main terms and conditions of borrowings and financial liabilities

The terms and conditions of outstanding loans are as follows:

| In €k                                     | Currency | Variable/fixed interest rate | Contractual rate | Maturity year | Nominal value | 2022.06 Carrying amount | 2021.12 Carrying amount |
|---|----------|------------------------------|------------------|---------------|---------------|-------------------------|-------------------------|
| Convertible bonds                         | EUR      | Fixed rate                   | 7.00%            | 2023          | 3,567         | 3,340                   | 3,444                   |
| <b>Total convertible bonds</b>            |          |                              |                  |               | <b>3,567</b>  | <b>3,340</b>            | <b>3,444</b>            |
| State guaranteed loan (PGE) - BNP         | EUR      | Fixed rate                   | 0.75%            | 2026          | 780           | 797                     | 797                     |
| State guaranteed loan (PGE) - BPI         | EUR      | Fixed rate                   | 0.75%            | 2026          | 300           | 300                     | 300                     |
| State guaranteed loan (PGE) - BPAR        | EUR      | Fixed rate                   | 0.73%            | 2026          | 780           | 782                     | 782                     |
| State guaranteed loan (PGE) - CA          | EUR      | Fixed rate                   | 0.55%            | 2026          | 780           | 780                     | 780                     |
| <b>Total state guaranteed loans (PGE)</b> |          |                              |                  |               | <b>2,640</b>  | <b>2,659</b>            | <b>2,659</b>            |
| BPI PAI 1 repayable advance               | EUR      | Fixed rate                   | 5.33%            | 2022          | 50            | 8                       | 13                      |
| BPI PAI 2 repayable advance               | EUR      | Fixed rate                   | 5.84%            | 2023          | 150           | 60                      | 75                      |
| BPI PAI 3 repayable advance               | EUR      | Fixed rate                   | 4.40%            | 2024          | 302           | 151                     | 181                     |
| BPI PAI 3 repayable advance               | EUR      | Fixed rate                   | 4.67%            | 2026          | 198           | 129                     | 149                     |
| BPI CMI2 repayable advance                | EUR      | Fixed rate                   | 0.00%            | 2022          | 573           | 343                     | 408                     |
| <b>Total repayable advances</b>           |          |                              |                  |               | <b>1,273</b>  | <b>690</b>              | <b>825</b>              |
| BPI ADI Zero rate                         | EUR      | Fixed rate                   | 0.00%            | 2023          | 690           | 311                     | 380                     |
| Total equity loan                         | EUR      | Fixed rate                   | 1.00%            | 2024          | 400           | 246                     | 312                     |
| BPI R&D Innovation loan 1                 | EUR      | Fixed rate                   | 0.63%            | 2027          | 750           | 750                     | 750                     |
| BPI R&D Innovation loan 2                 | EUR      | Fixed rate                   | 0.71%            | 2028          | 200           | 200                     | 200                     |
| BP Boehringer loan                        | EUR      | Fixed rate                   | 0.00%            | 2027          | 75            | 71                      | -                       |
| <b>Total other borrowings</b>             |          |                              |                  |               | <b>2,349</b>  | <b>1,578</b>            | <b>1,642</b>            |
| Lease liability                           | EUR      | Fixed rate                   |                  |               | 297           | 102                     | 145                     |
| Accrued interest                          |          |                              |                  |               |               | 235                     | 234                     |
| <b>Total</b>                              |          |                              |                  |               | <b>10,126</b> | <b>8,604</b>            | <b>8,949</b>            |
| Current share                             |          |                              |                  |               |               | 4,761                   | 950                     |
| Non-current share                         |          |                              |                  |               |               | 3,843                   | 7,999                   |

#### Loans

In 2021, the Company took out an R&D innovation loan from Bpifrance for €0.2 million.

In 2022, the Company took out a Boehringer revitalisation loan from Banque Populaire for €0.075 million.

## 17. Current and non-current trade and other liabilities

Trade payables and other liabilities break down as follows:

| In €k  | 2022.06      | 2021.12      |
|--|--------------|--------------|
| <b>Total trade payables</b>                                    | <b>427</b>   | <b>513</b>   |
| <b>Current deferred income (customer contract liabilities)</b> | <b>1,295</b> | <b>1,272</b> |
| Social security liabilities                                    | 742          | 708          |
| Tax liabilities  | 111          | 133          |
| <b>Total other current liabilities</b>                         | <b>853</b>   | <b>841</b>   |
| Non-current deferred income (customer contract liabilities)    | 1,981        | 2,640        |
| Non-current deferred income (grant)                            | 959          | 990          |
| <b>Total</b>   | <b>5,515</b> | <b>6,257</b> |

Regarding current and non-current deferred income relating to customer contract liabilities - see Note 6.2.

Other non-current deferred income relates to investment grants received and mainly includes two grants:

- CMI grant for €0.6 million received as part of Bpifrance's innovation support programme;
- Booster R&D grant received as part of the project to demonstrate the semi-industrial production of natural products in the Auvergne-Rhône-Alpes region.

## 18. Financial instruments and risk management

### 18.1 Classification and fair value of financial instruments

| In €k  | Accounting category | Level in the fair value hierarchy | 2022.06                   |               | 2021.12                   |               |
|--|---------------------|-----------------------------------|---------------------------|---------------|---------------------------|---------------|
|  |                     |                                   | Total net carrying amount | Fair value    | Total net carrying amount | Fair value    |
| Deposits and guarantees                        | Fair value          | Level 2 - Note 2                  | 28                        | 28            | 28                        | 28            |
| <b>Total non-current financial assets</b>      |                     |                                   | <b>28</b>                 | <b>28</b>     | <b>28</b>                 | <b>28</b>     |
| Trade receivables                              | Amortised cost      | Note 1                            | 480                       | 480           | 622                       | 622           |
| Other current financial assets                 | Amortised cost      | Note 1                            | 146                       | 146           | 230                       | 230           |
| Other current financial assets                 | Amortised cost      | Note 1                            | 43                        | 43            | 142                       | 142           |
| Cash and cash equivalents                      | Amortised cost      | Note 1                            | 64,831                    | 64,831        | 67,128                    | 67,128        |
| <b>Total current financial assets</b>          |                     |                                   | <b>65,500</b>             | <b>65,500</b> | <b>68,122</b>             | <b>68,122</b> |
| <b>Total assets</b>                            |                     |                                   | <b>65,528</b>             | <b>65,528</b> | <b>68,150</b>             | <b>68,150</b> |
| Convertible bonds                              | Fair value          | Level 2 - Note 4                  | -                         | -             | 3,340                     | 3,340         |
| Borrowings and financial liabilities           | Amortised cost      | Level 2 - Note 4                  | 3,831                     | 3,831         | 4,617                     | 4,617         |
| <b>Total non-current financial liabilities</b> |                     |                                   | <b>3,831</b>              | <b>3,831</b>  | <b>7,957</b>              | <b>7,957</b>  |
| <b>Non-current lease liability</b>             | Amortised cost      | Level 2 - Note 3                  | <b>12</b>                 | <b>12</b>     | <b>42</b>                 | <b>42</b>     |
| Convertible bonds                              | Fair value          | Level 2 - Note 4                  | 3,340                     | 3,340         | 104                       | 104           |
| Borrowings and financial liabilities           | Amortised cost      | Level 2 - Note 4                  | 1,331                     | 1,331         | 743                       | 743           |
| Trade payables                                 | Amortised cost      | Note 1                            | 427                       | 427           | 513                       | 513           |
| <b>Total current financial liabilities</b>     |                     |                                   | <b>5,098</b>              | <b>5,098</b>  | <b>1,360</b>              | <b>1,360</b>  |
| <b>Current lease liability</b>                 | Amortised cost      | Note 3                            | <b>90</b>                 | <b>90</b>     | <b>103</b>                | <b>103</b>    |
| <b>Total liabilities</b>                       |                     |                                   | <b>9,031</b>              | <b>9,031</b>  | <b>9,462</b>              | <b>9,462</b>  |

Note 1 - The net carrying amount of current financial assets and liabilities is considered to be an approximation of their fair value.

Note 2 - The difference between the carrying amount and the fair value of borrowings and guarantees is not considered significant.

Note 3 - As permitted by IFRS, the fair value of the lease liability and its level in the fair value hierarchy is not provided.

## 19. Related party transaction

Transactions with Afyren Neoxy are as follows:

| €k  | 2022.06 | 2021.12 | 2021.06 |
|---|---------|---------|---------|
| Trade receivable  | 480     | 622     |         |
| Customer contract liabilities (deferred income)           | 3,276   | 3,912   |         |
| Financial expenses  | -72     |         | -95     |
| Revenues  | 1,763   |         | 1,500   |
| - Licensing income and development of industrial know-how | 708     |         | 708     |
| - Other services  | 1,054   |         | 792     |

## 20. Off-balance sheet commitment

| IN €k  | 2022.06 | 2021.12 |
|--|---------|---------|
| Guarantees given (related to BPI advances)   | 33      | 33      |
| <b>Guarantees received:</b>  |         |         |
| BPI guarantee received: National guarantee fund - Equity Loan Start-up of SMEs and VSEs. | 142     | 172     |
| BPI guarantee received: Auvergne PPA Fund  | 24      | 30      |
| BPI guarantee received: AI/SI Intervention Guarantee Fund                                | 2       | 3       |
| BPI guarantee received: European Investment Fund   | 112     | 132     |

## 3.2 STATUTORY AUDITOR'S REVIEW REPORT ON THE CONDENSED INTERIM FINANCIAL STATEMENTS AT THE 30 JUNE 2022

*This is a free translation into English of the statutory auditors' review report issued in French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and is construed in accordance with, French law and professional standards applicable in France.*

Period from January 1st, 2022, to June 30, 2022

To the Chairman of the Board of Directors,

In our capacity as statutory auditor of AFYREN and in response to your request, we have reviewed the condensed interim financial statements of AFYREN, prepared under IFRS, for the period from January 1, 2022, to June 30, 2022 as they are attached to this report.

These condensed interim financial statements are the responsibility of the Chairman of the Board of Directors. Our role is to express a conclusion on these condensed interim financial statements based on our review.

We conducted our review in accordance with professional standards applicable in France, as well as with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with IAS 34 - IFRS standard as adopted in the European Union relating to interim financial information.

Lyon, on September 27, 2022

The Statutory Auditor  
RSM Rhône-Alpes

Gaël Dhalluin