



AFYREN, the innovative Greentech for sustainable chemistry, announces its planned IPO on Euronext Growth® in Paris

Clermont-Ferrand/Lyon, 26 August 2021 - AFYREN, Greentech company offering natural and low-carbon products to manufacturers thanks to its technology based on natural microorganisms, announces that its registration document has been approved by the French Financial Markets Authority (*Autorité des marchés financiers* - AMF) under number I. 21-042, dated 25 August 2021.

This registration document is the first step in AFYREN's planned IPO on the Euronext Growth® market in Paris, subject to market conditions and to the AMF's approval of the Prospectus relating to the transaction, which consists of the registration document, the securities note relating to the securities offered, and the summary of the Prospectus (included in the securities note).

Nicolas SORDET, CEO and co-founder of AFYREN, says: *"We are very proud to announce today our intention to list on Euronext Growth. This project is a milestone for AFYREN which, following several years of designing alternatives to petroleum-based ingredients, will be able to accelerate its industrial development. After starting construction on our first biobased acid production plant, we will continue our deployment by launching two new plants based on our innovative, low-carbon and zero waste process over the next few years. We invite you to join us in this project, driven by the desire to contribute to the fight against global warming and united around our core values: commitment, agility and humility."*

Jérémy PESSIOT, Managing Director, CTO and co-founder of AFYREN, adds: *"AFYREN is based both on a completely innovative technology, twice winner of the 2030 Global Innovation Competition, and on a strong desire to contribute to the construction of a low-carbon world that is more respectful of biodiversity. We integrate our environmental strategy into a structured CSR policy with the intention of perpetuating our role as an eco-responsible player over time."*



AFYREN: biobased organic acids to meet environmental challenges and customer expectations

Founded in 2012, AFYREN is a sustainable chemical ("greentech") company that has already built up a portfolio of seven fully biobased organic acids and a natural fertiliser.

Organic acids, which are used in everyday products such as food, care products, fragrances and medicines and in many industrial uses, are still 99% petroleum-based. In a context where consumers want more sustainable products and environmental policies are becoming more stringent, manufacturers are looking for biobased alternatives for their ingredients to meet their sustainable development challenges (reduction of carbon footprint, circular economy, respect for natural resources, etc.).



AFYREN offers innovative solutions to replace these petroleum-based ingredients with products derived from natural microorganisms, in a zero industrial waste and circular economy approach.

AFYREN's solutions make it possible to produce a family of seven fully biobased organic acids and a natural fertiliser from non-food biomass. Using renewable raw materials such as sugar manufacturing by-products that do not compete with human food chains, AFYREN's technological platform makes it possible to produce 100% biobased organic acids on an industrial scale and at a competitive price, offering the same chemical properties as those produced from oil, but with a five times lower carbon footprint¹. AFYREN's approach involves zero industrial waste: the fermentation residues are used in agriculture, by returning them to the soil in a circular economy process. The result is an environmentally friendly, non-GMO, "all-in-one technology" that can be scaled up worldwide.



A unique position to benefit from very favourable market trends thanks to a broad portfolio of biobased and low-carbon products

AFYREN will produce and market **seven carboxylic acids**²: acetic acid, propionic acid, butyric and isobutyric acids, valeric and isovaleric acids and caproic acid.

This unique range of organic acids enables AFYREN to address diversified and high-potential markets worldwide, such as human and animal nutrition, flavours and fragrances, lubricants, life sciences and materials sciences, which are looking for sustainable ingredients with performance equal to their petroleum-based equivalents.

The current global market for all carboxylic acids is estimated at \$13 billion in 2021, and is expected to reach \$21.3 billion in 2030, representing an overall annual growth rate³ of 5.8%. Within this market, the percentage of biobased alternatives is expected to grow substantially in the coming years, driven by consumer demand for more sustainable products and government policies aimed at combating global warming, ensuring the transition to a more circular economy and reducing dependence on petroleum-based products.

While AFYREN is currently focused on the production and marketing of acids, the Company could in the future, thanks to its know-how, consider producing certain derivatives with the aim of creating additional value to that obtained through the sale of acids. Such exposure to multiple markets and trends allows AFYREN to reduce risk and capture a wide range of growth opportunities.

¹ AFYREN Life Cycle Analysis, Sphera, 2021

² Chemical elements with a COOH-like bond, i.e. one carbon, two oxygen and one hydrogen atom, also known as an acid function

³ Global Carboxylic Acid Market 2021 - Global Industry Analysis 2021-2031, Transparency Market Research

3 AFYNERIE®: an innovative and flexible proprietary technological platform

Based on natural microorganisms and protected worldwide through ten patent families⁴, AFYREN's technology - AFYNERIE®, the result of more than ten years of R&D, transforms biomass from agro-industrial by-products and waste into organic acids and natural fertilisers.

The process consists of two stages:

- 1) The first stage, biological, converts complex organic by-products directly, without pre-treatment, into biobased platform molecules (carboxylic acids, belonging to the organic acid family) through anaerobic fermentation⁵ using non-genetically modified microbial consortia.
- 2) The second stage consists of the separation and purification of these platform molecules which can be used directly in downstream industries or transformed into higher value-added molecules.

AFYNERIE® is a zero-industrial-waste approach: the fermentation by-products are used in agriculture, by returning them to the soil through a circular economy process. The result is an environmentally friendly, non-GMO, "all-in-one technology" that can be scaled up worldwide. The AFYNERIE® technology allows the simultaneous production of all seven acids at the same site, whereas in the current petrochemical industry up to three types of separate industrial processes are required to produce this same family.

4 AFYREN NEOXY: a solid industrial facility and an integrated model that can be easily replicated to increase production capacity



AFYREN NEOXY is the operating company for the first industrial-scale plant (under construction) dedicated to the production of biobased organic acids from sugar beet by-products and using local raw materials. The plant is located in Carling-Saint-Avold, in the Grand Est region, on the Chemesis industrial platform operated by the Total Energies group. Through its Total Développement Régional entity, the group has entered into a partnership with AFYREN to facilitate this industrial hosting.

This first plant took the form of a joint venture, 51% owned by AFYREN and the remainder by the SPI funds⁶ managed by Bpifrance Investissement. The plant has an estimated total installation cost of €62 million. To fully finance this project, AFYREN NEOXY has secured more than €80 million to date.

Construction work began in November 2020 and the plant will have an initial annual organic acid production capacity of 16,000 tonnes. With biomass supply already secured and half of its target turnover at full capacity already pre-sold, production is expected to start by 2022.

⁴ One of which is currently being published

⁵ Fermentation in the absence of oxygen, which contributes to the degradation of organic materials and their transformation into simple gaseous, organic and mineral elements.

⁶ Investment fund, financed by the Programme d'Investissement d'Avenir (Future Investment Programme), in industrial projects

This integrated model, biomass recycling to product sales, will be replicated in new plants around the world. AFYREN is already anticipating the construction of two future plants. The unit production capacity of each of them should be significantly higher than the AFYREN NEOXY plant.

5) A clear and sustainable strategy



Promoting the circular economy and recycling derivatives from industry and agriculture

AFYREN has chosen to use by-products as raw materials, to avoid competition with agricultural land intended for human food, and to limit the use of resources produced directly by the earth.

The flexibility of AFYREN's technology allows it to use various agricultural by-products and therefore to provide the agricultural industry with new recycling outlets and opportunities, such as sugar industry by-products (beetroot and cane) and other organic by-products (soy, corn, wheat, etc.) or even municipal waste (household waste).

This positive and virtuous approach is at the heart of AFYREN's strategy because it makes it possible to reconcile respect for the environment and limited production costs: working on the basis of by-products allows the Company to have access to a more competitive and sustainable raw material. AFYREN has received the "Efficient Solutions" label from the Solar Impulse Foundation, which works to bring ecology and economy together and to this end has distinguished with this label 1,000 environmentally friendly and economically viable solutions.



Building a development platform by replicating the "build and operate" model

AFYREN's strategy is based on an integrated and replicable model that ranges from production to sale of products: AFYREN acts as a producer of natural molecules based on the complementarity between an innovative R&D platform, an experienced industrial team and a sales team close to its customers.

Thanks to these three pillars, AFYREN intends to multiply its production units to meet the growing demand for sustainable products and become a leader in biobased products.

The organisation of **Plant 1, AFYREN NEOXY**, has been designed to allow duplication of the model, optimising the deployment time and facilitating the integration of the next plants.

Two geographical areas are currently being considered for **Plant 2 and Plant 3**: North America, where there are both significant sources of biomass and major outlets for acids; and South-East Asia, also a major biomass producer, at the heart of a very active and growing region.

In both cases, several potential sites are being examined. R&D optimisations are being carried out to finalise the choice of location and to adapt the process to a local biomass that differs from that currently used.

These plants will enable the Company to serve its global customers in the three major markets (EU, ASIA, NA) with a local offering.

With these two additional plants built and operated on a proprietary basis, the Group's total capacity could reach around 72,000 tonnes per year by 2026.



Innovating and developing the product portfolio

For nearly 10 years, AFYREN has been working to improve its know-how and its natural GMO-free fermentation process. Thanks to these elements, AFYREN has developed a "platform" knowledge to develop new products based on a common core of knowledge in natural fermentation and bioprocesses.

The acids produced by AFYREN are platform molecules, which can in turn be transformed into derivatives such as esters and alcohols. The commercial outlets for these derivatives are large and varied, with applications for example in the world of flavours and fragrances, industrial lubricants and materials.

In parallel with the work on the derivatives, AFYREN's R&D team has developed a veritable R&D platform, allowing the development of new products (complementary acids and other products), thanks to its know-how in natural fermentation and bio-processes. The R&D team is actively working on developments to complement the range of organic acids, while maintaining the same approach of minimising its environmental footprint.

A strong CSR strategy and a proactive approach at the heart of the Company's development

In 2020, AFYREN embarked on a phase of formalising its CSR policy with a three-year roadmap and thus appointed a CSR Manager, who is now a member of the Executive Committee. In 2021, the Company requested an environmental and social responsibility rating from Ethifinance. This rating shows an advanced level of ESG maturity (55/100) compared to its sector⁷ (34/100)⁸. Several work streams have already been launched in 2021 to further deploy this policy, such as the formalisation of an environmental management system and a purchasing policy, as well as the analysis of the company's material challenges to structure the CSR strategy with performance indicators.

Solid financial outlook and targets

With these three future production units, the Company aims to:

- 1) Have an annual production capacity of 72,000 tonnes by 2026
- 2) Achieve positive recurring EBITDA⁹ margin by 2025
- 3) Achieve an recurring EBITDA margin at Group level of around 30% in 2027 with revenues in excess of €150m¹⁰

⁷ Industrial companies with fewer than 75 employees

⁸ Evaluation carried out by Ethifinance on the basis of 2020 performance, based on the company's responses to the GaiaResearch questionnaire, which was sent to French companies with less than 100 employees

⁹ Recurring EBITDA corresponding to current operating income adjusted for depreciation, amortization and net impairment of property

¹⁰ Revenue above €150m corresponds to the combined revenue of the production units

Availability of the registration document

AFYREN's registration document is available from the Company's website dedicated to the operation (www.afyren-finance.com/) and AMF's website (www.amf-france.org/) as well as free of charge upon request from AFYREN, 9-11 rue Gutenberg, 63000 Clermont-Ferrand, France.

Risk factors

The Company would like to draw potential investors' attention to Chapter 3 "Risk Factors" contained in the registration document approved by the AMF.

About AFYREN

To meet manufacturers' growing need to combat global warming and reduce the use of petroleum derivatives in their production chain, AFYREN produces biomolecules derived from the recycling of non-food biomass, widely used in human and animal nutrition, flavours and fragrances, life sciences, materials sciences and lubricants sectors. This production of renewable carbon, which is resolutely part of a circular economy, is carried out using fermentative technologies patented worldwide, the result of 10 years of research. Founded in 2012 and managed by Nicolas Sordet and Jérémy Pessiot, AFYREN employs 33 people (as of year-end 2020) at its sites in Lyon, Clermont-Ferrand and Carling - Saint Avold. AFYREN is the winner of the 2030 Global Innovation Contest in the "Plant proteins and plant chemistry" category and was selected in the French Tech120 in January 2020 and 2021. In 2018, AFYREN embarked on the implementation of its industrial project with the creation of a joint venture with Bpifrance's SPI fund: AFYREN NEOXY. AFYREN NEOXY is dedicated to the first industrial production of AFYREN natural organic acids in the Grand Est region.

For more information: afyren.com

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Forward-looking statements

Certain information contained in this press release are forward-looking statements, and not historical data. These forward-looking statements are based on current opinions, forecasts and assumptions, including, but not limited to, assumptions about the Group's current and future strategy and the environment in which the Group operates. They involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements, or industry results or other events, to differ materially from those described or implied by such forward-looking statements. These risks and uncertainties include those set forth and detailed in Chapter 3 "Risk Factors" of the registration document.

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