

Press release

Saint-Nolff, 26 October 2022

H1 2022 results:

- Strong growth in activity of 40% over the period
- Results in line with investments made to support future growth
- Stronger financial structure following the IPO on Euronext Growth® Paris (post-closing)
- Targets for 2022 and beyond confirmed

Charwood Energy (ISIN: FR001400AJ60, ticker: ALCWE), a French specialist in tailor-made biomass energy recovery solutions, announces its results for the period from 1 January 2022 to 30 June 2022.

The interim financial statements were approved by the Board of Directors on 21 October 2022. The interim financial statements for 2021 and 2022 were subject to a limited review by the statutory auditors. The interim financial report will be made available on the Company's website.

<i>(in thousands of euros)</i>	H1 2022	H1 2021	Change
Revenue*	3,249	2,329	+40%
Operating income	29	176	
Purchases of raw materials	1,652	1,128	+47%
External expenses	845	440	+92%
Personnel expenses	598	418	+43%
EBITDA	171	530	-68%
Depreciation, amortisation and provisions	93	21	
Operating income/loss	78	509	-85%
Financial income (expense)	(140)	(6)	
Non-recurring items	(0)	(152)	
Income tax	(50)	144	
Consolidated net income (expense)	(13)	223	
Net income, Group share	2	279	

Note: Unaudited data

* H1 2021 revenue includes a one-off international project for the design and installation of a cogeneration plant, resulting from a wood pyrogasification process in the Democratic Republic of Congo. Furthermore, after a limited review by the statutory auditors, the revenue recognised for H1 2021 (€2.3m instead of €2.5m initially reported) shows a growth rate of 40% in H1 2022 (vs. 27% initially published).

*"These interim financial statements were signed off prior to our initial public offering," says **Adrien Haller, founder and Chairman and CEO of Charwood Energy**, "However, they show how strong our business momentum is at present, with revenue growth of 40% in the first half of the year, and investments already under way to support our future growth. On foot of these very satisfactory interim results, we are very confident that we will achieve our financial and strategic targets for 2022 and beyond."*

Note that as of 30 June 2022, the closing date of the interim financial statements, Charwood Energy had not yet recognised the proceeds of its IPO on Euronext Growth®, which took place on 13 July 2022. However, those statements partly include prepaid expenses related to the planned IPO and Eiffel Gaz Vert's subscription on 12 May 2022 for a bond issued for a nominal amount of €7 million.

Business growth of 40% in H1 2022

In the first half of 2022, Charwood Energy posted revenue of €3.2 million, entirely generated by services carried out for third parties. Driven by strong momentum, particularly in France, its priority market, business in H1 grew by 40% compared to H1 2021.

The results incorporate key investments to fuel the Group's future growth

Expenses increased over the first six months of the year compared to the first half of 2021, reflecting the ongoing structuring of the teams to support the Group's future growth and the ramp-up of projects to be delivered in the second half of the year and beyond.

In this context of increased strategic investments, Charwood Energy succeeded in keeping its operating profitability in positive territory with H1 2022 EBITDA¹ of €171k, compared with €530k in H1 2021.

After recognising a financial expense of €140k and its tax expense, Charwood Energy's Group net income came out at breakeven.

¹ EBITDA refers to operating income before taking into account depreciation, amortisation and provision allocations and reversals, which are non-cash expenses.

A stronger financial structure after the IPO

As at 30 June 2022, the financial structure before integration of the proceeds of the initial public offering carried out in July showed:

- Shareholders' equity stable at €898k (versus €896k at 31 December 2021);
- Gross financial debt of €2,263k compared with €2,020k at 31 December 2021, to which can be added liabilities of €7,075k related to the convertible bond issue subscribed for by Eiffel Gaz Vert in May 2022;
- Gross cash of €6,941k, which includes the proceeds from the issue of convertible bonds, compared with €1,478k as at 31 December 2021.

During its IPO on Euronext Growth®, Charwood Energy carried out a capital increase of €12.4 million, of which €8.5 million subscribed for by Eiffel Gaz Vert by offsetting receivables and €3.9 million in cash.

Short- and medium-term targets confirmed

Charwood Energy's activity, which involves solutions for the crucial issues of energy independence and the fight against global warming, benefits from favourable structural and economic factors that will serve as powerful accelerators for rapid development of the Group in France and abroad

Given this buoyant market, combined with recently announced commercial successes, a secure backlog of orders² from third parties for a total value of €4.3 million, and a project pipeline³ for third parties of €86 million, which has doubled since the end of March, Charwood Energy confidently reasserts its short- and medium-term targets.

In addition, the Group is pursuing its strategy for activity on its own account and confirms its target to have five power plants in development at the end of 2022.

As such, the Group confirms its revenue target of €7 million in 2022 and €100 million by 2027.

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² Backlog: aggregate value of signed projects deducted from the revenue already recognised based on progress made on the work.

³ Sales pipeline: detailed or preliminary quotation has been sent but a response has not yet been received.

About Charwood Energy

Convinced that biomass is a key response to the challenges of the energy transition, Charwood Energy designs, installs and maintains tailored solutions for the production of biomass renewable energy.

With a wealth of technical know-how and expertise in all biomass recovery technologies - heating and heating networks, methanisation and pyrogasification - Charwood Energy generated revenue of €4.6 million in 2021 from its third-party activities and EBITDA of €1 million (23% of revenue).

Positioned since 2019 in the promising area of pyrogasification technology, Charwood Energy is now also involved in the development and operation of proprietary pyrogasification units aiming to produce and sell green gas, biochar and carbon credits to industrial customers under direct purchasing contracts.

The company is listed on Euronext Growth Paris (ISIN: FR001400AJ60, ticker: ALCWE) - Eligible for PEA PME equity savings plans - Certified as an "Innovative Company" by bpiFrance.

To find out more, see: <https://investir.charwood.energy/>

Forward-looking statements

This press release contains non-factual elements, including, but not limited to, certain statements regarding future results and other future events. These statements are based on the management's current views and assumptions. They incorporate known and unknown risks and uncertainties that could cause actual earnings, profitability or events to differ materially from those anticipated. In addition, Charwood Energy, its shareholders and its affiliates, directors, officers, advisors and employees have not verified the accuracy of, and make no representation or warranty in relation to, statistical information or predictions contained in this press release that were taken from or derived from third-party sources or industry publications. Such statistical data and predictions are used in this press release for information purposes only.

Finally, this press release may be drafted in French and English. If there are differences in interpretation, the French language version shall prevail.