

Press release

Saint-Nolff, October 28, 2024

H1 2024 results:

- Revenue growth of +57%
- Results including investments to structure the Group for future growth
- 2027 objectives confirmed

Charwood Energy (ISIN: FR001400AJ60, ticker: ALCWE), a French company specializing in custom solutions for recovering energy from biomass, is publishing its results for the first half of 2024.

The half-year financial statements were approved by the Board of Directors on October 18, 2024 and were subject to a limited review by the statutory auditor. The half-yearly report will be made available on the company's website.

<i>(in thousands of euros)</i>	H1 2024	H1 2023
Revenue	2.4	1.5
Other operating income	0.3	1.8
Total business activity	2.7	3.3
Purchases of raw materials	(1.2)	(2.4)
External expenses	(1.5)	(0.8)
Personnel expenses	(1.5)	(1.1)
EBITDA¹	(1.9)	(1.0)
Depreciation, amortization and provisions	(0.3)	(0.2)
Operating income	(1.9)	(1.0)
Net financial income	(0.2)	(0.1)
Non-recurring items	-	-
Taxes	0.5	0.3
Net income (Group share)	(1.5)	(0.8)

Revenue growth of +57%

Charwood Energy posted revenue of €2.5m in H1 2024, up 57% compared with H1 2023. Revenue includes the business of LG Concept following the acquisition of a stake by Charwood Energy last October² and is proportionally consolidated at 40%. At constant scope, organic growth was +10%.

H1 2024 revenue was generated entirely on behalf of third parties, through the design, construction and installation of bespoke energy solutions using biomass for external customers including farms, manufacturers and local authorities.

¹ EBITDA (earnings before interest, tax, depreciation and amortization) is the operating result before taking into account depreciation, amortization and provisions (which are non-cash expenses).

² October 4, 2023, press release

Other income of €0.3m, comprising development costs, was recognized over the period, resulting in a total business volume of €2.7m, compared with €3.3m in H1 2023.

In third-party business, the first half of the year was marked by the signing of a contract for the replacement and modernization of a heating facility used to dry lumber and building wood in a sawmill in Ille-et-Vilaine.

Charwood Energy also inaugurated the first industrialization-ready gasification demonstrator in France at Colpo in Brittany. The new facility is a research center, a training center and an experimental center for showcasing all the Group's expertise. It was designed to generate electricity through a CHP system with a capacity of 70 kW. Local biomass is supplied on an eco-responsible basis by LG Concept, a subsidiary of the Charwood Energy group.

Charwood Energy also strengthened the production capacity of its Saint-Nolff site in Brittany in the first half of the year. Total production surface area was extended to 1,750 m², serving to increase the site's production capacity by 50% and structure an expanded offering with a range of modular solutions for gasification, wood boiler units and anaerobic digestion.

In own-account business, five power plants are under development, including one on behalf of Verallia France, the construction of which is expected to start in H2 2024.

H1 2024 results including investments to structure the Group for future growth

In the first half of 2024, Charwood Energy continued to structure the Group to support its future growth. This resulted in a significant increase in operating expenses, particularly those related to personnel, the headcount having been doubled from an average 28 in H1 2023 to 55 in H1 2024.

Owing to this increased investment, Charwood Energy posted an operating loss of -€1.9m at June 30, 2024.

Taking into account financial income and the activation of tax loss carryforwards, the net loss was -€1.5m.

Solid financial structure

At June 30, 2024, Charwood Energy had a solid financial structure with:

- Equity of €7.1m;
- A decrease in gross financial debt to €2.4m;
- Gross cash of €1.5m, resulting in net debt of around €1m at the end of H1 2024;
- Controlled gearing³ of 14%;
- An improved working capital requirement (WCR) compared with end-2023.

Outlook

To date, the Group has a secure order book on behalf of third parties totaling €4.4m, deliverable and billable in 2024 and 2025. Other projects are in advanced discussions and expected to be announced soon.

³ Gearing = Net debt/equity

In own-account business, Charwood Energy plans to launch construction of the syngas production plant developed for Verallia France in H2 2024. Once built and commissioned, this plant should give rise to the signature of a direct purchase contract to supply Verallia with syngas at its Cognac site.

2027 objectives confirmed

Bolstered by favorable structural and economic factors that stand as powerful accelerators for its development both in France and internationally, Charwood Energy is confirming its objectives for 2027, namely:

- Revenue of €100m, 60% of which from business on its own behalf;
- 50 plants owned outright under operation and under construction, for an estimated ARR of around €90m.

Next publication: full-year 2024 revenue on February 26, 2025, after market.

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.

Charwood Energy boasts a wealth of technical know-how and expertise in all biomass recovery technologies, including heating and heat networks, anaerobic digestion, and pyrogasification.

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: <https://charwood.energy/investisseurs>

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