

Courbevoie, on May 10th, 2019

2018 ANNUAL RESULTS: IMPROVEMENT OF THE OPERATIONAL PERFORMANCE

- Turnover reduced by 36% combined with a 43% reduction of current operating losses
- Order book of €6 million at the end of April, validating the strategic repositioning of ENERTIME
- Financial structure strengthened by a capital increased on Q4 2018
- Sustained commercial effort delivering more than €4 million in new orders over the first few months of the year 2019

ENERTIME (FR0011915339 - ALENE), French Company in the « Cleantech » sector offering equipment for industrial energy efficiency and production of distributed renewable energy (biomass and geothermal energy) publishes its financial results for the year 2018. The Board of Directors, which met on April 24, 2019, approved the 2018 financial statements.

Gilles David, Chief Executive Officer of ENERTIME declares: *“The 2018 year was the opportunity for ENERTIME to implement the reorientation of its business model, to focus on profitability by selling more technology and less equipment and by working with large industrial customers in France and with industrial partners in the export market. As announced 18 months ago, this reorientation allowed the company to further improve financial results. On the other hand, the industrial energy efficiency market in Europe that was strongly impacted by the significant drop in electricity prices in 2015 resumed in 2018 with the rise in price and better support from regulators, especially in France. In this context, our diversification in energy efficiency for the infrastructures of district heating and transport of natural gas bears fruit with two new orders in energy efficiency for natural gas transport and the commissioning of a high-performance, high-efficiency heat pump at Le Mans.”*

Analysis of the activity

For 2018 fiscal year, the Company recorded a turnover of €2.7 million, down 36% compared to 2017 mainly reflecting:

- A strategic reorientation of the Company generating more margin for less turnover;
- A time-schedule shift of the project of Saint-Ouen over 2019 and 2020 representing a €1 million loss of turnover;
- Postponement of the signature of new contracts, signed at the beginning of 2019.

Turnover was generated more particularly by a contract in France for the supply of a Heat pump of 3.7 MW, for Le Mans incinerator and a subsidiary of Veolia Environment, as well as a contract for the supply of an ORC of 1 MW for the SYCTOM and the Waste to Energy Plant of the city of Saint-Ouen.

In addition, 2018 saw the coming into force of the license agreement signed with the Chinese company Beijing Huasheng Huaneng ORC Technology, company with which ENERTIME is currently discussing a more significant industrial agreement.

2018 year also saw the commissioning of an ORC module in France (0.7 MW in Saint-Fons). Other projects in progress are in line with the contractual deadlines.

Financial results improvement which should accelerate in 2019

Thanks to the optimization of the organization, the external charges sharply decrease by 40.6% and the labor costs by 28.7%. Consequently, ENERTIME recorded in 2018 a current operating loss of €1.2 million, an improvement of 43% compared to a €2.1 million loss in 2017.

After considering financial expenses, exceptional expenses, research tax credit (CIR) and innovation tax credit (CII), the net loss as of December 31st, 2018, was €1.3 million compared to net loss of €1.9 million a year ago.

A strengthened financial structure

During 2018 financial year, ENERTIME reinforced its equity with a capital increase in October 2018. As of December 31, 2018, the company shareholder's equity amounted to €3.3 million.

As a reminder, ENERTIME set up, in March 2017, a financing through fixed-term bonds with repayment options in cash and/or new and/or existing shares ("ODIRNANE") with stock warrants ("BSA") for a maximum amount of €3 million of ODIRNANE of which €1.5 million were converted into shares in 2017 and €467 k in January 2018. An amount of €1 million remained to be called at the Company's sole initiative without being used. Due to the difficulties encountered in securing bank financing for the development of its activity, ENERTIME wishes to renew this facility for an equivalent amount, in order to prevent possible incidents in the management of its cash.

The Company considers that it has the financial resources to ensure the continuity of operations over the next twelve months.

Research and Development activities

During 2018, the Company Research and Development expenses amounted to €593 k, of which €398 k were amortized.

R&D work focused mainly on the development of high and medium temperature ORC and their turbines (project ALCANORC, ORCHT and CORDIAL), heat pumps and compressors (project PAC) and the design of gas expansion turbines (project EXPANGAZ).

In addition, the Company continued its scientific collaborations on thermodynamic cycles with the University of Liege and on the design of turbomachineries with Politecnico di Milano in Milan and the ENSAM engineering school in Paris where ENERTIME supported a thesis on the optimization of turbines with the Dynfluid laboratory.

2019 outlooks: significant commercial progresses

ENERTIME starts 2019 with confidence and anticipates, again, a clear improvement of its current operational performance. At April 31st, 2019, the order book (excluding license agreement) represents around €6 million turnover, primarily made up of 4 projects:

- An ORC of 1.2 MW for the SYCTOM and the incinerator of Saint-Ouen with an installation of the ORC planned in 2020;
- A 1.8 MW ORC for the BGE-Ensys company to equip a float glass factory of Bangkok Glass in Thailand with a commissioning programmed in May 2020;
- A natural gas expansion turbine of 2.5 MW for GRTgaz company for installation in the gas distribution station of Villiers-le-Bel for a commissioning programmed for Q4 2020;
- A pilot plant with a commissioning programmed in May 2020.

In addition, the recent rise in the price of electricity on the European spot market and the strong increase in the value of the CEE (French Certificate of Energy Saving) combined with the ratification of the PACTE law that widens the application of the CEE to the industrial facilities with carbon emission trading obligations should support the installation of waste heat recovery system in French factories. ENERTIME started discussions on this subject with several factories in the North and North-East of France

Lastly, discussions are on-going with the French ADEME to re-use, at least partially, the ORCASIL financing on an international project similar to the French one.

The license agreement signed with Beijing Huasheng Huaneng ORC Technology should generate the first project commissioning in 2020. In addition, ENERTIME discusses with this company for a new agreement on the basis of a Joint-Venture creation to manufacture in China standard ORC using a new technology of turbines under development by ENERTIME. This Joint-venture could also accompany our partner in the implementation of the license.

The development of biomass project in France was very disappointing and the new Multiannual Program Law for Energy (PPE) does not give support any more to this sector. Similarly, except for some projects in Alsace, geothermal energy is not retained anymore in the PPE. ENERTIME will thus carry all its efforts to acquire projects abroad, in Corsica and in French Overseas Territories on these markets.

Concerning gas expansion technologies, ENERTIME works with GRTgaz on two new projects, likely to generate orders in 2020 or 2021. The company also discusses with a gas distribution company in a neighboring country for similar projects.

Industrial partnerships

The partnership with Vergnet Company continues to generate significant operating expenses reduction thanks to sharing common services and jointly prospect on the export market. In addition, ENERTIME is entering into new international partnerships with European and Chinese entrepreneurs within the framework of its new strategy.

ABOUT ENERTIME

Created in 2008, ENERTIME designs, develops and implements Organic Rankine Cycle (ORC) machines and high temperature heat pumps for industrial energy efficiency and decentralized production of renewable energy. ORC machines transform heat into electricity. Heat pumps value low temperature heat to produce heat at higher temperatures.

ENERTIME is the only actor in the world offering ORC machines and a portfolio of other technologies in the field of thermodynamics applied to the energy transition. For ORC Technology it is one of the four major global players and the only French Company mastering this technology of high-power machines (1 MW and more). The Company is called "Innovative Company" by Bpifrance and is recognized as «French creative Industry». ENERTIME is listed on the Euronext Growth market (ISIN: FR0011915339- Ticker: ALENE).

More information about www.enertime.com

CONTACTS

ENERTIME

Gilles DAVID – President and CEO

Tel. +33 1 75 43 15 40

gilles.david(at)enertime.com



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SUMMARY OF 2018 FINANCIAL STATEMENTS

Income Statement (audited)

To €-French standards	2018	2017
Turnover	2,718,020	4,216,403
Other operating income	897,313	1,210,288
Operating expenses	(4,830,849)	(7,572,346)
Operating result	(1,215,516)	(2,145,656)
Financial result	(10,392)	(9,851)
Exceptional result	(228,786)	(103,943)
Tax income	187,730	392,341
Net income	(1,266,965)	(1,867,109)

Balance Sheet (audited)

In €- French standards	2018	2019
Fixed assets	1,822,181	1,615,142
Stocks & Receivables	2,099,879	2,488,912
Other assets	235,204	1,174,650
Cash & securities	1,420,145	1,198,163
TOTAL ASSETS	5,577,409	6,476,867

In €- French standards	2018	2017
Equity & other Equity	3,276,542	3,144,543
Payables	485,691	800,288
Other liabilities	1,573,648	1,922,910
Loans & debt	241,528	609,126
TOTAL LIABILITIES	5,577,409	6,476,867