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LANDMARK 2023 FINANCIAL YEAR FOR AIRWELL

RECORD 2023 REVENUE: €65.0M EBITDA MARGIN: 4.8%, IN LINE WITH THE TARGET SOUND FINANCIAL STRUCTURE

The Airwell Group (Euronext Growth, ALAIR), creator of smart energy ecosystems, reports its full-year 2023 results. The financial statements, approved by the Board of Directors on 17 April 2024, have been audited and the reports are currently being prepared. Airwell delivered excellent results in the 2023 financial year with record revenue of €65.0m, up 17%, and an EBITDA margin of 4.8%, generally in line with the announced target¹. The Group's financial position remains solid and strong.

French standards (€m) – unaudited	2022	2023	Change (%)
Revenue	55.7	65.0	+16.7%
EBITDA ²	1.8	3.1	+71.4%
EBITDA margin	3.3%	4.8%	+1.5 points
EBIT ³	1.5	2.2	+50.9%
Net profit	1.0	1.4	+37.2%

Laurent Roegel, Airwell CEO, commented: “Our full-year 2023 results were significantly up, in line with our expectations. This performance recognises the outstanding efforts of our teams, confirming our status as a player committed to the challenges of energy renovation, implementing solutions that fully cater to our markets. In 2024, despite a less favourable market environment, we expect double-digit revenue growth, and a much improved second-half versus the first. What’s more, we will step up our investments,

¹ See the press release of 6 February 2024

² EBITDA = Operating profit before depreciation, amortisation and impairment of goodwill

³ Operating profit after depreciation and amortisation and before goodwill

particularly in Airwell Industrie, to bolster our portfolio of directly owned products while continuing our trajectory aimed at transforming Airwell into an established European leader in the years ahead.”

Strong increase in operating performance indicators

At end 2023 financial year, the Airwell Group generated consolidated revenue of €65.0m, representing a strong year-on-year increase of 16.7%. This progress was driven by the excellent performance in the residential market, with sustained demand in Air-Water Heat Pumps, most notably in France which was the Group's leading market in 2023.

Gross margin totalled €21.3m, up considerably by 22.8% from the previous financial year. It came out to 32.7%, versus 31.1% a year ago, representing a 1.6-point increase owing to the regional mix (with France as the top contributor).

Overall, current operating expenses were still kept under control, increasing 16.8% to €18.0m vs. €15.4m the previous year. Supply and distribution costs returned to more normal levels (€3.0m vs. €3.9m last year) to offset rising marketing/R&D and sales costs in line with the business growth observed over the year.

EBITDA⁴ stood at €3.1m (vs. €1.8m in 2022), a substantial increase of 71.4%. EBITDA margin came out to 4.8%, generally aligning with the announced target of 5%⁵. It includes a post-audit accounting impact of €0.2m for inventories changes within Airwell Industrie, reclassified as goodwill. Excluding this non-cash accounting impact, the EBITDA margin would amount to 5.1%.

After depreciation and amortisation, EBIT⁶ surged 50.9% to €2.2m vs. €1.5m in H1 2022.

Net financial loss increased to -€0.9m (vs. -€0.4m for FY 2022), including interest on the €5.0m bond issue with Delta AM in January 2023.

After accounting corporate income tax (€0.2m), net profit totalled €1.4m (vs. €1.0m a year earlier), with a net margin of 37.2%.

Sound financial structure

At 31 December 2023, Airwell's equity amounted to €10.7m versus €3.9m at 31 December 2022, notably strengthened by the capital increase of €6.1m issued in June as part of the transfer of Group shares to Euronext Growth® Paris.

Cash flow from operating activities of integrated companies totalled €2.2m, representing brisk year-on-year growth of 77.2%.

Cash flow from operating activities totalled €(6.1)m at end-December 2023, compared to €0.9m on 31 December 2022. This included a one-off €8.3m increase in WCR (working capital requirement), owing to a €2.8m change in finished products (including €0.5m from Airwell Industrie) and a one-off decrease in trade payables (exceptionally early payments to a number of suppliers).

Cash flow from investing activities amounted to €(1.6)m. It was mainly geared towards R&D investments, with a focus on the Air Home application, fittings and IT expenditure for the head office premises as well as

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⁵ See the press release of 6 February 2024

⁶ EBIT: operating profit after depreciation and amortisation and before goodwill

a new showroom in Guadeloupe. This compares with a net inflow of €0.4m on 31 December 2022 (including exceptional income from the disposal of the Johnson brand).

Cash flow from financing activities totalled €9.2m (vs. €(1.1)m at 31 December 2022), including the capital increase (€6.1m gross), the €5.0m bond issue, and the repayment of a €1.3m bank loan over the period.

Gross financial debt was €7.6m (vs. €3.8m at 31 December 2022). At end-2023, net debt remained under full control at €4.2m, representing gearing⁷ of 39%.

2024: double-digit revenue growth and continued investments

Factoring in a less buoyant heat pump market worldwide, due to the crisis in new construction, the Airwell Group aims to continue outperforming the market through its positioning in global renovation segment and its standout solutions.

The Group targets double-digit growth in full-year 2024 revenue compared with 2023, propelled by the good momentum in France.

However, in the 2024 financial year, growth will not be linear. On the back of a 15% decline in the first quarter resulting from particularly high comparatives and delayed export sales in connection with distributor stock adjustments and extended international shipping times, the trend will gradually improve in the quarters ahead, with significant acceleration expected in the second half.

Airwell's steady sales momentum in France will be underpinned by a growing sales force, the contribution of Airwell Industrie, the launch of new offerings including a servicing solution for smart, connected homes ("Ma Maison Hybride") and a financing package for energy-related renovations in the residential sector.

Parallel to this, 2024 will see the Group sustain a high level of investment (around €2.5m to €3m) with a particular focus on Airwell Industrie to prepare for new offerings and being part of the key challenges involved in *Made in France*.

Lastly, Airwell restates its ambitions for 2025 to generate revenue of more than €100m, with an EBITDA margin in excess of 5%.

Next release: Revenue for the first quarter of 2024, Tuesday 14 May 2024

⁷ (Financial debt – available cash) / shareholders' equity

About Airwell

Founded in 1947 in France, Airwell is France's leading designer of heat pumps in the field of climatic and thermal engineering. A major operator, the French pioneer in heat pumps and then the leading European manufacturer in the 1970s, Airwell became Groupe Airwell in 2021. In a market driven by the energy transition, the company aims to become a reference in Europe, and a key player in climate and thermal solutions based on needs and uses on a global level, with a presence in 80 countries. The French developer of climatic and thermal solutions continued to develop in an effort to optimise the energy consumption of its products, protect natural resources and capture solar energy, thereby significantly reducing its customers' environmental footprints. Based in Montigny-le-Bretonneux ((78), a municipality in Greater Paris), Groupe Airwell has more than 100 employees. In March 2023, the Group became a member of the Communauté du Coq Vert run by Bpi France and ADEME (French Agency for Ecological Transition).

Compartment: Euronext Growth® Paris;

Ticker: ALAIR

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