

ENTECH: growth combined with a significant improvement in profitability for the first half of the year

- Dynamic growth across all business segments
- EBITDA margin of -3.0% at 30 September 2021, versus -8.5% for the year ended 31 March 2021
- Full-year revenue target of €17m likely to be exceeded
- Full-year EBITDA expected back to breaking even

Quimper, 18 January 2022 – Entech (FR0014004362 – ALESE), the technology company specialised in smart renewable energy storage and management, is reporting its earnings at 30 September 2021. Under the combined impact of strong growth in business and effective control over costs, the profitability for the first half of the year shows a significant improvement across all the financial indicators. Considering its progress with production operations underway, the company expects full-year revenues to exceed its target of €17m and EBITDA back to breaking even.

(In €'000)	30/09/21 (6 months) limited review*	31/03/21 (12 months)
Revenues	8,267	9,428
Operating revenues	9,386	9,760
Gross margin	2,262	2,617
<i>In % of revenues</i>	27.3%	27.8%
EBITDA	-252	-805
<i>In % of revenues</i>	-3.0%	-8.5%
Operating income	-600	-1 495
<i>In % of revenues</i>	-7.3%	-15.9%
Net income	-215	-498
<i>In % of revenues</i>	-2.6%	-5.3%

* The limited review procedures on the half-yearly accounts have been performed. The auditor's report is in the process of being issued.

Growth across all segments

Production activities (PV power plant design and installation) came in strong growth to €4.2m for the half-year (€3.9m for 12 months in 2020-21), driven by the progress made with the many projects in the portfolio and the recent delivery of significant ground-mounted power plant projects.

The strong growth of **storage** activities (€3.9m for the first half of the year, versus €5.4m for 12 months in 2020-21) was slowed by the health situation, notably for international off-grid projects. These activities are still a core pillar for development, in a segment with strong business potential in which Entech plans to maintain its technological lead.

Revenues for the **hydrogen** segment (€0.1m for the first half of the year) reflect the ramping up of the project launched during the previous year.

Improvement in all financial indicators

EBITDA came to -€0.25m (-3.0% of revenues), compared with -€0.8m (-8.5%) in FY 2020-21. In a context of strong growth in the average headcount (64 at 30 September 2021, versus 55 at 31 March 2021), staff costs totalled €1.7m, representing 20.5% of first-half revenues, compared with 27.6% for the previous full-year. External expenses and purchases are down from 11.3% of revenues last year to 9.5% for the first half of this year.

After €0.26m of depreciation, with a linear year-on-year change (€0.52m for 2020/2021), **EBIT** came to -€0.50m, representing -6.2% of revenues, compared with -14.1% for FY 2020-21.

After €0.1m of financial income and expenses, **operating income** came to -€0.6m, with a current operating margin of -7.3%, versus -15.9% for the full year in 2020-21.

Net income totalled -€0.2m, compared with -€0.5m for 2020.

Post-IPO financial position in line with growth targets

At 30 September 2021, shareholders' equity totalled €2.5m, with €10.5m of net debt. Following the capital increase carried out at the time of the initial public offering on 4 October 2021, with €23.4m of net proceeds, shareholders' equity represents €25.9m, with €12.9m of cash, net of financial debt.

Entech now has major financial resources and debt leverage in place to finance its strong development ambitions.

Outlook

In view of its delivery schedule at mid-January, Entech expects to exceed its full-year revenue target of €17m. With its continued strong business growth and its effective control over operating expenditure, Entech expects EBITDA to move back close to breaking even from the current year.

Availability of the half-year financial report

The Half-Year Financial Report at 30/09/2021 will be made available to the public and be filed with Euronext on 20 January 2022.

It can be viewed on the company's website (<https://entech-se.com/investisseurs/documentation/>).

About Entech

Faced with the technological challenges posed by the strong growth of new energies within the energy mix, Entech enables the massive integration of renewable energies and access to energy thanks to storage and electrical conversion solutions controlled by intelligent software systems.

Builder of the new energies, Entech develops, builds and operates production plants and storage systems - batteries or hydrogen - on-grid or off-grid. Founded in Quimper in 2016, Entech has already completed more than 250 projects worldwide and currently employs 78 people.

Selected in 2021 by "La French Tech" in its Green20 programme and recognised by numerous awards for its capacity to innovate in supporting the energy transition, Entech is committed to acting on a daily basis as a responsible company, not only from an environmental point of view but also from a social and societal one. For more information: <https://entech-se.com/>

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