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Press release

Saint-Nolff, 16 June 2022

Charwood Energy's Registration Document has been approved by the French securities regulator (Autorité des Marchés Financiers) as part of a planned IPO on Euronext Growth[®] Paris

- **An independent French integrated player specialised in all technologies used to produce biomass-based renewable energy**
- **Strong growth and demonstrated profitability**
 - 2021 revenue of €4.6 million, up +113%
 - 2021 EBITDA margin of 23%
- **Decarbonisation solutions to help us move away from fossil fuels and meet energy transition and independence requirements**
 - Local non-intermittent green energy production units
 - Growth in the circular economy with the recovery of abundant resources and the creation of sustainable jobs at a local level
 - A response to a growing challenge for industrialists to stabilise and increase the visibility of energy prices
- **A clear acceleration strategy**
 - Ramp up the historical activity of designing and building biomass recovery plants (biomass heating plants and heating networks, methanisation and pyrogasification) for third parties
 - Roll out independent energy production through pyrogasification, the preferred technology to reach the objective of 100% green gas by 2050 in France
- **2027: high ambitions**
 - Revenue target of €100 million, of which approximately 40% from services to third-party customers and approximately 60% from sale of energy for own account from pyrogasification
 - A proprietary base of 50 power generation plants installed or under construction¹
 - Long-term normative EBITDA margin target above 35%

¹ To generate approximately €90 million in potential annual recurring revenue

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Adrien Haller, Founder and CEO of Charwood Energy says: *“With the Sustainable Development Goals now imperatives, the world faces critical environmental challenges. Since its creation, Charwood Energy has been actively involved in meeting these challenges with a clear mission: to provide tailored solutions for the production of renewable energy from biomass. Thanks to our unique technical know-how and specialisation in a number of technologies (biomass heating and heating networks, methanisation and pyrogasification), in just a few years we have designed and installed more than 100 power plants across France, and reported revenue of €4.6 million in 2021. Buoyed by a structurally favourable environment, we are now ready to accelerate by taking advantage of the tremendous market opportunities offered by pyrogasification, both as a designer and builder of biomass recovery plants for third-party customers and by ramping up our activity as an independent energy producer. These rapid growth prospects are central to our planned IPO, based on which we expect to achieve revenue of €100 million by 2027.”*

Charwood Energy, an integrated and independent renewable energy company specialised in tailored biomass energy solutions, had its Registration Document approved by the French securities regulator (Autorité des Marchés Financiers - AMF) under number I.22-026 on 15 June 2022.

This approval marks the first step in Charwood Energy’s planned IPO on the Euronext Growth® market in Paris, which remains subject to market conditions and the AMF’s approval of the relevant prospectus.

Biomass energy recovery: a response to the fundamental challenges of the energy transition

Faced with a global awareness of the climate emergency and the imperatives of sustainable development, Charwood Energy, an independent French integrated renewable energies player, offers biomass-based decarbonisation solutions to help with the shift away from fossil fuels.

By transforming different types of wood, agricultural or fermentable waste into heat, electricity, and/or green gas, biomass energy recovery offers multiple benefits:

- economic, first of all, since it is a varied, renewable, abundant, local resource that does not compete with food needs, allowing high visibility on non-intermittent energy production, unlike other renewable energy sources;
- environmental thanks to better management of natural resources and carbon-negative energy production systems; and
- territorial, with locally available biomass promoting the circular economy and the creation of local sustainable jobs.

The technologies deployed by Charwood Energy directly meet three fundamental objectives: (i) the decarbonisation of the economy to reduce CO₂ emissions and limit global warming, (ii) energy autonomy with a controlled supply, and (iii) the development of a local and circular economy. These

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issues have become more important with the health crisis and the deterioration of the geopolitical context, which have caused price instability and issues around the availability of energy.

Charwood Energy's unique positioning means it is front and centre in relation to major societal objectives and it benefits from particularly favourable economic, strategic and regulatory factors.

A French specialist in biomass energy recovery

With this in mind, Charwood Energy has been expanding since its creation with one clear mission: to offer tailored solutions for the production of renewable energy from biomass, both for third-party customers, i.e. industrial groups, local authorities and farms, and on its own account by installing its own power plants and marketing the energy produced under long-term corporate power purchase agreements².

It owes its success in this space to the technical expertise it has developed over 15 years in three key technologies: biomass combustion, methanisation and pyrogasification.

With an industrial set-up designed for growth, incorporating its own design office since 2014, Charwood Energy continues to develop by enriching its power plant design and installation activity for third-party customers under the Energy&+ brand, together with a new activity of selling energy for its own account, developed by its dedicated subsidiary W&energy, co-owned with the Eiffel Gaz Vert fund, a leading funder of the renewable gas sector in France³. This new activity represents a tremendous opportunity for the Group, with a French market for the substitution of natural gas with addressable green gas worth several billion euros.

By the end of 2021, Charwood Energy had already completed more than a hundred projects for third parties, representing a cumulative installed capacity of more than 54 MW, i.e. production of 250 GWh/year⁴ and more than 26 km of heating networks for several prestigious industrial companies like Engie, Paprec and Séché Environnement.

Expertise along the entire value chain

In addition to its solid customer portfolio and recognised technical expertise, Charwood Energy's development also hinges on its coverage of the entire value chain, from the design of energy solutions through to plant maintenance. This integrated model means it can optimise the return on project investment at every stage.

In order to be able to assist customers in developing their projects and propose tailored solutions that meet their specific needs, the Group focuses particularly on the critical engineering and design phase in which the Charwood Energy design office plays a key role. Capitalising on a 1,400 m² industrial set-up, Charwood Energy also provides modular prefabrication and equipment assembly as well as the operation and maintenance of the installed power plants, which are a potential source of recurrent income.

² cPPA

³ <https://www.ademe-investissement.fr/toutes-les-actualites/lancement-du-fonds-eiffel-gaz-vert-200-me-dedies-au-gaz-renouvelable/>

⁴ Equal to the heating needs of about 25,000 homes

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Already on a solid growth trajectory

Benefiting from structurally buoyant markets, expertise in all biomass recovery technologies and the ability to intervene across the entire value chain, Charwood Energy is already on a solid growth trajectory, combining financial and non-financial performance.

Its revenue grew by almost 113% in 2021 to €4.6 million, based solely on its third-party activities.

This strong growth is combined with high profitability, with EBITDA⁵ of €1.0 million, representing an EBITDA margin of almost 23% of total revenue.

These financial results are in tandem with a strong commitment to its non-financial performance. Its purposeful approach is illustrated in the Ethifinance overall rating issued in May 2022 of 56 out of 100, a level qualified as advanced, compared with an average rating of 46 out of 100 for the peer group.

Growth driven by favourable market trends and a pioneering position in pyrogasification in France

The renewable energy market is expected to grow strongly in the coming years, driven by economic and strategic factors as well as environmental and regulatory factors.

- Given the stark inevitability of the energy transition, our economies need to significantly decarbonise industrial sectors. This decarbonisation will entail an increased contribution of renewable energies in the energy mix, and in particular the use of biomass which produces non-intermittent energy;
- The regulatory framework has favoured the development of renewable energies since the Paris Agreement of 2015 and has notably given rise at national level to the Energy Transition for Green Growth Act (LTECV) in 2015, and more recently the Energy-Climate Law of 2019, with ambitious environmental objectives, such as an increase in the share of renewable energies to 33% of energy consumption by 2030 and carbon neutrality by 2050.
- The geopolitical context and the consequences of the recent health crisis are prompting economic actors to protect themselves from new crises by working towards greater decentralisation of energy and self-sufficiency, as well as reducing the uncertainty caused by energy price fluctuations.

Since biomass can be used to produce non-intermittent and local green energy, the current environment is undeniably a powerful accelerator for the rapid development of Charwood Energy's activities.

More specifically, given the goal to achieve a gas mix of 100% renewable gas in France by 2050⁶, made even more necessary due to the current context of rising natural gas supply prices, the production of green gas should experience very strong growth, 50% of which will come from pyrogasification technology according to ADEME.

⁵ EBITDA: Operating profit before depreciation, amortisation and provisions

⁶ A gas mix of 100% renewable gas by 2050 - Technical and economic feasibility study - ADEME, GRDF and GRTgaz

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Pyrogasification allows solid biomass to be transformed into synthesis gas or “syngas”, from which energy can be produced (electricity and heat or other green gases such as biomethane and green hydrogen), and “biochar”. The latter sequesters carbon from the recovered biomass in a solid and stable form, thus avoiding emissions into the atmosphere and making pyrogasification a low carbon activity. Biochar can be used in agriculture to improve soils or incorporated into certain construction materials, and can also be used to generate carbon credits.

Charwood Energy positioned itself very early on pyrogasification, having been awarded its first two projects in 2019 in France by winning biomass project tenders by the CRE⁷, and subsequently deployed a new international plant in the Democratic Republic of Congo. To speed up the development of this very promising technology in France and be in a position to meet the expected strong increase in demand, the Group has entered into an exclusive strategic partnership with Spanner Re², a leading German player specialised in the construction of cogeneration systems based on the pyrogasification of biomass. This alliance combines the strengths of an established player offering a proven technology with 900 cogeneration units installed since 2007, and a French integrator with numerous commercial projects under its belt and leading edge technical know-how.

A clear acceleration strategy based on a ramp-up of the historical activities and the roll out of the independent pyrogasification-based energy production activity

Charwood Energy’s strategy is based on two complementary pillars:

- **Design/installation as well as operation & maintenance of biomass recovery units for third-party customers**, the Group’s historical activities (biomass heating plants and heating networks, methanisation and pyrogasification). The Group has designed and installed 38 biomass heating plants, 48 heating networks, 38 methanisation units and 1 pyrogasification unit.
- **Development, financing, construction and operation of pyrogasification units for its own account**, a new area of development complementary to its historical activities, allowing the Group to produce and sell syngas, biochar and carbon certificates as well as products from syngas (electricity and heat, biomethane, green hydrogen...) to industrial clients with which it has signed purchase agreements (cPPA). The Group has not yet completed the construction of a unit it owns and operates. It has however signed two development contracts in order to launch construction of two pyrogasification biomass recovery plants. It is also having advanced discussions with large industrial groups for three other projects, two of which are already under signed letter of intent.

To accentuate the current growth momentum, Charwood Energy will focus on two key areas:

⁷ Commission de Régulation de l’Energie (French energy regulator)

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1. The acceleration of its historical power plant design/installation activities for third-party customers

It aims to accelerate these activities, developed by its subsidiary Energy&+, as part of a three-pronged strategy:

- the densification of its commercial network in France by opening branches in the regions that show the strongest potential in terms of recoverable biomass: Nouvelle Aquitaine, Auvergne-Rhône-Alpes and Ile-de-France. These regions show the best biomass reserves (notably forestry wood, recycled wood, agricultural waste) coupled with strong economic activity;
- a positioning in larger projects and among larger industrial customers with growing renewable energy needs, offering new opportunities and significant potential for economies of scale and recurring business, together with increased commercial visibility;
- the development of its operation and maintenance (O&M) services, in line with the increase in the number of installed power plants, for both third-party customers and its own account.

2. The deployment of a new energy production activity from the pyrogasification plants, on its own account via its dedicated subsidiary W&nergy

In addition to its historical services activities, Charwood Energy is currently developing a new power generation business on its own account from its pyrogasification plants. Supported by its 60% owned subsidiary W&nergy, Charwood Energy has partnered with the Eiffel Gaz Vert fund, a leader in funding the renewable gas sector in France, for the development of this new activity which offers a solid business model and good visibility:

- pooling of in-house expertise with the pyrogasification plant design and installation skills of its subsidiary Energy&+;
- long-term power purchase agreements of 15 to 20 years signed with industrial companies, in the form of cPPAs⁸;
- predefined index-linked prices, generating cash flow and secure recurrent revenue;
- controlled debt leverage based on asset-backed project debt.

The Company points out that W&nergy has already secured an investment capacity of €60 million⁹ to cover funding of the first 10 to 12 projects. As an indication, the power plants resulting from the projects targeted by W&nergy will represent an average unit investment of €5-6 million, and generate annual recurring revenue (ARR¹⁰) from energy sale of 1.5 to 2 million euros.

In addition, Charwood Energy will be able to benefit from two additional sources of income on top of its sale of energy:

⁸ Corporate Power Purchase Agreement

⁹ funding of €11.05m secured in the form of partner current accounts and convertible bonds with Charwood Energy, Eiffel Gaz Vert, Jones and 1M86 together with bank debt in the form of project financing via SPVs of around €50m

¹⁰ ARR: Annual Recurring Revenue

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- the recovery of biochar co-produced from pyrogasification, which has multiple uses (building materials, soil improvement, etc.);
- the sale of carbon certificates.

Eiffel Gaz Vert, which owns a 30% stake in W&nergy's capital is a key partner for the development of the Group. Out of the 11.05 million euro financing secured, it is planned that Eiffel Gaz Vert invests in W&nergy an amount of 8 million euros in convertible bonds (for 6.4 million euros) and associate's current account (for 1.6 million euros). Eiffel Gaz Vert has also subscribed for a nominal amount of 7 million euros in a convertible bond issued by Charwood Energy, which will take the form of a subscription in the planned initial public offering of the Company for an amount of 8.4 million euros.

Within W&nergy, an associates' pact has been signed which governs relations between Charwood Energy and other associates of the subsidiary, including Eiffel Gaz Vert. This associates' pact stipulates the creation of strategic committee, co-directed by Charwood Energy and Eiffel Gaz Vert, with extended power over investment decisions by W&nergy. Furthermore, this associates' pact stipulates that under a certain set of circumstances, as described in section 6.4.2, 3.3.1 and 3.3.2 of the Registration Document, Charwood Energy may be forced to sell its stake in W&nergy.

Revenue of €100 million targeted by 2027

With this offensive strategy and a secure order book of €6.0 million, of which €4.5 million billable in 2022, Charwood Energy is confident about its 2022 results, with revenue solely from its third-party services activities projected to reach €7 million.

In the longer term, Charwood Energy benefits from a very positive outlook. Its third-party business, in particular, benefits from a solid commercial pipeline of around sixty power plant projects under prospection¹¹, representing potential revenue of more than €43 million. The own-account business also offers strong visibility with five power plants already under development¹², which could generate ARR from the sale of energy once fully operational of nearly €7.7 million from 2025, and 17 projects under discussion (ARR ~€37 million).

Charwood Energy has set itself three ambitious goals by 2027:

- To have a proprietary base of 50 power generation plants installed or under construction¹³, representing ARR of almost €90 million;
- Bring revenue above the €100 million mark¹⁴;
- and a normative EBITDA margin above 35%.

¹¹ Commercial pipeline: detailed or preliminary quotation sent and awaiting a response, as at 31 March 2022

¹² 2 power plant projects are signed and 3 are in advanced discussions (2 of which have signed a letter of intent)

¹³ Of which around 30 in operation and around 20 under construction

¹⁴ Of which approximately 40% from third party activities and approximately 60% from own account activities

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To reach its 2027 objectives, Charwood Energy considers investments of around 200 million euros over the period, of which 60 million euros through SPVs owned by its subsidiary W&nergy. The remaining part of the invested amount (i.e. 140 million euros) is to be financed through SPVs directly owned by Charwood Energy or one or several intermediary holdings such as W&nergy, by bank indebtedness for a maximum amount of approximately 110 million euros (approximately 80% of the financing) and equity for the remainder, i.e. a minimum of approximately 30 million euros (20% of the financing), from operational cashflows and funds raised during the initial public offering.

Given the favourable regulatory, operational and financial outlook, Charwood Energy’s business plan serves one ambition: to **become a leading independent French player in biomass energy production.**

Information on Charwood Energy’s planned IPO on Euronext Growth® Paris can be found at:

<https://investir.charwood.energy/en>

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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 made revenue of €4.6 million in 2021 from its third-party activities. With the market driven by environmental, regulatory and economic factors, the Group is now committed to developing pyrogasification in France and selling energy through its proprietary pyrogasification plant bases.

Availability of the Registration Document

Copies of the Charwood Energy Registration Document, approved by the AMF on 15 June 2022 under number I.22-026, are available free of charge upon request from Charwood Energy’s registered office (P.A. de Kerboulard, 1, rue Benjamin Franklin, 56250 Saint-Nolff) and via the AMF website (<https://www.amf-france.org>) and Charwood Energy’s website (<https://investir.charwood.energy>). The Registration Document contains a detailed description of Charwood Energy, including its business activity, strategy and financial position, as well as corresponding risk factors.

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Risk factors

Investors are encouraged to carefully read Chapter 3 "Risk Factors" of the Registration Document before making any investment decisions – in particular, those related to W&energy associate covenants that govern relations between Charwood Energy and other associates of the subsidiary, as described in section 6.4.2, 3.3.1 and 3.3.2 of the Registration Document, under which Charwood Energy may be forced under a certain set of circumstances to sell its stake in the subsidiary dedicated to hold investments in owned pyrogasification units via SPVs. The occurrence of some or all of these risks may have an adverse impact on the company's business, results, financial position, development and outlook. Furthermore, other risks not yet identified or considered as immaterial by the Company at the date of approval of the Registration Document may also have an adverse impact.

Forward-looking statements

This press release contains statements about Charwood Energy's objectives and forward-looking statements. Such statements are not historical data and should not be interpreted as a guarantee that the facts and data set forth will occur. This information is based on data, assumptions and estimates considered reasonable by Charwood Energy. Charwood Energy operates in a competitive and rapidly changing environment. Charwood Energy is not able to anticipate all the risks, uncertainties or other factors that may affect its business, their potential impact on its business or the extent to which the occurrence of any one risk or combination of risks could cause results to differ significantly from those expressed in any forward-looking information. Charwood Energy cautions that forward-looking statements are not guarantees of future performance and that its actual financial condition, results and actual cash flows and the development of the industry in which Charwood Energy operates may differ significantly from those contemplated or implied by the forward-looking statements contained in this release. In addition, even if Charwood Energy's financial condition, results, cash flows and the development of the industry in which Charwood Energy operates were consistent with the forward-looking statements contained in this release, those results or developments may not be a reliable indication of Charwood Energy's future results or developments. This information is given only as of the date of this release. Charwood Energy does not undertake any obligation to publish updates to this information or to the assumptions on which it is based, save for any legal or regulatory obligation applicable to it, including pursuant to Regulation No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse.

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No public offering of Charwood Energy's securities will be made, inside or outside of France, until the granting of the approval from the French market authority ("*Autorité des marchés financiers*")

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on a Prospectus pursuant to the disposal of Regulation (EU) 2017/1129 of the European parliament of June 14, 2017 (the "**Prospectus Regulation**").

This press release is a promotional communication and does not constitute a prospectus within the meaning of the Prospectus Regulation.

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