

Press release

Saint-Nolff, 17 April 2023

Annual Results 2022:

- 2022 results reflecting the investments necessary to support future growth
- Stronger financial structure with the IPO on Euronext Growth® Paris
- 2027 targets confirmed

Charwood Energy (ISIN: FR001400AJ60, ticker: ALCWE), a French specialist in customised biomass energy solutions, announces its 2022 full-year results.

The annual financial statements were approved by the Board of Directors on 14 April 2023. These financial statements were audited, and the associated certification reports are currently being prepared. The annual financial report will be available on the company's website by April 30 at the latest.

<i>(In thousands of euros)</i>	2022	2021
Revenue	4,862	4,561
Other operating income	569	188
Purchases of raw materials	(2,552)	(1,787)
External expenses	(1,650)	(910)
Personnel expenses	(1,518)	(989)
EBITDA¹	(317)	1,039
Depreciation, amortisation, and provisions	(220)	(159)
Operating income/(loss)	(537)	880
Net financial income	(227)	(60)
Non-recurring items	(1)	(85)
Income tax	1,055	(251)
Consolidated net income	290	484
Net income (Group share)	319	560

Adrien Haller, Founder and CEO of Charwood Energy, says:

"2022 was a key year that enabled us to equip ourselves with the resources to build our future growth. The challenges of energy independence and the decarbonisation requirements that companies face are powerful catalysts that will support our markets in the coming years. With a successful IPO and the ongoing structuring of our teams, we have the means to seize the opportunities offered by the potential of these markets in France and internationally and to execute our roadmap to achieve our ambitions. "

¹ EBITDA ("Earning Before Interest, Tax, Depreciation & Amortization") is operating income before depreciation, amortization and provisions (which are non-cash expenses).

Sustained sales momentum in 2022

In 2022, Charwood Energy enjoyed strong sales momentum with the roll-out of new projects on behalf of third parties, despite a delay in the implementation of certain biomass power plant projects, now set for 2023.

Third party projects that characterised 2022 in particular are:

- A first international pyrogasification project with the deployment in the Democratic Republic of Congo (DRC) of a cogeneration plant as part of the European FORETS development project;
- The installation of a modular prefabricated boiler room integrating two biomass boilers to reduce dependence on fossil gas in the Malterie de Bretagne;
- The commissioning of a 4.7MW wood-based urban heating network for ENGIE Solutions;
- The signing of a hygienisation unit, coupled with a biomass heater for a biogas production site using methanisation in Normandy, which will be delivered in 2023;
- The signing of a biomass heating system, paired with a heating network, for a poultry farm in the Sarthe region, also delivered this year.

In terms of activity for own account, the market plan was confirmed with, on 31 December 2022, 5 plants under development, in line with the target announced at the time of the IPO, and the first revenues from the gradual commissioning of these plants expected in 2023.

Overall, revenue amounted to €4.9m in 2022 vs. €4.6m in 2021.

A strengthening of the operational structure

To prepare for its future growth, Charwood Energy has structured its teams across all key functions, increasing its workforce from 25 people in 2021 to 40 people in 2022.

As part of this structuring, the Group appointed a Chief Administrative and Financial Officer, Pierre-Yves Lefebvre, who has more than 30 years' experience in accounting and finance at French subsidiaries of international groups, innovative French companies with an international scope, especially in the renewable energy sector and including a number of listed companies on the stock exchange.

In addition, Charwood Energy co-opted Marc-Etienne Mercadier, representative of the Eiffel Gaz Vert fund, a shareholder of the company, as a director. His 15 years of experience in financing the energy transition will be a valuable asset in the company's development.

Finally, Charwood Energy invested in its production tool by expanding its manufacturing workshops in Saint-Nolff, Brittany, by 700 m², and acquiring machine tools in order to facilitate the ramp-up of its projects.

Results in line with investments necessary to support future growth

In 2022, all expenses increased compared to 2021, reflecting, on the one hand, the structuring of human and operational resources, and on the other, the ramp-up of projects for own account and on behalf of third parties to be delivered in 2023 and beyond.

In this context of intensifying its investment policy to prepare for its future growth, Charwood Energy posted a negative EBITDA of €(0.3m) vs. positive EBITDA of €1.0m in 2021.

After recognition of financial income and the activation of a deferred tax asset amounting to €1.1m, Charwood Energy recorded net income, Group share of €0.3m.

A stronger financial structure after the IPO

As of 31 December 2022, the financial structure after integration of the proceeds of the initial public offering carried out in July showed:

- Shareholders' equity up €10.6m (vs. €0.89m at 31 December 2021);
- Financial debt dropped to €1.6m vs. €2.0m at 31 December 2021;
- Gross cash of €6.4m vs. €1.5m at 31 December 2021.

During its IPO on Euronext Growth®, Charwood Energy carried out a capital increase for a total gross amount of €12.4m, of which €8.5m subscribed for by Eiffel Gaz Vert by offsetting receivables and €3.9m in cash.

Medium-term targets confirmed

Charwood Energy's activity benefits from favourable structural and economic factors, which are powerful accelerators of its development in France and on international markets.

In this promising environment, Charwood Energy is confidently reaffirming its medium-term targets, i.e. by 2027, revenue of €100m, and 50 power plants owned, in operation or under construction, representing an ARR² of around €90m.

Next publication: Half 2023 revenue on 11 September 2023, 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 has a wealth of technical know-how and expertise in all biomass recovery technologies - heating and heating networks, methanisation 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 (syngaz), 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.

For more information, visit <https://charwood.energy/investisseurs/>

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² ARR: Annual Recurring Revenue, or sales generated by plants once in operation, on an annualised basis.