ENOGIA

Micro-turbomachinery for a more sustainable world

2023 annual results

- Revenue up 53% year on year at €5.1 million
- Positive EBITDA in the second half of 2023
- Short and medium term targets:
  - Average growth > 50% per year in 2024 and 2025
  - EBITDA at breakeven in 2024
  - Positive free cash flow in 2025

Marseille, 27 March 2024 – 6 p.m.

ENOGIA (ISIN code: FR0014004974 – ticker: ALENO, an expert in micro-turbomachinery for the energy transition, is reporting its 2023 annual results, approved by the Board of Directors on 26 March 2024.

Arthur Leroux, Chairman and CEO, said: *"In 2023, ENOGIA successfully achieved several foundational milestones: consolidation of its financial structure thanks to successful fundraising; strengthening of governance with investments by two seasoned entrepreneurs, Éric Blanc-Garin and Yazid Sabeg, both of whom now sit on the Board of Directors; acceleration of commercial momentum in the company's strategic markets; and implementation of an operational efficiency plan securing the path to profitability. These key milestones pave the way for another year of sustained business growth and improved profitability in 2024. In the longer term, the outlook remains promising for ENOGIA, whose technology provides a unique response to the environmental and financial challenges facing manufacturers."*

2023 results

In € thousands	2022	2023	Change
Revenue	3,296	5,074	+53%
Operating revenues	5,760	7,858	+36%
EBITDA[1]	(4,024)	(1,476)	+2,548
Operating profit/(loss)	(5,093)	(2,777)	+2,316
Net financial income/(expense)	(128)	(135)	-7
Net exceptional income/(expenses)	287	(35)	-322
Tax credits	596	486	-110
Net profit/(loss)	(4,339)	-2,462	+1,877

In 2023, ENOGIA's revenue amounted to €5.1 million, an increase of 53% compared with 2022 and perfectly in line with the stated target (> 50%). Exports remained high at 83% of revenue, reflecting a significant increase in Western Europe (excluding France), particularly Germany.

Sustained commercial momentum in both businesses

The **ORC Modules** business generated revenue of €4.4 million in 2023, an increase of 42%. It benefited in particular from progress on the contract for 40 machines for an anaerobic digestion site in Germany, all of which will have been delivered by next April. Moreover, the successful completion of this contract has provided ENOGIA with a great showcase, enabling it to sell a further four ORC modules for agricultural biogas in Germany in 2023.

Among other significant ORC contract wins, the execution of the Company's first order in the maritime sector, with Chantiers de l'Atlantique, began in the fourth quarter of 2023. ENOGIA is preparing to equip two cruise ships with its new ENO-180LT-M module, a marine version of the standard ENO-180LT module capable of producing 180 kW of electricity from a low-temperature heat source (from 90°C). The same model has also been selected by Taiwan Cement Corporation (TCC) for a major sale of modules for a power plant producing electricity from geothermal wells.

Finally, in 2023, the Group signed its first contract in the economy-of-use sector, via the Green Shield Power Solutions offer of a service to produce electricity from waste heat under long-term contracts (PPA model).

Innovative Turbomachinery, ENOGIA's second business, formerly known as Hydrogen Turbomachinery and Compressors and now refocused on development for third parties, almost quadrupled its revenue to €0.63 million in 2023. This business has won several contracts with industrial companies committed to decarbonisation, such as the CO_2 capture project with Korean company STX Engine in the marine sector.

[1] EBITDA is operating profit before depreciation, amortisation and provisions, and after capitalised production. It is an aggregate that illustrates a company's ability to finance its operations beyond its financing structure and taxation.

First effects of the operational efficiency plan on profitability

Over the full 2023 financial year, operating revenues increased by 36% to €7.9 million, reflecting the combined increase in revenue and capitalised production (up 13% to €2.0 million) related to R&D investment.

Alongside the increase in business, the three-pillar operational efficiency plan – reorganisation, reduction in fixed costs, increase in gross margins – has produced its first effects on operating profitability. Product re-engineering and negotiations with suppliers had a positive impact on gross margin. At the same time, workforce adjustments led to a fall in personnel expenses (13% reduction to €3.4 million). Purchases and external charges were also down (by 11% to €4.9 million), despite a large number of contracts being in progress.

EBITDA for the year was therefore negative €1.5 million, a much smaller loss than in 2022 (negative €4.0 million). In addition, EBITDA for the second half of 2023 was at breakeven (positive €0.02 million), in line with the target announced in conjunction with the half-year results.

After €1.4 million in depreciation of fixed assets, the operating loss was €2.8 million (compared with a loss of €5.1 million in 2022) and the net loss was €2.5 million (loss of €4.3 million in 2022).

On the balance sheet, shareholders' equity increased from €4.9 million in 2022 to €7.8 million in 2023, thanks to the €4.6 million capital increase completed last July. Net debt was €2.6 million at the close of the year, putting gearing at 32.6% as of 31 December 2023.

After the close of the 2023 financial year, ENOGIA successfully completed its bond placement via the LITA.co crowdfunding platform, which selects companies committed to environmental and social transition. By the close of the transaction at the end of March, the maximum amount of the planned issue range, i.e. €2.3 million, had been raised.

Outlook

The company is approaching 2024 with confidence, buoyed by the visibility provided by its order book of €6.7 million at the end of 2023[2] (vs > €5 million in 2022) and the many signs of interest in ENOGIA's unique technology from manufacturers.

The ORC business should continue to enjoy sustained momentum in 2024, particularly in the geothermal and marine sectors. The Company also expects its Green Shield Power Solutions offering to gain momentum, at a time when discussions are underway with many manufacturers seeking both to secure electricity prices over a long period and to intensify their decarbonisation strategy. At the same time, the Innovative Turbomachinery division should continue to expand in 2024.

Against this backdrop, ENOGIA confirms its expectation of revenue growth averaging more than 50% per year in both 2024 and 2025.

This growth, combined with the operational efficiency plan now completed, should enable the Company to break even in 2024.

Lastly, ENOGIA confirms its target of positive free cash flow by 2025.

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[2] Cumulative orders signed less the amount of progress on the contract. Progress is calculated as the ratio between the expenses incurred and the project expenditure budget. For the record, the ORC project with China, which was shelved in 2022, is no longer included in the Company's order book at the end of December 2023.

Next release:

Annual General Meeting, on 6 June 2024 at 10 a.m.

First-half revenue, on 22 July 2024 after trading

About Enogia

ENOGIA responds to the major challenges of the ecological and energy transition with its unique and patented technology of compact, light and durable micro-turbomachinery. As the French leader in heat-to-electricity conversion with its wide range of ORC modules, ENOGIA enables its customers to produce decarbonised electricity and to recover waste or renewable heat. With sales in more than 25 countries, ENOGIA continues to prospect for new customers in France and internationally. Founded in 2009 and based in Marseille, the company has a strong commitment to CSR (rated "Advanced" by EthiFinance). It employs around 50 people involved in the design, production and marketing of environmentally friendly technological solutions.

ENOGIA is listed on Euronext Growth Paris.

Ticker: ALENO. ISIN code: FR0014004974. LEI: 969500IANLNITRI3R653.

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