



FRENCH BRAND

LEADING PLAYER IN ENERGY EFFICIENCY

September 2023 - Investor presentation



Airwell

CREATOR OF SMART ENERGY SOLUTIONS
JUST FEEL WELL



bpifrance
Entreprise
Innovante

Speakers



2002

Joins Airwell as Export Director

Launching of AIRWELL new Strategy & Vision

2014-2017

Airwell Residential CEO

2017

Acquisition of the AIRWELL DISTRIBUTION SAS focused on the French market

2021

Acquisition of AIRWELL RESIDENTIAL + IPO + formation of the AIRWELL GROUP



Laurent Roegel
CEO



Axelle Lemaoult
CFO

5 years

Accounting manager at Eidos (video games)

11 years

Administration & Finance Director at Cremonini restauration

2013

Joins Airwell

Leading French supplier of heat pumps for markets of residential and light-commercial buildings



€56m
(+23.2%)
2022 revenue

100
Employees

Present in
80 countries

> 70
Partners for
services &
maintenance

> 200
Commercial
partners

From equipment supplier... to creator of turnkey climate and thermal solutions

Product offering
B to B (distribution) focus
France & Export



1947

A certifying and qualifying
training offering for the
PRO sector and to raise
awareness of
END CUSTOMERS



2015

Development of
connected & green
premium Heat Pumps
in France
(in-house manufacturing)



2023

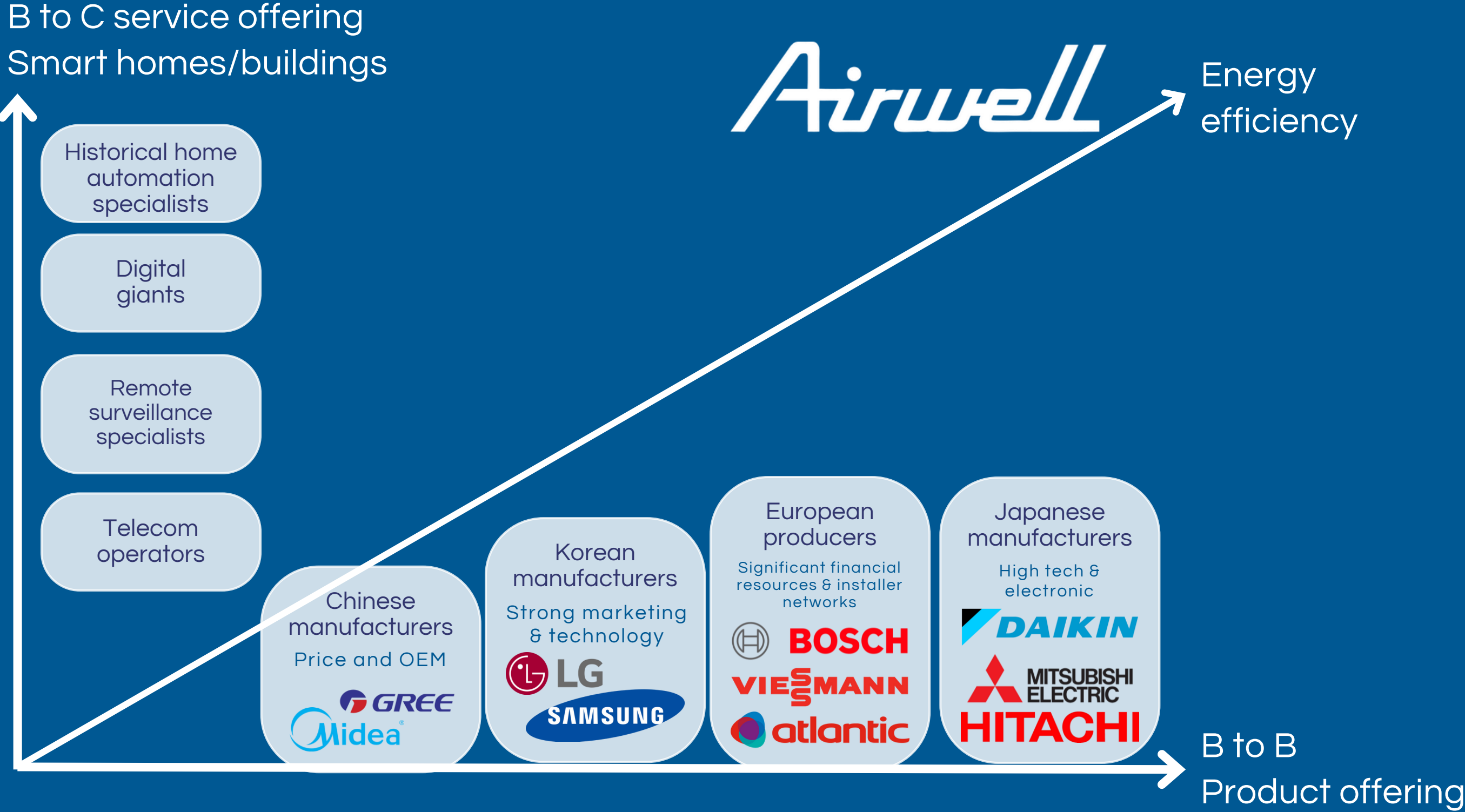
Differentiating
"services" offering B to C
focus (end-customers)
France



In development

A clear road map to improve its value chain position

Trailblazer positioning as an energy efficiency player



Our vision: to become a leading player in energy efficiency

From a heat pump manufacturer to creator of eco-thermal solutions

- To become French leader for smarter climate and thermal solutions

Clear targets for 2025:

>€100m in revenue
and EBITDA margin more than 5%

A market driven by the energy transition

- Reinventing consumer usage
- Optimising their consumption
- Promoting renewable energies

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1 FAVOURABLE MARKET MOMENTUM, DRIVEN BY REGULATIONS



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Sound prospects in the Heating - Ventilation – Air conditioning market



24%

of greenhouse gases,
just behind transport
(27%)

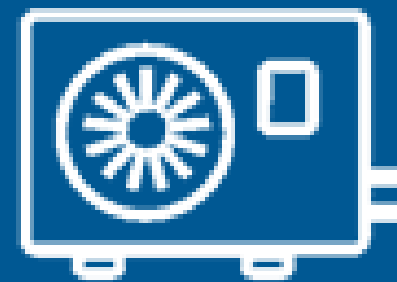
87%

of energy
consumption in the
residential segment



50%

of the European energy
bouquet must come
from RE



just 7%

of the installed base
in 2020 but

82% of forecast
sales in 2025



\$144bn

Forecast HVAC
market in 2026
(CAGR: 7.5%
2020/2026)



€7bn

(+16.7% vs 2021)
French market in
2022

Powerful regulatory drivers

Residential

- European directives - Renewable Energies (RES)
- RE 2020
- MaPrimeRénov subsidy
- Energy saving certificates
- Fuel > biomass – ANAH aid, tax credits, interest-free eco-loan

Light commercial

- the ELAN Law
- the BACS decree
- the LOM Law
- the Climate and Resilience Law

- Reducing energy consumption and the carbon footprint
- Gradual disappearance of gas and fuel
- Strong incentives to renovate
- Stricter regulations on energy efficiency

- Base to be totally renewed

FROM AN OPTION
TO AN OBLIGATION
(SINCE 2020)

TRANSFORMING A REGULATORY
OBLIGATION INTO AN
OPPORTUNITY



A comprehensive offering for the residential and light commercial usage

A broad product range:

- Heating – Air-to-air heat pump (Wall-mounted, Console, built-in, mobile)
- Heating – Air-water heat pump (monobloc heat pump, split heat pump)
- Domestic hot water
- Ventilation (hybrid double)

"Energy renovation pack" price ranging from €10,000 to €30,000 for a standard home (150 m²)



Residential

90% of
revenue



Light
commercial

10% of
revenue



The heat pump, our best-selling solution perfectly addresses new environmental provisions

The most efficient alternative to systems that use fossil fuels (oil, gas), both for heating and ventilation.

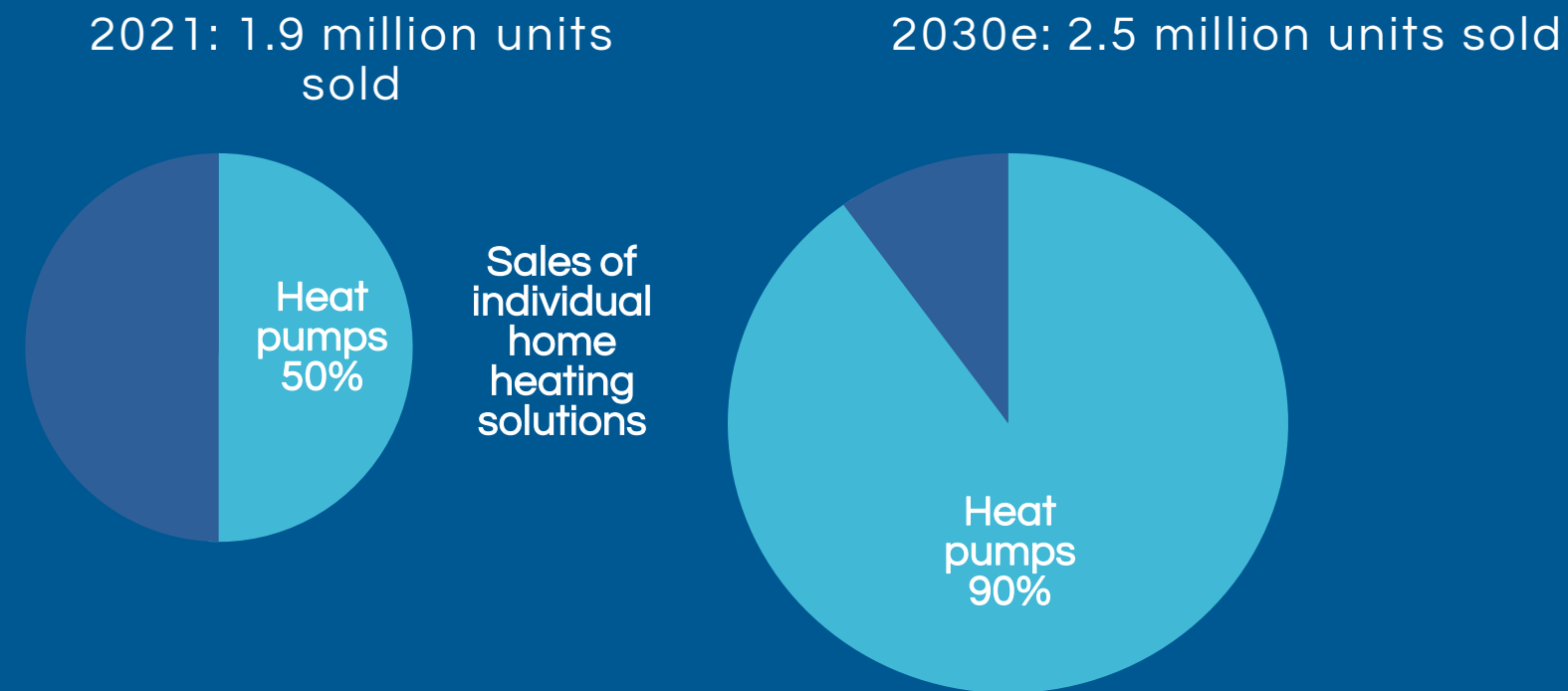
The leading technology, ahead of wood and solar PV in terms of Environmental Guarantee Recognition.

Heating and cooling power 3 to 6 times greater than the quantity of electricity required for operation.



Heat pumps, the Group's leading market

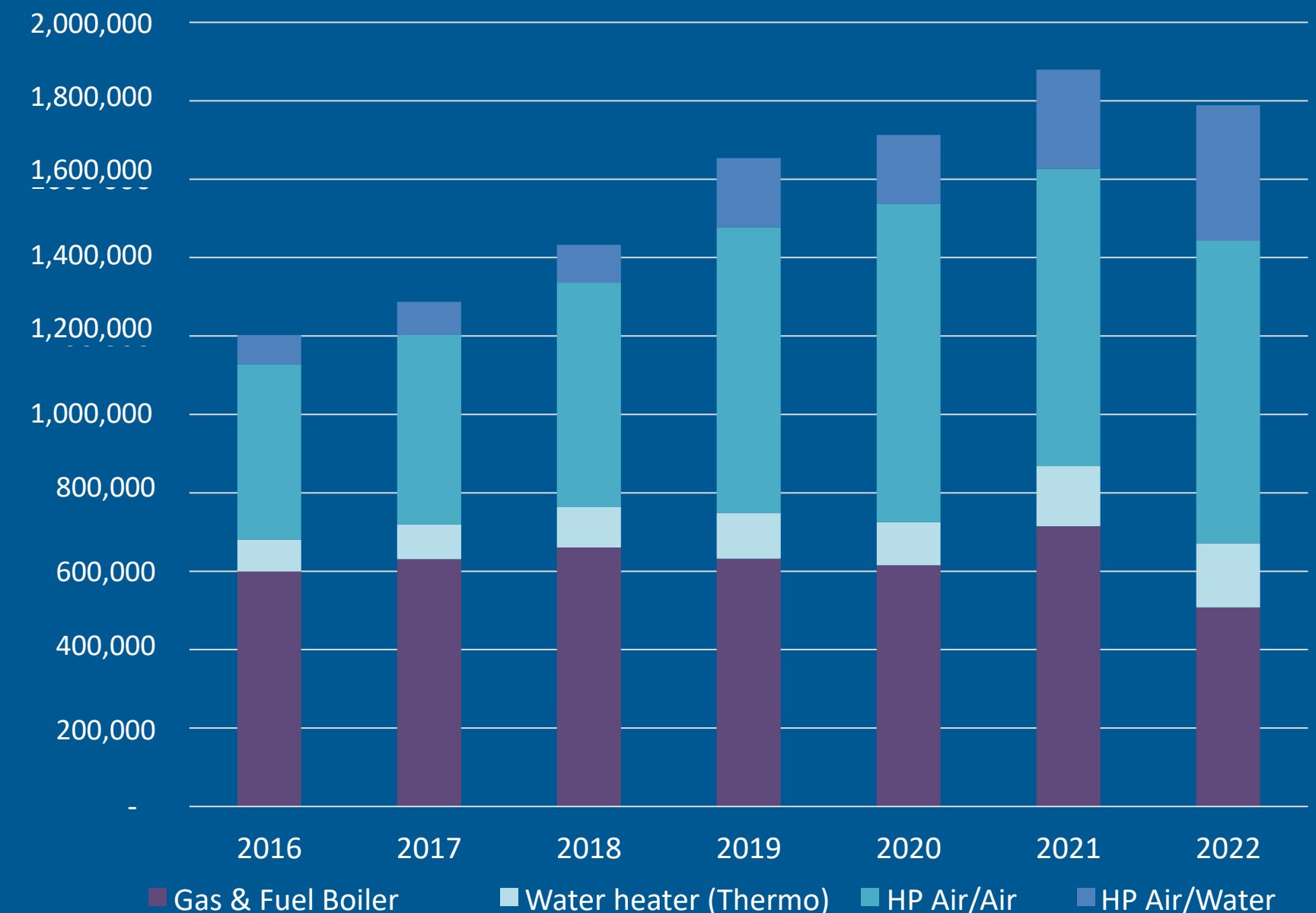
Strong market growth driven by new regulations:



Heat pump sales between 2016 and 2021 → up 50%

Complete renewal of the base = increase in the services activity

Annual sales (in €m) by heating device in the residential market



Source: Uniclimate

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2

TOTAL CONTROL OF THE VALUE CHAIN



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Agile business model, with leverage to address growth in our markets



Manufacturing

- Mostly Fabless model (outsourcing)
- In-house manufacturing since 2023 of connected premium equipment (15 people)

Airwell
INDUSTRIE



Design/Marketing/Sales

Airwell

R&D/IOT (8 people)
Marketing (4 people)
Sales (23 people)



Distribution

BtoB

(residential & light commercial)

- 85% Distributors/wholesalers
- 15% Installer network (200 trained by Airwell to date, with 20 members from the Hybrid House network)

Airwell
ACADEMY

The Amzair acquisition contributes total control of *Airwell* the value chain



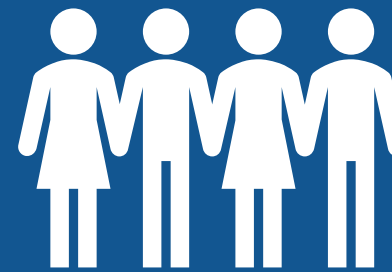
French heat pump manufacturer since 1998

1 factory
in France

Plabennec



25
Employees



€3.8m
revenue (2022)

Acquisition of assets and
stocks (products and
components)/No acquired
debt

Strengthen our
salesforce in Western
France (2 sales
representatives) +
manage our innovation
(4 R&D workers)

Enhance our offering
(connected & green
premium solutions)

Products worth from €3,000 to
€7,000

Roll-out of digital
developments and
preventive maintenance
for AIRWELL Industrie



Consolidated
from 1 July 2023

Marketing of AIRWELL Industrie products, branded as AIRWELL from 1 January 2024.

Training offering

Since 2015,
qualifying and
certifying training
courses for
the professional
sector and for
marketing to end-
customers

A three-fold objective:

1. To accelerate the adoption of new ENR offerings (residential market) and Predictive Maintenance (Light Commercial)
2. To support the sector (Installers/distributors) in enacting change
3. To address the needs of scarce human resources and ever-greater demand for qualified personnel



PARTNERSHIP
WITH



TWO TRAINING CENTRES
MONTIGNY (78) & VALENCE (26)

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3

FINANCIAL DATA



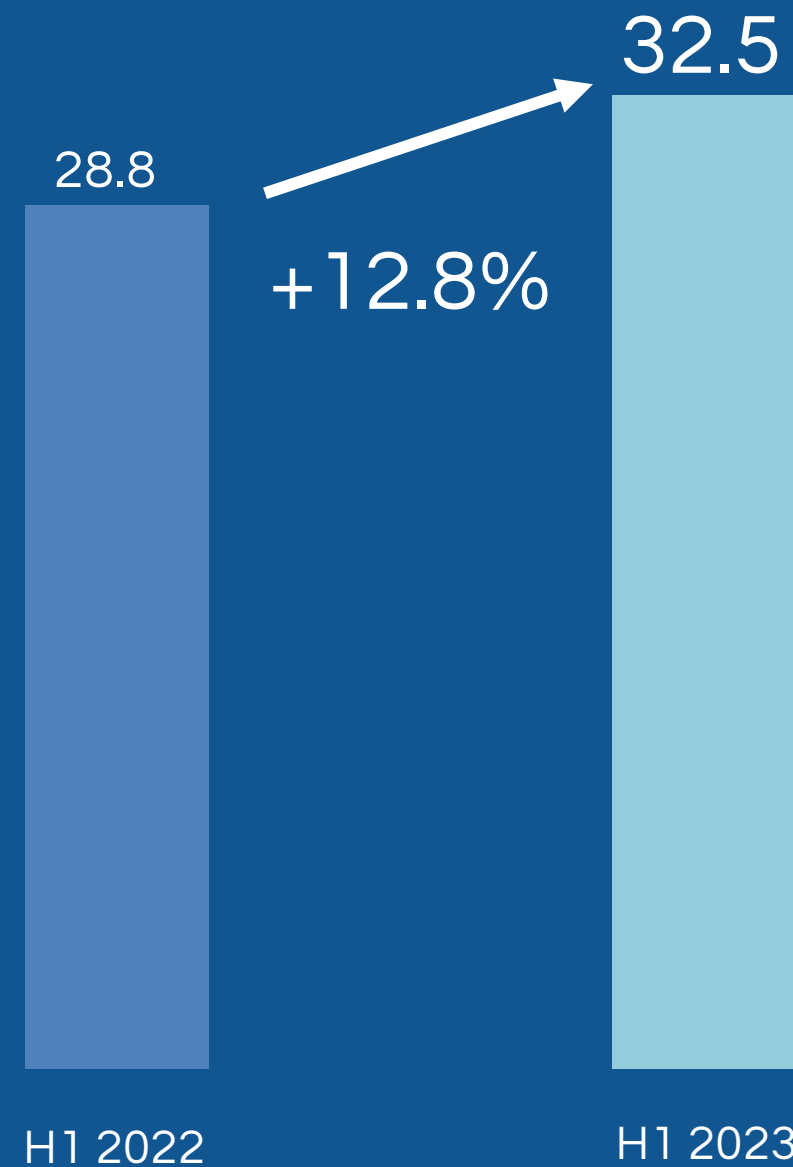
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Airwell

Revenue up 13%

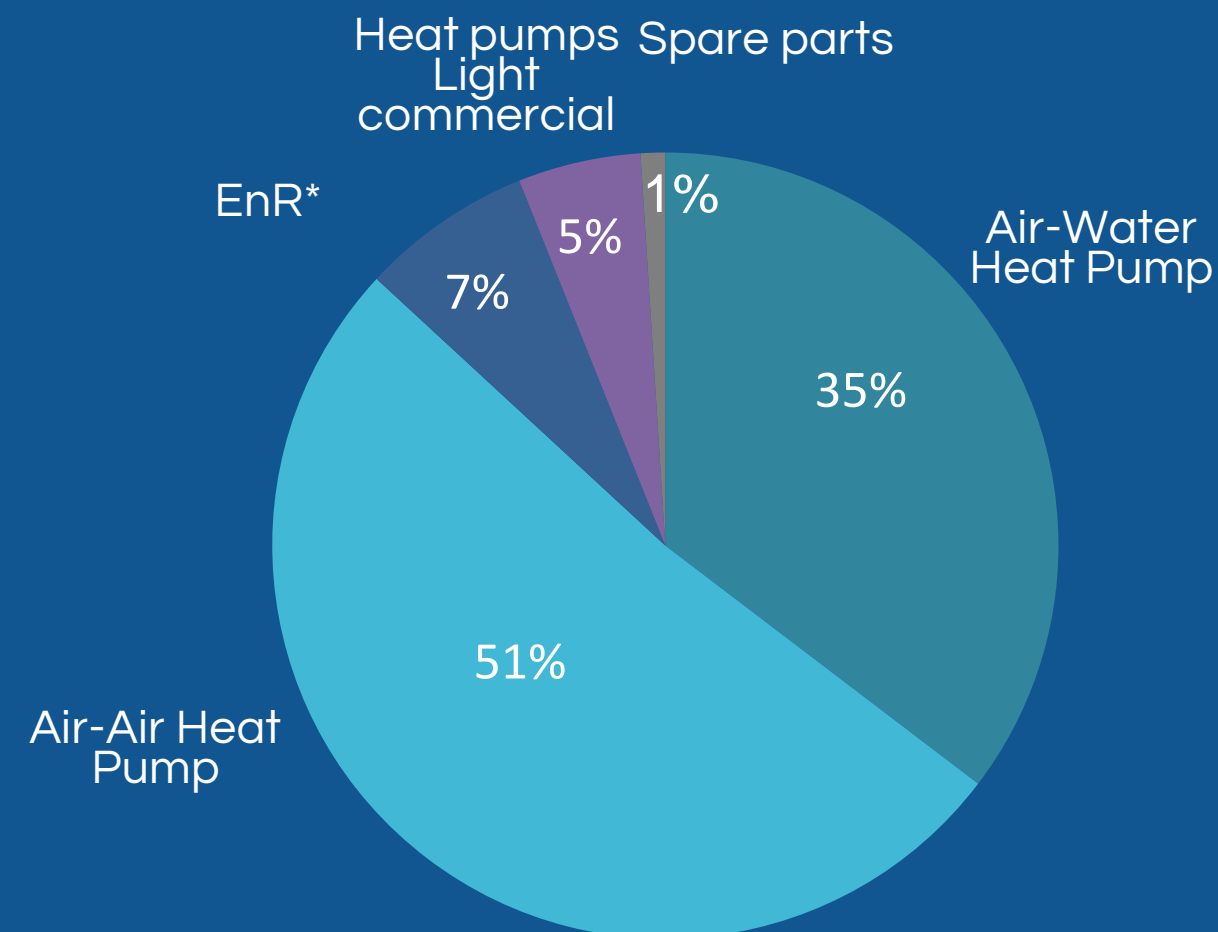
Revenue

(€m)



Breakdown of H1 2023 business

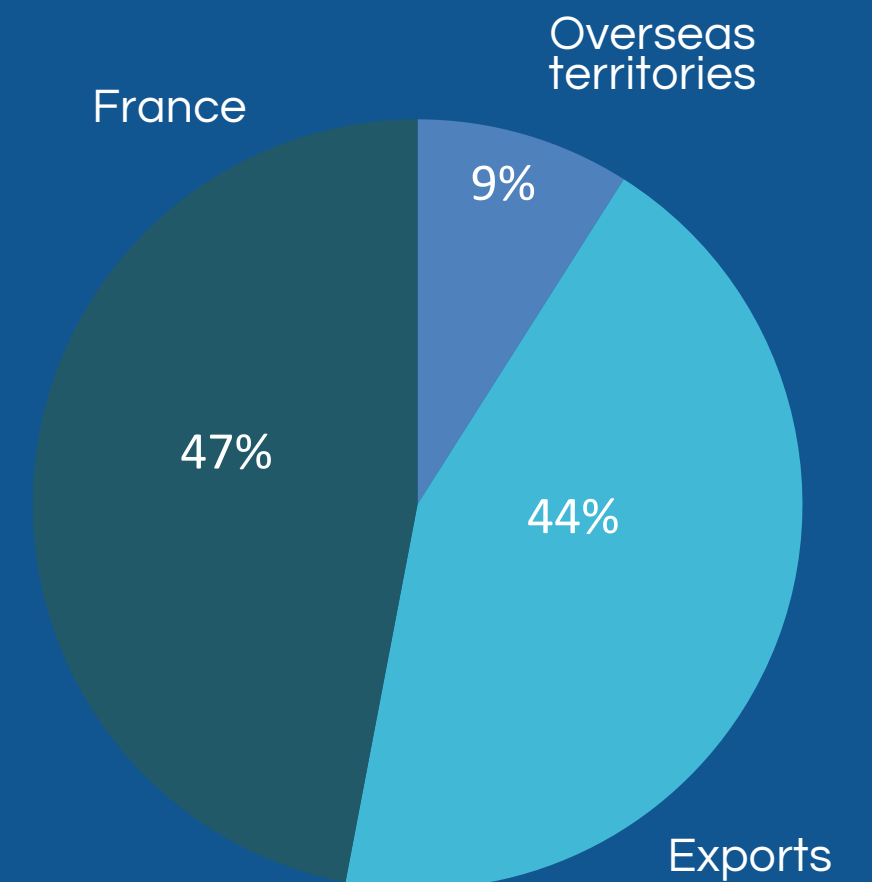
By product & market



*EnR = photovoltaic panels

Residential market accounts for 94% of sales in H1 2023 (101% surge in Air-Water Heat Pumps)

By region



Increased contribution in H1 2023 from France (+123%) and countries in Northern and Eastern Europe.

Simplified income statement

Double-digit EBITDA growth

| €k – French standards – unaudited | 30/06/2022 | 30/06/2023 | Chg. % |
|-------------------------------------|---------------|---------------|----------------|
| Revenue | 28,828 | 32,505 | +12.8% |
| <i>Sales of goods</i> | <i>27,849</i> | <i>32,227</i> | <i>+15.7%</i> |
| Gross margin | 9,200 | 10,102 | +9.8% |
| <i>Gross margin in %</i> | <i>31.9%</i> | <i>31.1%</i> | <i>-0.8 pt</i> |
| Supply Chain and distribution costs | 1,828 | 1,429 | -21.8% |
| <i>Revenue in %</i> | <i>6.3%</i> | <i>4.4%</i> | |
| Marketing costs | 727 | 1,062 | +46.1% |
| <i>Revenue in %</i> | <i>2.5%</i> | <i>3.3%</i> | |
| Commercial costs | 3,456 | 3,913 | +13.2% |
| <i>Revenue in %</i> | <i>12.0%</i> | <i>12.0%</i> | |
| Overheads | 1,543 | 1,878 | +21.7% |
| <i>Revenue in %</i> | <i>5.4%</i> | <i>5.8%</i> | |
| EBITDA | 1,647 | 1,820 | +10.0% |
| EBITDA margin | 5.7% | 5.6% | -0.1 pt |
| Operating profit before goodwill | 1,345 | 1,558 | +15.8% |
| Net financial profit (loss) | -224 | -454 | nm |
| Corporate income tax | 384 | 276 | -28.1% |
| Net profit | 888 | 978 | +10.1% |
| Attributable net profit/(loss) | 903 | 1,006 | +11.4% |

Excellent business momentum with revenue up 12.8%

Slight decline in gross margin (%), due to product mix for the period (increased sales of Air-Water Heat Pumps)

Marketing and commercial costs increased against a backdrop of revenue growth.

With €0.3m non-recurring (one-off fees)

EBITDA up 10%

Net profit of €1.0m

Balance sheet – assets

| ASSETS – €k – unaudited | 31/12/2022 | 30/06/2023 |
|----------------------------------|---------------|---------------|
| Intangible assets | 4,391 | 4,406 |
| <i>of which Goodwill</i> | <i>500</i> | <i>500</i> |
| Property, plant and equipment | 686 | 715 |
| Long-term financial investments | 1,239 | 1,892 |
| Fixed assets | 6,316 | 7,014 |
| Inventories and work in progress | 12,241 | 16,613 |
| Trade receivables | 13,891 | 18,197 |
| Other receivables and accruals | 4,863 | 2,305 |
| Cash and cash equivalents | 2,070 | 5,564 |
| Current assets | 33,064 | 42,679 |
| Total | 39,381 | 49,693 |

2/2022

€500k increase in equity investments for the payment of capital to AIRWELL INDUSTRIE (established 28 June 2023)

Build-up in Air-Water Heat Pump inventories due to increased demand and record seasonality at end-June

Increased invoicing at end-H1 2023

Available cash strengthened by capital raising

Balance sheet – liabilities

31/12/2022

| LIABILITIES – €k – unaudited | 31/12/2022 | 30/06/2023 |
|--|---------------|---------------|
| Shareholders' equity | 3,907 | 10,270 |
| Minority interests | -41 | -68 |
| Provisions for risk and expenses | 3,184 | 3,071 |
| Loans and debts with credit Institutions | 3,184 | 2,854 |
| Borrowings and financial liabilities | 660 | 5,000 |
| Trade payables | 14,382 | 14,719 |
| Tax and social security liabilities | 2,354 | 2,006 |
| Other liabilities and accruals | 11,752 | 11,841 |
| Total | 39,381 | 49,693 |

Equity strengthened by €6.1m capital raising

Goodwill on Airwell Residential

Share of bank debt > 1 year: 77%

€5m bond issue in Jan. 2023 (5-year bullet maturity)

Total financial debt: €7,854k

Includes €10.9m in factoring

Equity strengthened by €6.1m capital raising

Comparison cash flow statement

| €k – French standards – unaudited | 30/06/2022 | 30/06/2023 |
|--|----------------|----------------|
| Net profit | 888 | 978 |
| Cash flow from operating activities of integrated companies | 1,347 | 1,176 |
| Change in operating receivables | (6,847) | (1,080) |
| Change in inventories | (1,556) | (4,267) |
| Change in operating liabilities | 7,060 | (774) |
| Working capital requirement | (1,343) | (6,122) |
| Net cash flow from operating activities | 3,993 | (4,946) |
| Net cash flow from investing activities | 612 | (927) |
| Fixed asset acquisitions/disposals | 803 | (275) |
| Change in financial assets | (191) | (652) |
| Net cash flow from financing activities | (2,111) | 9,368 |
| Capital increase | - | 5,357 |
| Bonds issued | - | 5,000 |
| Loan repayments | (2,111) | (989) |
| Change in cash flow | (1,494) | 3,495 |
| Opening cash position | 1,909 | 2,070 |
| Closing cash position | 415 | 5,564 |

Solid cash flow from operating activities of integrated companies of €1.2m in H1 2023

One-time increase in WCR, due to the impact of inventories and trade receivables (increased invoicing at end-H1 2023) This will return to more normal levels in H2 2023

Capital increase (€6.1m gross) and bond issue in Jan. 2023 (€5m)

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4

GROWTH SOURCES: ECO THERMAL SOLUTIONS FOR THE RESIDENTIAL AND LIGHT COMMERCIAL MARKETS



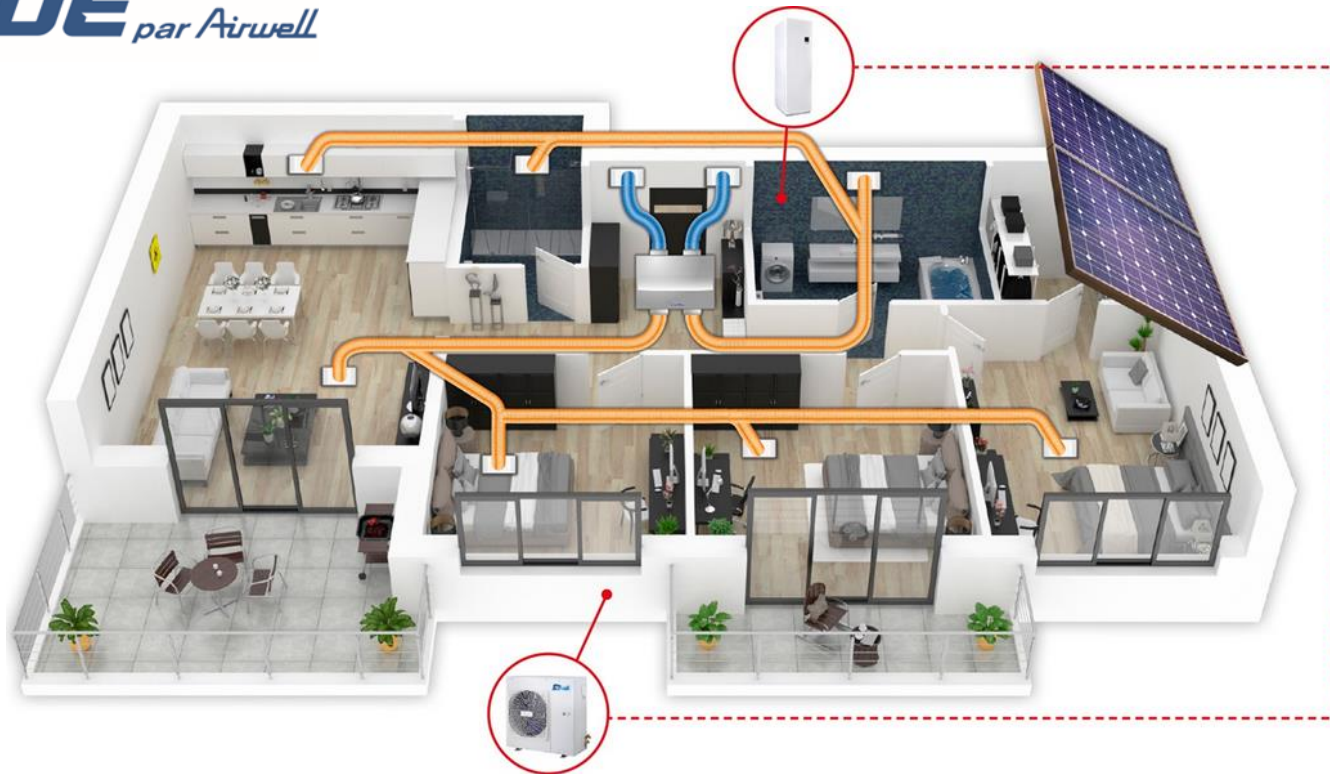
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New service offerings underway

RESIDENTIAL

MA MAISON
HYBRIDE par Airwell



Offer being updated regularly

Remote control to improve energy performance
(connected home)

LIGHT COMMERCIAL



leezy

2024 launch

Energy leasing

Hybrid House

Global, smart and connected eco-thermal offering for a home consuming three times less energy

Airwell



Average electricity consumption of an all-electric 100 m² home without solar PV

20,000 kWh > 6,730 kWh

Energy leasing commercial offering "heat as a service"

Assisting companies and local authorities in their energy transition by offering them tailor-made, eco-mobile, climate and thermal solutions:

FINANCING OF ENERGY RENOVATION



Hotels and
restaurants



Retail stores and
shopping centres



Offices and
commercial
buildings



Hospitals, clinics
and nursing
homes



Child care &
schools



Industries and
telecom shelters

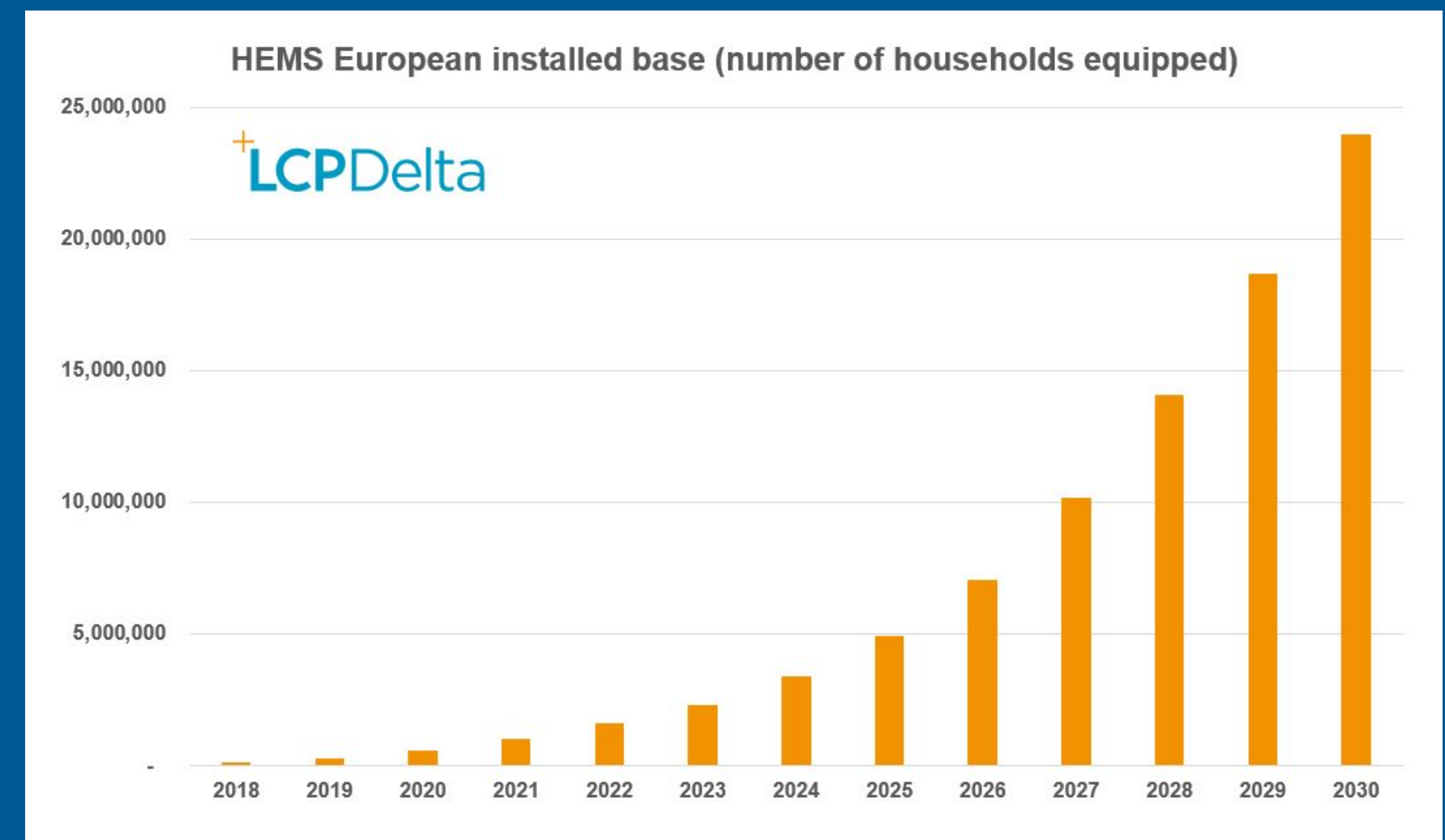
OPEX (not purchasing) offer with equipment and maintenance

Strategy to address a growing priority: energy management

Increasing shift towards services, where the product will be part of a larger smart ecosystem

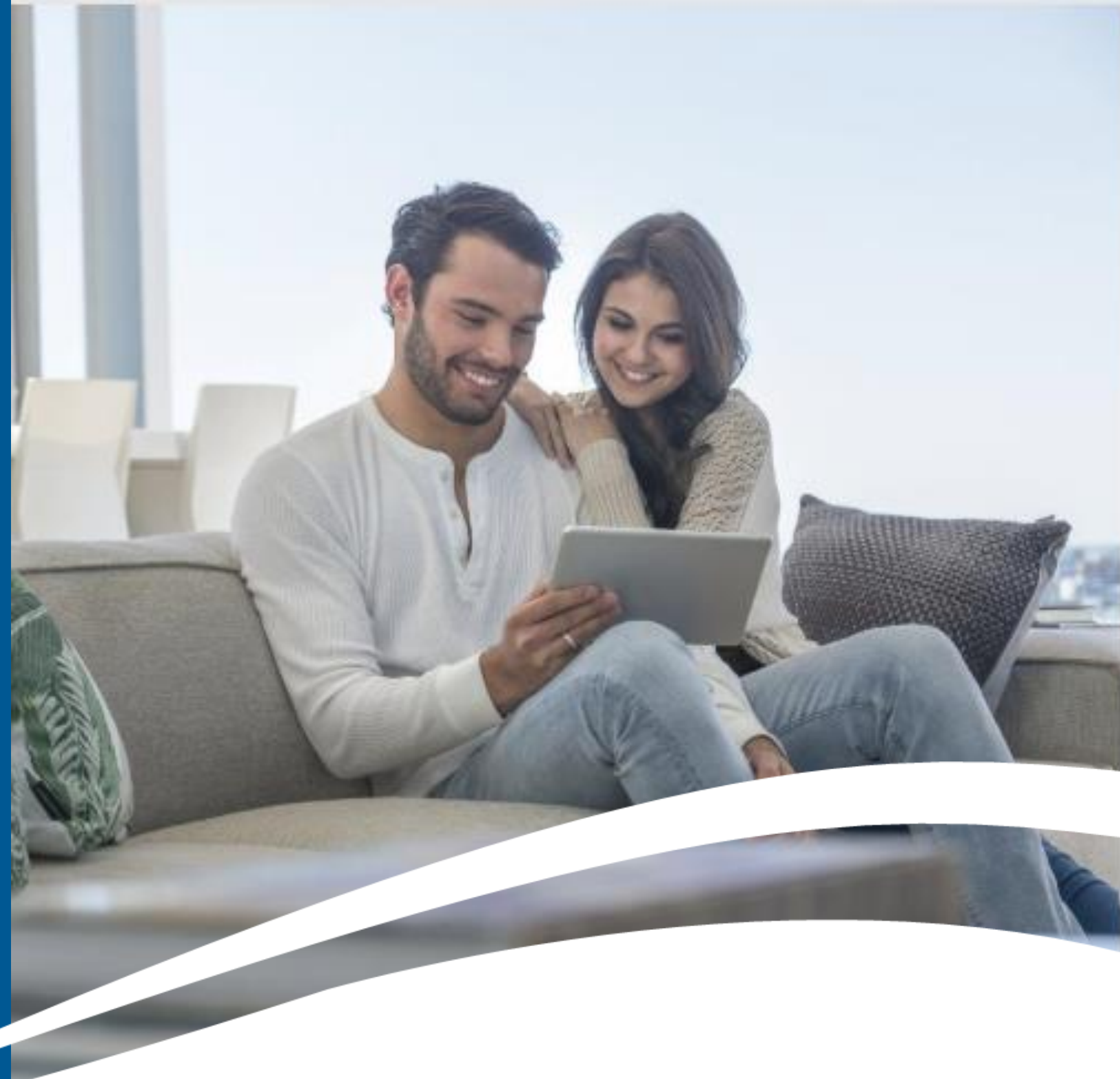
- Steady growth in customers seeking to better manage their overall consumption, limit their carbon footprint and reduce their energy bills.
- Development of home automation: new solutions now integrate Artificial Intelligence and connectivity.
- Covid knock-on effect: people now invest more in their homes.

Europe-wide growth in Home Energy Management Systems



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5 STRATEGY AND OUTLOOK



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Development priorities



Continued
development of
innovative
offerings
(IOT – A/I)



Accelerating
commercial trends
and partnerships
new recruitments



Development of
services
(maintenance,
subscriptions, etc.)

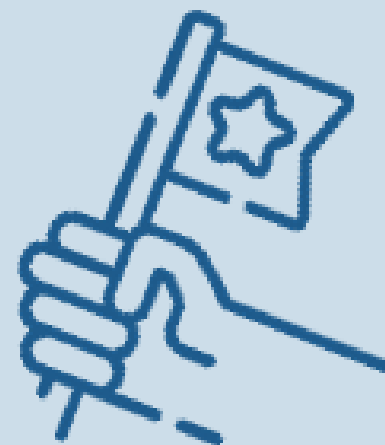


International
development
(organic growth
and/or
acquisitions)

Ambitious targets for 2025



Revenue of > €100m
and EBITDA margin
beyond 5%



Become a leading
player in France



Conquer the
European market

Our strengths

Airwell

1

A strong brand name in France and worldwide

2

A huge underlying market

3

Highly favourable French and European environmental policies

4

An innovative strategy

5

A broad range of products and related services

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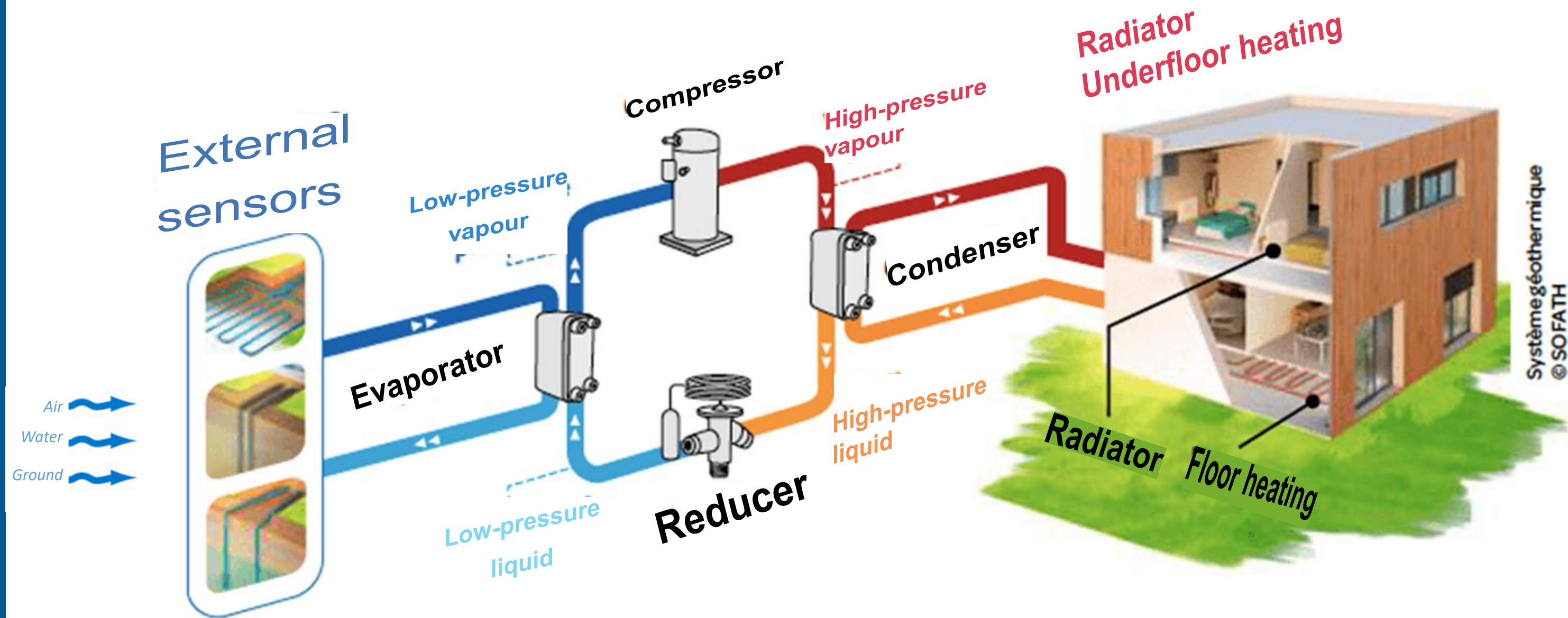
6 APPENDICES



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Heat pump: operating principles

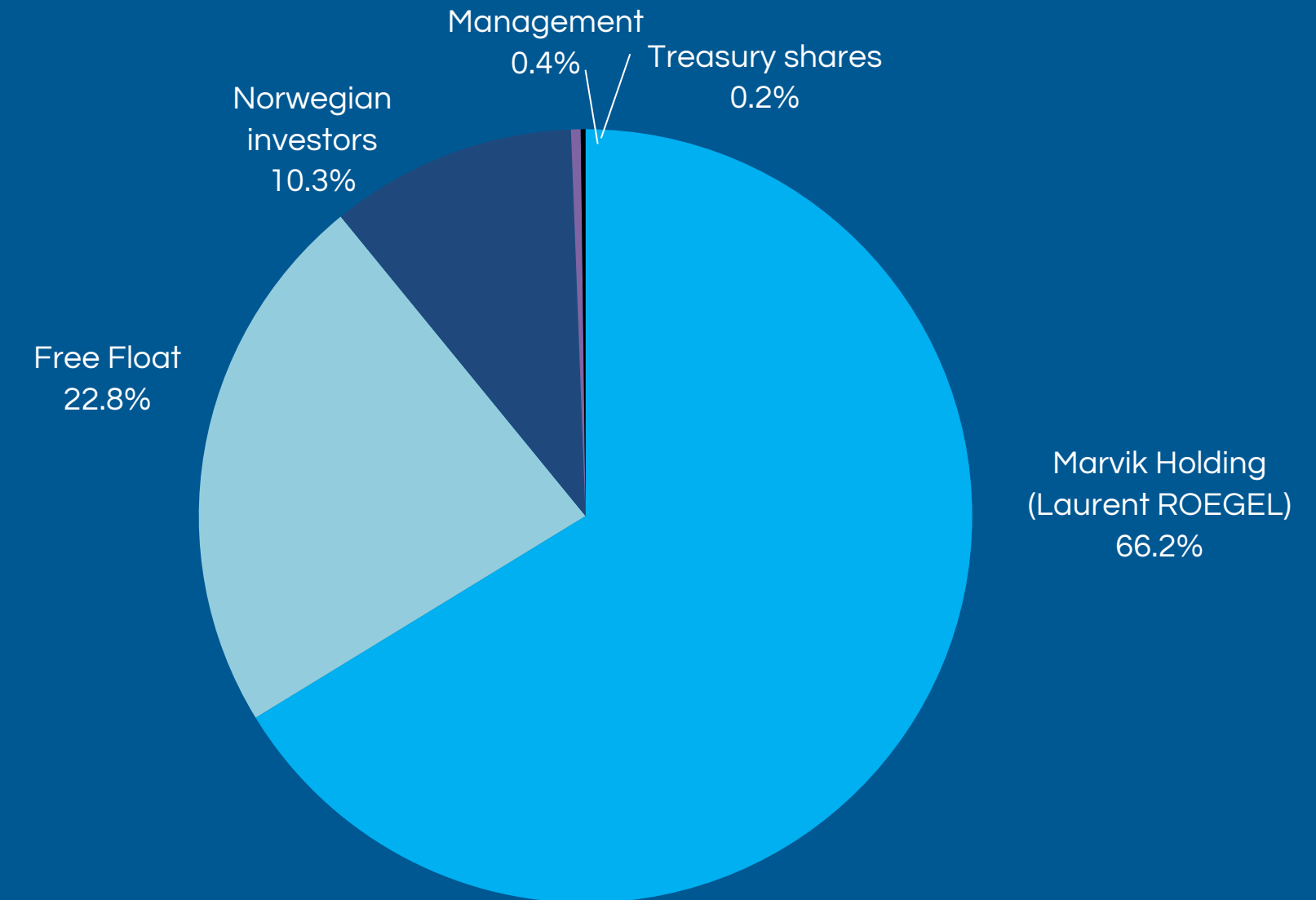


Stock market information & shareholding

Market : Euronext Growth
ISIN code: FR0014003V77
Ticker symbol : ALAIR
Eligible PEA,PEA-PME

Number of shares: 6,083,542
Share price : €4.96/share (at 11/09/2023)
Market capitalisation: €30.2m (at 11/09/2023)

Shareholding



Shareholding as of 30 June 2023

Governance



Laurent ROEGEL
CEO



Damien RICCIO
Deputy CEO



Axelle LE MAOULT
CFO



Philippe CORMIER (Independent Director)
Director of the Réseau Entreprendre des Yvelines



Anne IMBERT (Independent Director)
VP Branding and Content – Orange



Stéphanie Le Beuze (Independent Director)

THANK YOU FOR YOUR
ATTENTION

The logo for Airwell, featuring the word "Airwell" in a stylized, italicized, blue font. The "A" is large and the "i" has a dot. The "w" is composed of two overlapping shapes, and the "e" and "l" are also stylized.

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