

CF Energy Announces Q3 and Nine Months Results of 2023

TORONTO, November 28, 2023 -- CF Energy Corp. (TSX-V: CFY) (“CF Energy” or the “Company”, together with its subsidiaries, the “Group”), an energy provider in the People’s Republic of China (the “PRC” or “China”), announces that the Company has filed its unaudited condensed interim consolidated financial results for the three-month and nine-month periods ended September 30, 2023 (“Q3 2023 and Nine Months in 2023” respectively).

Q3 2023 Financial Highlights

Continuing Operations

In millions (except for % figures)	Q3 2023 RMB	Q3 2022 RMB	Change RMB	%	Q3 2023 CAD	Q3 2022 CAD	Change CAD
Continuing Operations							
Revenue	125.4	59.0	66.4	112%	24.0	11.4	12.6
Gross Profit	31.6	18.1	13.5	75%	6.1	3.5	2.6
Gross Profit Margin	25.2%	30.6%	-5.4%				
Net Profit	8.2	0.3	7.9	>999%	1.6	0.1	1.5
Adjusted net Profit (loss) [Non-IFRS]	6.9	(1.6)	8.5	519%	1.4	(0.3)	1.7
EBITDA	26.1	15.5	10.6	69%	5.0	3.0	2.0
Adjusted EBITDA [Non-IFRS]	24.8	13.6	11.2	83%	4.8	2.6	2.2

Revenue in Q3 2023 was RMB125.4 million (approx. CAD24.0 million), an increase of RMB66.4 million (approx. CAD12.6 million), or 112%, from RMB59.0 million (approx. CAD11.4 million) for the three-month period ended September 30, 2022 (“Q3 2022”).

Gross profit in Q3 2023 was RMB31.6 million (approx. CAD6.1 million), an increase of RMB13.5 million (CAD2.6 million) or 75% from RMB18.1 million (approx. CAD3.5 million) in Q3 2022. Overall Gross margin in Q3 2023 was 25.2%, a decrease of 5.4 percentage points from 30.6% in Q3 2022.

In millions (except for % figures)	Q3 2023 RMB	Q3 2022 RMB	Change RMB	%	Q3 2023 CAD	Q3 2022 CAD	Change CAD
Continuing Operations							
Net profit for the period	8.2	0.3	7.9	>999%	1.6	0.1	1.5
Non-recurring items							
Fair value change on derivative financial instrument	(1.3)	(2.1)	0.8	39%	(0.2)	(0.4)	0.2
Recognition of share-based payment expenses	-	0.2	(0.2)	-100%	-	0.0	(0.0)
Adjusted net profit (loss) for the period (Non-IFRS)	6.9	(1.6)	8.5	519%	1.4	(0.3)	1.7

Net profit in Q3 2023 was RMB8.2 million (approx. CAD1.6 million), an increase of RMB7.9 million (approx. CAD1.5 million) from RMB0.3 million (approx. CAD0.1 million) in Q3 2022. Net profit in Q3 2023 included non-recurring items. On a comparable basis, after excluding the non-recurring items, the fair value change on derivative financial instrument of RMB1.3 million (approx. CAD0.2 million), the adjusted net profit in Q3 2023 (non-IFRS) was RMB6.9 million (approx. CAD1.4 million), an increase of RMB8.5 million (approx. CAD1.7 million) or 519% from adjusted net loss of RMB1.6 million (approx. CAD0.3 million) in Q3 2022.

Basic earnings per share (“EPS”) in Q3 2023 was RMB0.15 (CAD0.03) per share. Adjusted EPS in Q3 2023 was RMB0.10 (CAD0.02) per share (non-IFRS).

In millions (except for % figures)	Q3 2023	Q3 2022	Change	%	Q3 2023	Q3 2022	Change
	RMB	RMB	RMB		CAD	CAD	CAD
Continuing Operations							
EBITDA for the period	26.1	15.5	10.6	69%	5.0	3.0	2.0
Non-recurring items							
Fair value change on derivative financial instrument	(1.3)	(2.1)	0.8	39%	(0.2)	(0.4)	0.2
Recognition of share-based payment expenses	-	0.2	(0.2)	-100%	-	0.0	(0.0)
Adjusted EBITDA for the period (Non-IFRS)	24.8	13.6	11.2	83%	4.8	2.6	2.2

EBITDA (Non-IFRS measure) in Q3 2023 was RMB26.1 million (approx. CAD5.0 million), an increase of RMB10.6 million (approx. CAD2.0 million), or 69%, from RMB15.5 million (approx. CAD3.0 million) in Q3 2022. EBITDA in Q3 2023 included non-recurring items. On a comparable basis, after excluding the non-recurring items, the fair value change on derivative financial instrument of RMB1.3 million (approx. CAD0.2 million), the adjusted EBITDA in Q3 2023 (non-IFRS) was RMB24.8 million (approx. CAD4.8 million), an increase of RMB11.2 million (approx. CAD2.2 million), or 83%, from RMB13.6 million (approx. CAD2.6 million) in Q3 2022.

Nine Months 2023 Financial Highlights

Continuing Operations

In millions (except for % figures)	1-9 2023	1-9 2022	Change	%	1-9 2023	1-9 2022	Change
	RMB	RMB	RMB		CAD	CAD	CAD
Continuing Operations							
Revenue	333.3	228.4	104.9	46%	63.8	44.2	19.6
Gross Profit	94.5	78.6	15.9	20%	18.1	15.2	2.9
Gross Profit Margin	28.4%	34.4%	-6.0%				
Net Profit	28.6	12.7	15.9	125%	5.5	2.5	3.0
Adjusted net Profit [Non-IFRS]	21.8	0.4	21.4	>999%	4.2	0.1	4.1
EBITDA	78.4	63.4	15.0	24%	15.0	12.3	2.7
Adjusted EBITDA [Non-IFRS]	71.6	51.1	20.5	40%	13.7	9.9	3.8

Revenue for Nine Months in 2023 was RMB333.3 million (approx. CAD63.8 million), an increase of RMB104.9 million (approx. CAD19.6 million), or 46%, from RMB228.4 million (approx. CAD44.2 million) for the nine-month period ended September 30, 2022 (“Nine Months in 2022”).

Gross profit for Nine Months in 2023 was RMB94.5 million (approx. CAD18.1 million), an increase of RMB15.9 million (CAD2.9 million) or 20% from RMB78.6 million (approx. CAD15.2 million) for Nine Months in 2022. Overall Gross margin for Nine Months in 2023 was 28.4%, a decrease of 6.0 percentage points from 34.4% for Nine Months in 2022.

In millions (except for % figures)	1-9 2023 RMB	1-9 2022 RMB	Change RMB	%	1-9 2023 CAD	1-9 2022 CAD	Change CAD
Continuing Operations							
Net profit for the period	28.6	12.7	15.9	125%	5.5	2.5	3.0
Non-recurring items							
Fair value change on derivative financial instrument	(6.0)	(12.9)	6.9	53%	(1.2)	(2.5)	1.3
Recognition of share-based payment expenses	-	0.6	(0.6)	-100%	-	0.1	(0.1)
Government financial assistance	(0.8)	-	(0.8)	100%	(0.1)	-	(0.1)
Adjusted net profit for the period (Non-IFRS)	21.8	0.4	21.4	>999%	4.2	0.1	4.1

Net profit for Nine Months in 2023 was RMB28.6 million (approx. CAD5.5 million), an increase of RMB15.9 million (approx. CAD3.0 million), or 125%, from RMB12.7 million (approx. CAD2.5 million) for Nine Months in 2022. Net profit for Nine Months in 2023 included non-recurring items. On a comparable basis, after excluding the non-recurring items, the fair value change on derivative financial instrument of RMB6.0 million (approx. CAD1.2 million) and government financial assistance of RMB0.8 million (approx. CAD0.1 million), the adjusted net profit for Nine months in 2023 (non-IFRS) was RMB21.8 million (approx. CAD4.2 million), an increase of RMB21.4 million (approx. CAD4.1 million) from RMB0.4 million (approx. CAD0.1 million) for Nine Months in 2022.

Basic earnings per share (“EPS”) for Nine Months in 2023 was RMB0.51 (CAD0.10) per share. Adjusted EPS for Nine Months in 2023 was RMB0.33 (CAD0.06) per share (non-IFRS).

In millions (except for % figures)	1-9 2023 RMB	1-9 2022 RMB	Change RMB	%	1-9 2023 CAD	1-9 2022 CAD	Change CAD
Continuing Operations							
EBITDA for the period	78.4	63.4	15.0	24%	15.0	12.3	2.7
Non-recurring items							
Fair value change on derivative financial instrument	(6.0)	(12.9)	6.9	53%	(1.2)	(2.5)	1.3
Recognition of share-based payment expenses	-	0.6	(0.6)	-100%	-	0.1	(0.1)
Government financial assistance	(0.8)	-	(0.8)	100%	(0.1)	-	(0.1)
Adjusted EBITDA for the period (Non-IFRS)	71.6	51.1	20.5	40%	13.7	9.9	3.8

EBITDA (Non-IFRS measure) for Nine Months in 2023 was RMB78.4 million (approx. CAD15.0 million), an increase of RMB15.0 million (approx. CAD2.7 million), or 24%, from RMB63.4 million (approx. CAD12.3 million) for Nine Months in 2022. EBITDA for Nine Months in 2023 included non-recurring items. On a comparable basis, after excluding the effects of non-recurring items, the fair value change on derivative financial instrument of RMB6.0 million (approx. CAD1.2 million) and government financial assistance of RMB0.8 million (approx. CAD0.1 million), adjusted EBITDA for Nine Months in 2023 was RMB71.6 million (approx. CAD13.7 million), an increase of RMB20.5 million (approx. CAD3.8 million), or 40%, from RMB51.1 million (approx. CAD9.9 million) for Nine Months in 2022.

Following on from the business and economic recovery reported in the interim period to June 30, 2023, such momentum has continued to gather pace. We are very pleased to report that the Group reported a 112% period-to-period increase in revenue for Q3 2023 with an overall increase of 46% for the Nine Months in 2023. Bottom line profit also improved significantly as a result with adjusted net profit (non-IFRS) of RMB6.9 million for Q3 2023 (2022: adjusted loss

of RMB1.6 million) and RMB21.8 million for the Nine Months in 2023 (2022: adjusted net profit of RMB0.4 million). We will continue to focus on the development of the integrated smart energy and the smart mobility segments and will continue to expand the businesses in China and transition clean energy business as an integrated energy player.

The unaudited condensed interim consolidated financial results and Management's Discussion and Analysis (MD&A) can be downloaded from www.sedarplus.ca or from the Company's website at www.cfenergy.com.

About CF Energy Corp. (Previously known as: Changfeng Energy Inc.)

CF Energy Corp. is a Canadian public company currently traded on the Toronto Venture Exchange ("TSX-V") under the stock symbol "CFY". It is an integrated energy provider and natural gas distribution company (or natural gas utility) in the PRC. CF Energy strives to combine leading clean energy technology with natural gas usage to provide sustainable energy to its customer base in the PRC.

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