



CF Energy Announces Financial Results For The three-month period ended March 31, 2023

TORONTO, May 30, 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 period ended March 31, 2023.

Results for the three-month period ended March 31, 2023 ("Q1 2023")

In millions (except for % figures)	Q1 2023 RMB	Q1 2022 RMB	Change RMB	%	Q1 2023 CAD	Q1 2022 CAD	Change CAD
Continuing Operations							
Revenue	100.1	95.4	4.7	5%	19.8	19.0	0.8
Gross Profit	28.5	37.3	(8.8)	-24%	5.6	7.4	(1.8)
Gross Profit Margin	28.5%	39.2%	-10.7%		28.5%	39.2%	-10.7%
Net Profit	3.5	11.3	(7.8)	-69%	0.7	2.3	(1.6)
Adjusted Net Profit	0.7	5.3	(4.6)	-86%	0.1	1.1	(1.0)
EBITDA	20.0	30.5	(10.6)	-35%	4.0	6.1	(2.1)
Adjusted EBITDA	17.2	24.6	(7.4)	-30%	3.4	4.9	(1.5)

Revenue in Q1 2023 was RMB100.1 million (approx. CAD19.8 million), an increase of RMB4.7 million (approx. CAD0.8 million), or 5%, from RMB95.4 million (approx. CAD19.0 million) for the three-month period ended March 31, 2022 ("Q1 2022"). Signs of recovery of business in Sanya City were evidenced by the breaking of the decreasing trend in sales volume and revenue from commercial customers in the gas supply segment in Q1 2023. Revenue from residential customers recorded a slight decrease in terms of volume and sales amount in Q1 2023 which was attributed to less time spent at homestay during Q1 2023 following the release of COVID restrictions and policy at the end of 2022.

Gross profit in Q1 2023 was RMB28.5 million (approx. CAD5.6 million), a decrease of RMB8.8 million (approx. CAD1.8 million), or 24%, from RMB37.3 million (approx. CAD7.4 million) in Q1 2022. Gross margin in Q1 2023 was 28.5%, a decrease of 10.7 percentage points as compared to 39.2% in Q1 2022. Lower gross profit and margin in Q1 2023 were mainly attributable to high purchase price of LNG in Q1 2023 which could not be fully transferred to our customers in Sanya CNG vehicle station and the increase in the purchase price of pipeline gas which attributed to the renewal of the two-year gas purchase contracts which became effective from April 1, 2022, alongside the negative margin for the Integrated Smart Energy segment while continuing with the effort to procure further hotel users to achieve critical mass.

In millions (except for % figures)	Q1 2023 RMB	Q1 2022 RMB	Change RMB	%	Q1 2023 CAD	Q1 2022 CAD	Change CAD
Continuing Operations							
Net profit for the period	3.5	11.3	(7.8)	-69%	0.7	2.3	(1.6)
Non-recurring items							
Fair value change on derivative financial instrument	(2.0)	(6.2)	4.2	-68%	(0.4)	(1.2)	0.8
Recognition of share-based payment expenses	-	0.2	(0.2)	-100%	-	0.0	(0.0)
Government financial assistance	(0.8)	-	(0.8)	100%	(0.2)	-	(0.2)
Adjusted net profit for the period (non-IFRS)	0.7	5.3	(4.6)	-86%	0.1	1.1	(1.0)

Net profit in Q1 2023 was RMB3.5 million (approx. CAD0.7 million), a decrease of RMB7.8 million (approx. CAD1.6 million), or 69%, from RMB11.3 million (approx. CAD2.3 million) in Q1 2022. Net profit in Q1 2023 included certain adjusting items. On a comparable basis, after excluding the gain of RMB2.0 million (approx. CAD0.4 million) in fair value change on derivative financial instrument of loan discharge agreement in respect of the commitment by the estate of Mr. Lin to subscribe for common shares under a related party loan (please refer to the Related Party Transaction section of the MD&A for more

details), recognition of share-based payment expenses of RMB Nil (Q1 2022: RMB0.2 million) and the non-recurring government financial assistance of RMB0.8 million (approx. CAD0.2 million) (Q1 2022: RMB Nil), the Company reported an adjusted net profit of RMB0.7 million (approx. CAD0.1 million) in Q1 2023, a decrease of RMB4.6 million (approx. CAD1.0 million), or 86% from an adjusted net profit of RMB5.3 million (approx. CAD1.1 million) reported in Q1 2022.

In millions (except for % figures)	Q1 2023 RMB	Q1 2022 RMB	Change RMB	%	Q1 2023 CAD	Q1 2022 CAD	Change CAD
Continuing Operations							
EBITDA for the period	20.0	30.5	(10.6)	-35%	4.0	6.1	(2.1)
Non-recurring items							
Fair value change on derivative financial instrument	(2.0)	(6.2)	4.2	-68	(0.4)	(1.2)	0.8
Recognition of share-based payment expenses	-	0.2	(0.2)	-100	-	0.0	(0.0)
Government financial assistance	(0.8)	-	(0.8)	100%	(0.2)	-	(0.2)
Adjusted EBITDA for the period	17.2	24.6	(7.4)	-30	3.4	4.9	(1.5)

EBITDA in Q1 2023 was RMB20.0 million (approx. CAD4.0 million), a decrease of RMB10.6 million (approx. CAD2.1 million), or 35% from RMB30.6 million (approx. CAD6.1 million) in Q1 2022.

On a comparable basis, the adjusted EBITDA in Q1 2023 was RMB17.2 million (approx. CAD3.4 million), a decrease of RMB7.4 million (approx. CAD1.5 million), or 30%, from RMB24.6 million (approx. CAD4.9 million) in Q1 2022.

Basic earnings per share ("EPS") in Q1 2023 was RMB0.09 (CAD0.01) per share. Adjusted EPS in Q1 2023 was RMB0.01 (CAD0.00) per share (non-IFRS).

The continuing recovery of business and economic activities with the relaxation of COVID-19 restriction policy in China is very encouraging and we see our Group returning back to business-as-usual stage and strive for gradual improvement in our financial performance going forward in the coming years. In line with our development plan as an integrated energy player, we will continue to focus on the integrated smart energy segment and the smart mobility segment and expand our businesses in China. This will be achieved via cooperating with our strategic partners and valuable resources in the related sector.

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

About CF Energy Corp.

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. In 2009, CF Energy was recognized as being one of China's the Top Ten Most Influential Brands in the Natural Gas Industry and in 2019, ranked amongst the 2019 TSX Venture 50 top performers on the TSXV for the 2018 year.

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Certain statements contained in this news release constitute forward-looking statements and forward-looking information (collectively, "Forward-Looking Statements"). All statements, other than statements of historical fact, included or incorporated by reference in this document are Forward-Looking Statements, including statements regarding activities, events or developments that the Company expects or anticipates may occur in the future (including, without limitation, no significant adjustments to the gas selling price and charges for related services imposed by the relevant PRC government, the tourism industry continues to recover from COVID-19 impact and no delay in the development of the electric vehicle battery swap stations or the Haitang Bay Integrated Smart Energy Project). These Forward-Looking Statements can be identified by the use

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Non-IFRS Financial Measures

This news release contains financial terms that are not considered in the International Financial Reporting Standards ("IFRS"): EBITDA, Adjusted EBITDA and Adjusted Net Profit (Loss). These financial measures, together with measures prepared in accordance with IFRS, provide useful information to investors and shareholders, as management uses them to evaluate the operating performance of the Company. The Company's determination of these non-IFRS measures may differ from other reporting issuers, and therefore are unlikely to be comparable to similar measures presented by other companies. Further, these non-IFRS measures should not be considered in isolation or as a substitute for measures of performance or cash flows prepared in accordance with IFRS. These financial measures are included because management uses this information to analyze operating performance and liquidity.

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