



Press release

Bournezeau (France), October 2, 2019

## Hoffmann Green Cement Technologies launches its Initial Public Offering on Euronext Growth Paris

- **Indicative offering price range:** between €15.66 and €19.14 per share
- **Amount of the offering<sup>1</sup>:** €55.0 million, that could reach a maximum of €72.7 million if the extension clause and overallotment option are both fully exercised, of which €17.6 million will be subscribed by offsetting receivables<sup>2</sup>
- **Subscription period:** October 2 to 15, 2019 for the open price offering, and until October 16, 2019 for the Global Placement
- **Fixing of the offering price and start of trading:** the fixing of the offering price is scheduled on October 16, 2019, and trading on Euronext Growth Paris is expected to start on October 21, 2019
- **Subscription commitments: €35.6 million of which €17.6 million by offsetting receivables<sup>2</sup>**
- **Hoffmann Green Cement Technologies is labelled Innovative Company by Bpifrance and its shares will be eligible for the PEA and PEA “PME-ETI” share savings schemes**
- **Objective of the operation:** to finance the construction of two new production sites in order to reach a production capacity of 550,000 tons of cement per year

Hoffmann Green Cement Technologies (the “**Company**” or “**Hoffmann Green**”) today announces the launch of its Initial Public Offering on Euronext Growth Paris.

The *Autorité des Marchés Financiers* (the “**AMF**”, the French stock market authority) approved the Prospectus relating to the IPO of Hoffmann Green shares under reference number 19-466 on October 1<sup>st</sup>, 2019. This Prospectus comprises a Registration Document approved on September 17, 2019 under

---

<sup>1</sup> Based on the mid-point of the indicative offering price range.

<sup>2</sup> Receivables offsetting linked to the repayment of convertible bonds subscribed on June 7, 2019. See section 5.3.4.1 of the *Note d’Opération*.

reference number I. 19-033, a *Note d'Opération* and a summary of the Prospectus (included in the *Note d'Opération*).

**Julien Blanchard, Chairman of the Management Board and co-founder of Hoffmann Green Cement Technologies**, states: *"The launch of our Initial Public Offering represents a major milestone for Hoffmann Green Cement Technologies. Thanks to our clean cement and zero-waste manufacturing process, to our innovative and disruptive technologies that substantially reduce cement's carbon footprint and to our high-added-value positioning, we have already been able to convince numerous major construction-sector players with which we work in close collaboration. Our ambition is now to accelerate our development, notably via the construction of two new production sites, in order to gradually ensure nationwide coverage so as to initiate a genuine paradigm shift within the construction sector. I would like to thank our new financial and industrial partners, who have committed to support our initial public offering, for their confidence."*

## **Hoffmann Green Cement Technologies at a glance**

### **A pioneer in low-carbon cement benefiting both the environment and the construction sector**

Faced with the climate change emergency and the need to reconcile cement and the environment, the Company designs and produces new low-carbon cements that already have a substantially lower carbon footprint than traditional cement.

The Company is behind a technological breakthrough based on changes to cement's composition so that it no longer contains clinker, the main source of CO<sub>2</sub> emissions in cement production, and on the development of a clean and heating-free cement manufacturing process (no heating of raw materials).

Supporting the circular economy principles and using local resources, Hoffmann Green cements are currently produced on its first 4.0 industrial site, with no kiln and zero-waste, located in Bournezeau, western France, which has been operational since January 2019.

### **Innovative and disruptive technologies for the production of cements with high technical and economical performances**

The Company has developed three different technologies for producing new low-carbon cements for all construction sector markets:

- H-UKR: alkali-activated slag technology, to address the precast concrete, ready-mix concrete and cement bags market;
- H-EVA: ettringite technology in alkaline environment, to address the mortar, coatings and road binders and ready-mixed concrete markets;
- H-P2A: geopolymer technology, to address the glue market.

Hoffmann Green cements present, at equivalent dosage and with no alterations in the concrete manufacturing process, higher performances than traditional cement. These technical and economical performances have been recorded by a number of renowned national and international laboratories.

## **A profitable and sustainable business model based on a high-value-added positioning**

The Company has a profitable and sustainable business model based on a high-value-added positioning characterized by the signature of partnership contracts that notably include:

- the billing of engineering services fees, where the Company grants its partners specific access to its technologies;
- the long-term securing of the volume of cement sales.

The Company's business model gives it visibility over its revenue with a secured order book<sup>3</sup> to date (approximately 150,000 tons of cement, distributed until 2025<sup>4</sup>).

The 4.0 manufacturing process and the optimized cost structure also represent solid value-creating levers for the Company, thus enabling it to generate high margins on its cement sales. The Company expects to break even in terms of EBIT from 2020 onwards and is targeting an EBITDA margin of approximately 40% by 2024<sup>5</sup>.

To date, the Company is not yet profitable, as it is still in its development phase.

## **A 5-year revenue target of approximately €120 million**

The purpose of this IPO is to give the Company the funding to accelerate its development and become the low-carbon cement leader in France. By 2024, the Company is aiming to achieve a total annual cement production capacity of 550,000 tons (versus 50,000 currently) and revenue of approximately €120 million, representing a 3% French market share.

The Company's development strategy is based on three main pillars:

- **Industrial:** construction of two new production sites (Bournezeau and Ile-de-France) in order to rapidly increase its manufacturing capabilities and gradually ensure nationwide coverage
- **Commercial:**
  - **France:** in the short term, signing of contracts with new partners to deploy its activities on the three target markets: precast concrete, ready-mix concrete and cement bags
  - **International:** in the medium and long term, setting up of licensing agreements associated with the construction sector by 2024. The Company will prioritize partners and geographical regions that enable the model it has developed in France (favorable ecosystem, demanding environmental regulations, a dynamic construction sector) to be replicated

**Innovation:** development of new technologies in the field of cements in order to maintain both barriers to entry and its technological lead

---

<sup>3</sup> Firm and irrevocable orders.

<sup>4</sup> Of which approximately 1,000 tons in 2019, approximately 16,500 tons in 2020 and close to 40,000 tons in 2021.

<sup>5</sup> Based on the assumption of 550,000 tons of cements sold.

## Terms of the Offering

### Purpose of the Offering

The purpose of the Offering and the admission of the Company's shares to trading on Euronext Growth Paris is to enable the Group to finance the development of its production capacity in order to support its growth strategy. The estimated net proceeds of the Offering amount to approximately €51.6 million<sup>6</sup>, of which:

- €17.6 million will be subscribed by offsetting receivables resulting from the early repayment of the convertible bond issued by the Company in June 2019 for a nominal amount of €14.6 million already cashed in by the Company to date (application of a non-conversion premium for the convertible bonds equal to 20% of the nominal value of each non-converted bond);
- A balance to be subscribed in cash of €34 million<sup>6</sup>, which will be allocated as follows:
  - 65%, i.e. €22 million, will be dedicated to the construction of a second production site ("H2") located in the Vendée region, with a production capacity of 250,000 tons of cement;
  - 35%, i.e. €12 million, will be dedicated to the construction of a third production site ("H3") located in the Paris region, with a production capacity of 250,000 tons of cement.

In the event that only 75% of the Offering is subscribed, on the basis of the low end of the Indicative Range, the funds raised (excluding the offsetting of receivables) would be allocated to financing the construction of "H2". The overall investment budget for the two new production sites "H2" and "H3" is around €45 million (€22 million per industrial site). If the funds raised as part of the initial public offering do not totally cover this overall investment, the Company could use other financing sources, in particular bank financing, to cover the remaining needs and implement its strategy according to the contemplated timetable.

### Structure of the Offering

It is expected that the offered shares will be distributed within the framework of a global offering (the "**Offering**") comprising:

- a public offering in France in the form of an open price offering opened primarily to retail investors (the "**Open Price Offering**" or "**OPO**");
- a global placement (the "**Global Placement**") primarily aimed at institutional investors including:
  - a placement in France; and
  - an international private placement in selected countries (notably excluding the USA, Canada, Australia and Japan)

If demand in the OPO so allows, the number of shares allocated in response to orders issued within the framework of the OPO will be at least equal to 10% of the number of shares offered under the Offering, before any exercise of the extension clause or the overallotment option.

---

<sup>6</sup> Based on the mid-point of the indicative price range.

## Size of the Offering

Around €55.0 million, that could reach around €63.2 million if the extension clause is fully exercised and around €72.7 million if the extension clause and overallotment option are both fully exercised (based on the mid-point of the indicative price range).

3,160,919 new shares will be issued, which may be increased to a maximum of 3,635,056 new shares if the extension clause is fully exercised. Should the extension clause and overallotment option be fully exercised, the Offering could result in a maximum number of 4,180,314 new shares.

## Indicative price range

The price of shares offered within the framework of the OPO will be the same as that of shares offered within the framework of the Global Placement (the “**Offering Price**”).

The Offering Price could range from €15.66 to €19.14 per share, a range set by the Company’s Management Board on September 27, 2019 (the “**Indicative Price Range**”).

## Subscription commitments

Swedbank Robur Fonder AB, Sycomore AM, BNP Paribas Développement, CDC Croissance (on behalf of the fund CDC TECH Croissance), Arbevel, Amplegest and Groupe Bâisseurs d’Avenir have pledged to place subscription orders in cash without price indication, for a total of €18.0 million, i.e. 32.7% of the gross amount of the Offering (based on the mid-point of the Indicative Price Range, before the exercise of the extension clause and overallotment option).

These orders are intended to be served fully and on a priority basis, although they could nevertheless be reduced to comply with usual allocation principles (primarily in the case where subscriptions received within the framework of the Offering are significantly higher than the number of shares offered).

In addition, the holders of the Convertible Bonds issued by the Company on June 7, 2019 will subscribe to the Offering by offsetting receivables for an amount of €17.6 million, bringing the total amount of subscription commitments to €35.6 million, i.e. approximately 65% of the gross amount of the Offering (based on the mid-point of the Indicative Price Range, before the exercise of the extension clause and overallotment option).

## Indicative timeline of the Offering

October 1 <sup>st</sup> , 2019	<ul style="list-style-type: none"><li>● Approval of the Prospectus by the AMF</li></ul>
October 2, 2019	<ul style="list-style-type: none"><li>● Press release announcing the Offering and the availability of the Prospectus</li><li>● Publication by Euronext of the notice announcing the opening of the OPO</li><li>● Opening of the OPO and Global Placement</li></ul>
October 15, 2019	<ul style="list-style-type: none"><li>● Closing of the OPO at 5:00 pm CEST for physical subscriptions and 8:00 pm CEST for online subscriptions</li></ul>
October 16, 2019	<ul style="list-style-type: none"><li>● Closing of the Global Placement at 12:00 am CEST</li><li>● Fixing of the Offering Price and possible exercise of the extension clause</li><li>● Publication by Euronext of the notice of the result of the Offering</li></ul>

---

	<ul style="list-style-type: none"><li>● Press release indicating the Offering Price, the definitive number of new shares and the result of the Offering</li><li>● Signing of the underwriting agreement</li><li>● Start of the possible stabilization period</li></ul>
October 18, 2019	<ul style="list-style-type: none"><li>● Settlement-delivery of the OPO and Global Placement</li></ul>
October 21, 2019	<ul style="list-style-type: none"><li>● Trading of Hoffmann Green Cement shares begins on the Euronext Growth market</li></ul>
November 15, 2019	<ul style="list-style-type: none"><li>● Deadline for exercising the overallotment option</li><li>● End of the possible stabilization period</li></ul>

---

### Subscription procedures

Persons wishing to participate in the Open Price Offering must submit their orders through an authorized financial intermediary in France by no later than 5:00 pm CEST on October 15, 2019 for physical subscriptions and 8:00 pm CEST for online subscriptions or purchases, if they are given such an option by their financial intermediary.

To be taken into account, orders issued as part the Global Placement must be received by the Lead Manager and Bookrunner by no later than 12:00 am CEST on October 16, 2019, unless the subscription period is closed early.

### Identification codes for Hoffmann Green Cement shares

- Company name: Hoffmann Green Cement
- ISIN: FR0013451044
- Ticker: ALHGR
- ICB sector of activity: 2353 – Building Materials & Fixtures

### Lead Manager, Bookrunner and Listing Sponsor

Portzamparc (BNP Paribas group)

16, rue de Hanovre

75002 Paris

France

### Information available to the public

Copies of the Prospectus approved by the AMF on October 1<sup>st</sup>, 2019 under reference number 19-466, comprising the Registration Document approved on September 17, 2019 under reference number I.19-033 and a *Note d'Opération* (which includes a summary of the Prospectus), are available free of charge upon request from the Company, La Bretonnière, Chaillé-sous-les-Ormeaux, 85310 Rives de l'Yon, France, as well as on the Company's website ([www.ciments-hoffmann.fr](http://www.ciments-hoffmann.fr)) and the AMF website ([www.amf-france.org](http://www.amf-france.org)).

## **Risk factors**

The Company draws the public's attention to the risk factors described in Chapter 3 of the Registration Document and Section 2 of the *Note d'Opération*. The materialization of one or more of these risks is liable to have a negative impact on the Company's activities, reputation, financial situation, results or prospects, as well as on the market price of Hoffmann Green Cement Technologies shares.

## **Eligibility of the Offering for PEA and PEA "PME-ETI" schemes and Bpifrance Innovative Company qualification**

Hoffmann Green Cement Technologies announces that it complies with PEA "PME-ETI" (SME equity savings plan) eligibility criteria specified in the application decree of March 5, 2014 (Decree No. 2014-283). Hoffmann Green Cement shares can therefore be fully integrated in equity savings plans (PEA) and PEA "PME-ETI" accounts, which enjoy the same tax benefits as a traditional PEA scheme<sup>7</sup>.

Hoffmann Green Cement Technologies also qualifies as a Bpifrance *Entreprise Innovante* (innovative company).

**All information pertaining to Hoffmann Green Cement Technologies'  
Initial Public Offering can be found at**

**[www.hoffmann-finance.com](http://www.hoffmann-finance.com)**

## **About Hoffmann Green Cement Technologies**

Founded in 2014, Hoffmann Green Cement Technologies designs, produces and distributes innovative low-carbon cements with a substantially lower carbon footprint than traditional cement.

Fully aware of the environmental emergency and the need to reconcile the construction sector, cement manufacturing and the environment, the Group is at the heart of a genuine technological breakthrough based on altering cement's composition and the creation of a heating-free and clean manufacturing process.

Hoffmann Green's cements, currently manufactured on a first 4.0 industrial site with no kiln nor chimney in western France, address all construction sector markets and present, at equivalent dosage and with no alteration in the concrete manufacturing process, higher performances than traditional cement.

For further information, please go to <https://www.ciments-hoffmann.com/>

---

<sup>7</sup> These schemes are subject to conditions and available limits. If you are interested, please talk to your financial advisor.

*This press release may not be published, distributed or circulated, either directly or indirectly, in the United States, Canada, Australia or Japan.*

## Contacts

Hoffmann Green	NewCap	NewCap
Jérôme Caron Chief Financial Officer finances@ciments-hoffmann.fr +33 (0)2 51 46 06 00	Sandrine Boussard-Gallien Théodora Xu Investor Relations ciments-hoffmann@newcap.eu +33 (0)1 44 71 94 94	Nicolas Merigeau Media Relations ciments-hoffmann@newcap.eu +33 (0)1 44 71 94 98

## Forward-looking statements

This press release contains forward-looking statements. This forward-looking information relates to the future outlook, development and business strategy of Hoffmann Green Cement Technologies and is based on the analysis of earnings forecasts and market data assumptions. By their nature, forward-looking statements are subject to risks and uncertainties because they relate to specific events and depend on circumstances that may or may not occur in the future. Hoffmann Green Cement Technologies draws the public's attention to the fact that forward-looking statements are in no way a guarantee of future performances and that its financial position, results and cash flows and the development of the industry in which Hoffmann Green Cement Technologies operates may differ significantly from those proposed or suggested by the forward-looking statements contained in this document. In addition, even if Hoffmann Green Cement Technologies' financial position, results, cash flows and developments in the industry in which Hoffmann Green Cement Technologies operates were consistent with the forward-looking information contained in this document, such results or developments may not be a reliable indication of Hoffmann Green Cement Technologies' future results or developments.

## Disclaimer

In no way do this press release and the information it contains constitute either a purchase or subscription offer, or a purchase or subscription order, for Hoffmann Green Cement Technologies shares in any country whatsoever.

Dissemination of this press release may, in some countries, be subject to specific regulations. Consequently, persons in such countries where this press release is released, published or distributed should inform themselves of and comply with such laws and regulations.

This press release is promotional in nature and is not a prospectus, within the meaning of Regulation (UE) 2017/1129 of the European Parliament and of the Council of June 14, 2017 (the "**Prospectus Regulation**"). The AMF's approval of the prospectus does not constitute a favorable opinion on Hoffmann Green Cement Technologies.

This press release does not constitute and may not be considered as a public offer, a subscription offer or a solicitation of public interest for a public offering of financial securities.

This press release constitutes neither an offer to sell securities nor a solicitation of an offer to purchase securities in the United States. Shares or other securities in Hoffmann Green Cement Technologies may only be offered for sale or sold in the United States following registration under the terms of the U.S. Securities Act of 1933, as amended ("**US Securities Act**"), or within the framework of an exemption from registration. Shares in Hoffmann Green Cement Technologies will be offered or sold exclusively outside the United States of America as offshore transactions, in accordance with Regulation S of the Securities Act. Hoffmann Green Cement Technologies has no intention of registering the offering in part or in whole in the United States, or of carrying out a public offering in the United States.

For EEA Member States having applying the Prospectus Regulation (a "**Relevant Member State**"), no action has been or will be undertaken with a view to enabling a public share offering that would make it necessary to publish a prospectus in one or more of said Relevant Member States, other than France. Accordingly, shares in Hoffmann Green Cement Technologies cannot and will not be offered in any member state other than France, except under the derogations provided for in the Prospectus Regulation, or in other cases that do not require the company to publish a prospectus under the Prospectus Regulation and/or regulations applicable in the member state concerned.

In the UK, the press release is intended solely for persons who are (i) investment professionals in the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (current version, the "**Financial Promotion Order**"), (ii) are specified in article 49(2) (a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, (iii) are outside the UK, or (iv) are persons to whom invitations or inducements to engage in investment activity (in the meaning of section 21 of the Financial Services and Markets Act 2000) in the framework of the issue or sale of all securities can be legitimately communicated, directly or indirectly (collectively, the "**Authorised Persons**"). This press release is solely intended for the Authorised Persons and cannot be used by any person other than the Authorised Persons.