

Hoffmann Green Announces its 2020 Annual Results

- **Strengthening of the order book to 190,000 tons (+18%), in line with the commercial roadmap, thanks to the signing of numerous technical and commercial collaboration contracts with leading players in the construction sector**
- **Further industrial development: construction of H2 launched and ongoing review of sites for the future H3**
- **2020 production volumes in line with the Company's expectations**
- **Solid financial situation with shareholders' equity of over €64 million**

Chaillé-sous-les-Ormeaux (France), March 30, 2021, 8:00 am CEST – Hoffmann Green Cement Technologies (ISIN: FR0013451044, Ticker: ALHGR) ("**Hoffmann Green**" or the "**Company**"), a pioneer in low-carbon cement, today announces its 2020 annual results. The Company's Supervisory Board met on March 26, 2021 and reviewed the 2020 accounts approved by the Management Board and audited and certified by the statutory auditors.

Key elements of the Company's consolidated annual accounts

€ thousands – IFRS	FY 2020	FY 2019
Revenue	504	620
EBITDA	(4,131)	(1,846)
Recurring Operating profit/loss (EBIT)	(5,882)	(3,079)
Financial profit/loss	(2,128)	(3,131)
Tax	1,978	1,913
Net profit/loss	(6,119)	(4,339)

€ thousands – IFRS	At 31/12/2020	At 31/12/2019
Cash and cash equivalents	46,268	40,914
Shareholders' Equity	64,643	70,548

Commenting on the publication of the Company's 2020 annual results, **Julien Blanchard and David Hoffmann, co-founders of Hoffmann Green Cement Technologies**, said: "*We are happy with what we achieved at Hoffmann Green in 2020, in spite of the pandemic. In accordance with our industrial roadmap, 2020 saw us reach a key milestone in our development, with the launch of the construction of our second production site, H2, in the Vendée region of Western France. Built entirely using Hoffmann Green cement, this new site will enable us to meet the growing demand for our low-carbon cement from clients. Indeed, we signed numerous technical and commercial collaboration contracts in 2020 with key players in the construction sector such as GCC, KP1, Cemex and Eiffage Génie Civil, taking our order book to over 190,000 tons to date. We are reconfirming our target of addressing 3% of the French cement market by 2025/2026. The commercial dynamic continues at the beginning of 2021 with the signing of contracts with Ouest Réalisations, for the construction of housing, and EDYCEM, the concrete subsidiary of the HERIGE Group, to develop low carbon*

footprint concretes. 2021 will be the year of increasing production volumes with the execution of large-scale projects such as the housing estate in Saint-Leu-La-Forêt, the senior citizens' residence in La Croix-Blanche, the Gaité Montparnasse in Paris and the "Batignolles 2025" district project in the Nantes region. Lastly, ongoing and future regulations should benefit us, as they are in line with our vision of building tomorrow's infrastructures in a more eco-responsible way."

2020: a year marked by the launch of H2's construction and a strengthening of the order book despite the unprecedented public health and economic context

From an industrial perspective, in the fourth quarter of 2020 Hoffmann Green met a major milestone in its development by launching the construction of its second plant, H2, for the clinker-free production of cement. This exceptional structure located next to the first production site, "H1", in Bournezeau (Vendée, western France) and built entirely from Hoffmann Green cement, will have a production capacity of 250,000 tons a year. The plant's construction is expected to be completed by the second half of 2022.

At the same time, the Company is continuing its search for land in the Paris area to construct the H3 plant, which will be modeled on the H2 plant.

From a commercial perspective, the growth momentum has continued despite the impact of the lockdowns. Numerous contracts were signed in the second half of 2020, notably with:

- **GCC**: three-year commitment to supply cement for the development of effective low-carbon buildings
- **Capremib**: supplying of low-carbon cement over 3 years for the construction of wooden concrete sound barriers
- **Bétonic**: technical collaboration to develop low-carbon fluid screed solutions
- **KP1**: 5-year commitment to supply low-carbon cement for prefabricated building systems
- **Immobilière 3F**: production of more than 1,600 m³ of concrete sheets, floor slabs, posts, beams and stairs for low-carbon social housing
- **Cemex**: 3-year commitment for the distribution of low-carbon cement on the ready-mix concrete market
- **LG Béton**: supplying of low-carbon cement for the production of stairs as part of the emblematic '11ve' site in Paris
- **Soriba**: manufacturing of low-carbon staircases using Hoffmann Green cement
- **Eiffage Génie Civil**: 3-year contract to supply cement for the construction of civil engineering infrastructures.

Hoffmann Green's global order book was not affected by the pandemic. However, its execution has been pushed back, with delays currently estimated at between 6 and 24 months. At the end of March 2021, the order book stood at over 190,000 tons of cement, a level in keeping with the Company's commercial roadmap.

In terms of human resources, the Company has continued to structure itself thanks to the recruitment of additional staff in the technical, development and production fields, notably recruiting a Head of New Construction and two Promoters. These resources will help support Hoffmann Green's future development, and in particular its commercial and industrial development. The Company had 21 employees at the end of December 2020, versus 16 at December 31, 2019. Additional recruitments are planned in the first half of 2021.

Regarding the CSR roadmap, the 2020 priority action plan was delivered. The Company undertook and published a *Bilan Carbone*[®] scope 3 carbon assessment in order to initiate an approach assessing its contribution to 2050 carbon neutrality. At the same time, to have an accurate assessment of the impact of its activity, the Company has committed to following the ACT (Assessing low Carbon Transition[®]) approach, an initiative developed by ADEME (the French agency for ecological transition) and the Carbon Disclosure Project to assess companies' climate strategies. Hoffmann Green has obtained a rating of 13A+, one of the highest ratings in the ACT database, reflecting the pertinence of its business model. Furthermore, the Company's ESG (Environment, Social & Governance) performances have been assessed by two independent players specializing in extra-financial ratings. Hoffmann Green has thus received a rating of 54 from consulting agency Ethifinance. This assessment puts the Company in 131st place in Gaïa Rating's ESG 230 panel and in 23rd

place out of the 78 companies in the panel with revenue of less than €150 million. At the same time, the Company has received a rating of 20.8 from international ratings agency Sustainalytics, putting it in 3rd place of the 115 companies assessed that produce building materials.

Lastly, to improve its operational and financial efficiency, at the end of 2019 the Company initiated the implementation of an ERP (Enterprise Resource Planning), due for implementation in July 2020.

Annual results

Over the year to December 31, 2020, the Company recorded revenue of €504 thousand corresponding primarily to sales by volume, representing 1,775 tons of cement. The volume of cement sold has thus grown over the year (1,098 tons in 2019). The slight decrease in revenue in 2020 was due to the fall in engineering services.

Operating expenses include personnel costs of €1.2 million, reflecting the scaling up of the teams. They also include external expenses of €3.2 million notably associated with purchases of raw materials and tests undertaken with the Company's partners over the period.

EBITDA was -€4.1 million in 2020 versus -€1.8 million in 2019 because of the increase in operating expenses.

At December 31, 2020, the Company recorded an increase in its amortization charges associated with the commissioning of facilities and equipment in 2019 and early 2020.

The Recurring Operating loss (EBIT) was thus €5.9 million at December 31, 2020.

The 2020 financial loss was €2.1 million, and notably consists of an expense on the divestment of securities of €2.1 million. Once tax income of €2.0 million is taken into account, the Net Loss at December 31, 2020 was €6.1 million.

A solid balance sheet

At December 31, 2020, the Company had a solid balance sheet with Shareholders' Equity of €64.6 million and available cash of €46.3 million (€56.3 million including UCITS). The change in the cash position over the period (+€5.3 million) was primarily due to the divestment of UCITS undertaken by the Company.

It should also be noted that the cash position was impacted by other investment cash flow, for €5.6 million, and operating cash flow, for €2.9 million, which was partly offset by the issuing of bank loans for €7.0 million.

The Company has an unused credit line of €10.0 million.

The Company did not take advantage of a State-Guaranteed Loan, as its cash position did not require it.

Outlook

The Company is continuing to closely monitor the pandemic and any developments that could have an impact on its 2021 commercial activity, production and construction of the H2 production site.

The Company is reaffirming its 2025/2026 production targets, i.e. achieve a total production capacity of 550,000 tons of low-carbon cement a year with the construction of its two additional production sites (H2 and H3) and generate revenue of around €120 million representing a 3% share of the French cement market at that time, with an EBITDA margin of approximately 40%.

Boosted by its solid financial situation, the Company has every confidence in the pertinence of its corporate project and estimates that its fundamentals and the low-carbon construction market's positive prospects will be all the more topical in the post-pandemic world.

Indeed, the current crisis is highlighting the need to put environmental issues at the very heart of industrial innovation and to take rapid and tangible action. Driven by an eco-responsible model, the Company is fully

committed in this perspective by implementing low-carbon solutions to preserve tomorrow's world, and firmly believes in the possibility of seizing new opportunities once this global crisis is behind us.

About Hoffmann Green Cement Technologies

Founded in 2014, Hoffmann Green Cement Technologies designs, produces and distributes innovative clinker-free low-carbon cement 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 believes it 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, without clinker. 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: www.ciments-hoffmann.fr

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Simplified income statement

€ thousands – IFRS	31/12/2020	31/12/2019
Revenue	504	620
Other income from activity	9	10
Purchases consumed	(544)	(225)
Other external purchases and expenses	(3,239)	(2,025)
Personnel costs	(1,215)	(532)
Tax	(94)	(16)
Change in inventories	(2)	2
Other operating income and expenses	449	320
EBITDA	(4,131)	(1,846)
Depreciation, amortization and provisions	(1,751)	(1,233)
Recurring Operating Profit/Loss (EBIT)	(5,882)	(3,079)
Other operating income and expenses	(88)	(43)
Operating Profit/Loss	(5,970)	(3,123)
Financial Profit/Loss	(2,128)	(3,131)
Tax	1,978	1,913
Consolidated Net Profit/Loss	(6,119)	(4,339)

Balance sheet

€ thousands – IFRS	At 31/12/2020	At 31/12/2019
Intangible assets	3,579	2,302
Tangible assets	16,026	12,314
Other financial assets	10,073	20,004
Other non-current assets	223	629
Non-current tax assets	5,439	3,432
Total non-current assets	35,340	38,681
Inventories and work-in-progress	46	177
Accounts receivable	445	1,287
Other current assets	2,970	2,696
Current tax assets	4	1
Cash and cash equivalents	46,268	40,914
Total current assets	49,733	45,074
TOTAL ASSETS	85,074	83,755

€ thousands – IFRS	At 31/12/2020	At 31/12/2019
Shareholders' Equity – Group share	64,643	70,548
Shareholders' Equity – minority interests	-	-
Total Shareholders' Equity	64 643	70,548
Borrowings and financial debt	13,637	7,280
Provisions for pensions	37	10
Other non-current liabilities	1,833	1,306
Non-current tax liabilities	62	27
Total non-current liabilities	15,569	8,623
Borrowings and financial debt	2,175	1,032
Accounts payable	2,142	2,644
Other current liabilities	537	908
Current tax liabilities	7	
Total current liabilities	4,861	4,585
TOTAL LIABILITIES	85,074	83,755