



**HOFFMANN
GREEN CEMENT**
Catalyst of
Carbon Transition

Hoffmann Green provides an update on its activities and publishes its 2022 annual results

- Growth in volumes sold of +18.6% with more than 12,000 tons marketed in 2022
- Order book up 20% to 240,000 tons
- 2023 guidance: doubling of volumes sold thanks to a record number of projects to be carried out in 2023, i.e. the equivalent of 13,000 concrete mixer trucks on 120 sites
- Continued industrial deployment in accordance with the plan:
 - Opening of H2, the second production site in May 2023
 - Commissioning of the concrete plant in March 2023
 - Acquisition of ABC Broyage
- CSR significant progress enhancing the overall strategy:
 - Activity 100% in line with the European Green Taxonomy
 - Improvement of the Gaïa extra-financial rating (65/100 vs. 54 in 2020)
- Solid financial structure: shareholders' equity of €74 million and cash of €42 million


PRESS RELEASE - MARCH 2023

Chaillé-sous-les-Ormeaux, March 27, 2023 - 7:00 a.m. CEST: Hoffmann Green Cement Technologies (ISIN: FR0013451044, Ticker: ALHGR) ("Hoffmann Green Cement" or the "Company"), an industrial player committed to decarbonizing the construction sector that designs and distributes innovative clinker-free cement, provides an update on its activities and announces its 2022 annual results. The Supervisory Board of the Company met on March 24, 2023 and reviewed the 2022 financial statements approved by the Management Board. The audit procedures have been carried out and the audit report on the certification is being issued.

Key elements of the Company's consolidated annual accounts

€ thousands - IFRS	FY 2022	FY 2021
Revenue	2,219	2,380
EBITDA	-6,617	-5,228
Recurring operating profit/loss (EBIT)	-9,358	-7,360
Financial profit/loss	-1,111	131
Tax	2,626	1,663
Net profit/loss	-6,739	-5,562

€ thousands - IFRS	At Dec. 31, 2022	At Dec. 31, 2021
Cash and cash equivalents	30,247	56,704
Shareholders' equity	74,693	81,399




Julien Blanchard and David Hoffmann, co-founders of Hoffmann Green Cement Technologies, commented: *"In an unprecedented market environment where the construction sector has been strongly impacted by inflation, Hoffmann Green has achieved a growth of nearly 19% in its cement volumes sold over 2022. The activity intensified during the second half of the year thanks to greater price competitiveness on some projects and a growing attractiveness of carbon-free solutions. Indeed, we are seeing more and more initiatives, particularly from traditional players, to meet the significant demand for cleaner construction. This evolution of the market towards a more sustainable construction model confirms our company's pioneering position as a leader in the carbon transition of the cement industry. As a result, we have seen a real emulation of this trend, with a sharp increase in contract requests since July 2022, strengthening our order book, as well as a record number of projects over 2023, enabling us to turn this order book into revenue. At the same time, we are on track with our industrial plan both in terms of timing and budget. The acquisition of ABC Broyage and the commissioning of the concrete plant 4.0 have been finalised to partly internalise the processing of our raw materials and to develop concrete formulations based on Hoffmann clinker-free cement. In addition, the inauguration of our second H2 production site will take place in May 2023. On the strength of our recent achievements and the good market dynamics driven in particular by the 2020 Environmental Regulations (RE 2020), we are entering 2023 with increased confidence."*

Ongoing commercial dynamic in France and abroad and deployment of the industrial roadmap

Growth in sales volumes, strong order book growth and international expansion

- Strong increase in the Company's activity during the second half of the year, with volumes sold in 2022 reaching 12,010 tons, up (+18.6%) compared to 2021.
- Order book strengthened to 240,000 tons (+20%) thanks to the signing of cement supply contracts including volume commitments with strategic partners:
 - Bouygues Immobilier, a major player in property development, has been active in the French market for over 60 years, carrying out a large number of large-scale projects throughout France.
 - Les Maçons Parisiens, a general building contractor, for the construction of collective buildings in the Île-de-France region.
 - P2i, an independent real estate developer, for the construction of collective and individual housing, offices and business premises in the Grand Ouest region.
 - O.T.E, a player in the digital, civil engineering and industrial engineering sectors. Hoffmann 0% clinker cement will replace traditional Portland cement in the burial of optical fibres, a growing market throughout France.
 - L'Entreprise de Construction et Bâtiment du Littoral (E.C.B.L), a local general building contractor, to carry out structural work such as the construction of collective housing, industrial, public, private, tertiary and office buildings, as well as major renovations to restore the heritage.
 - Immobilière 3F, the leading rental housing company, which has committed to using low-carbon and low-energy cement for 50% of its housing production under direct contracting from 2023.

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- The Fondéole Group to supply and promote Hoffmann clinker-free cements in the French offshore and onshore wind energy markets. Hoffmann Green and the Fondéole Group aim to build 50% of onshore and offshore wind turbine foundations with Hoffmann cements by 2028.
 - And finally, the international expansion of Hoffmann Cement:
 - Establishment of a joint venture with a Swiss construction company that will produce in a plant similar to Hoffmann Green's second production site (H2) and will distribute Hoffmann cements exclusively in Switzerland.
 - Signature of a first partnership in the United Kingdom with Cemblend, a British manufacturer of special cements.

Deployment of the industrial roadmap:

- First external growth operation with the acquisition of Hoffmann Broyage (formerly named ABC Broyage) to internalise the processing of raw materials (blast furnace slag) which will allow Hoffmann Green to gain independence, extend its supply capacity and increase its competitiveness. The acquisition was made in cash for €1.7m.
- Delivery of the second production unit, H2 in line with the established schedule and budget (€22m). The production site is scheduled to open in May 2023.

CSR Significant progress enhancing the overall strategy:

- Diversification of the offer in the carbon credit market:
 - The first industrial company, outside the agricultural and renewable energy sectors, to generate carbon credits on the voluntary market thanks to its decarbonised manufacturing process.
 - Partnership with the company Inuk to certify and value Hoffmann's carbon credits and market them to companies wishing to contribute to the reduction of greenhouse gas emissions. To date, Hoffmann Green has 10,000 carbon credits available for sale.
- Winner of the French Tech Green20 program:
 - Hoffmann Green is one of 20 French nuggets selected by the Ministry of Ecological Transition to participate in the French Tech Green20 program.
- Improvement of its extra-financial rating:
 - Hoffmann Green obtained a Gaïa extra-financial rating by EthiFinance of 65/100, up 11 points from the previous year, which highlights, on the basis of the 2021 benchmark, a level of ESG maturity that is higher than that observed for comparable companies (in terms of workforce and sector of activity).



2022 annual results

Hoffmann Green Cement's revenue in 2022 is flat compared to 2021 (€2.2m vs. €2.4m). The decrease in the average selling price per tonne is offset by the increase in volumes of +18.6% (12,010 tonnes in 2022 vs. 10,124 tonnes in 2021). During the second half of 2022, the Company offered more competitive prices on a few targeted and strategic projects. It should be noted that the marketing of Hoffmann carbon credits began at the end of 2022 and that the Company generated €26 thousands in revenue.

EBITDA for 2022 is -€6.6m compared to -€5.2m for 2021. The decrease in EBITDA over the year (€1.4m) is due to higher raw material costs (€0.6m), increased product testing and development (€0.4m) and higher payroll (€0.4m). The Company's headcount increased from 33 employees at the end of 2021 to 43 employees at the end of 2022, mainly due to the acquisition of Hoffmann Broyage in June 2022 (4 FTEs) and the strengthening of the sales and technical teams.

Current Operating Profit was €9.4m. The year-on-year change (€2.0m) is explained by the evolution of EBITDA and the increase in depreciation and provisions (€0.6m).

The Financial Result 2022 is -€1.1m. It is explained by UCITS depreciation due to the decrease in their market value.

In total, after taking into account tax income of €2.6m, the Net loss for 2022 is €6.7m.

Solid financial structure in line with the budget

At December 31, 2022, the Company had a strong balance sheet with equity of €74.7 m, down €6.7 m due to the net result for the year.

Available cash amounted to €30.2m (€42.0 m including placements). The change in cash over the period (-€26.5m) is explained by investment cash flow (-€18.6m) primarily associated with the construction of the H2 production unit, the construction of the R&D concrete plant, the acquisition of the Company's historical headquarters in Chaillé sous les Ormeaux and the acquisition of Hoffmann Broyage, and by operating flows (-€6.7m).

The Company's accounts to December 31, 2022 will be published in the Annual report that will be made available to shareholders on the Company's website no later than 28 April 2023 in accordance with legal and regulatory provisions.



Post-closing events: a dynamic start to the 2023 financial year for the 1st European cement manufacturer to have an activity 100% in line with the European Green Taxonomy

Since January 1st, 2023, Hoffmann has continued to strengthen its order book through the signing of strategic contracts in France and abroad:

- Signing of a 1st distribution agreement in mainland France for the distribution of H-IONA carbon-free cement bags with VM Matériaux, a specialist in the materials trade established on the west coast of France.
- Conclusion of a partnership with the Eloy group to develop carbon-free construction in Belgium, in particular for pilot applications of ready-mix concrete and prefabrication.
- Three-year cement supply contract including volume commitments with Belin promotion, a historical real estate developer based in the South-West of France.
- Supply contract including a volume commitment of 14,000 tons of Hoffmann cement until the end of 2027, with the Alkern Group, one of the French leaders in the prefabrication of concrete elements for low-carbon construction methods for buildings.

In addition, **Hoffmann Green Cement became the 1st cement company to have an activity 100% in line with the European Green Taxonomy**, following the publication of a European taxonomy alignment assessment report by Ethifinance.

Finally, from a Research and Development point of view, **the Company has recently increased the development of its intellectual property with the obtaining of a patent in China for its 0% clinker cement H-EVA; and, has launched the commissioning of the eco-responsible concrete plant 4.0** to develop concrete mixing based on Hoffmann Green Cement 0% clinker.



Strategy and Outlook:

- **Doubling of volumes sold thanks to a record number of projects to be carried out in 2023, i.e. the equivalent of 13,000 concrete mixer trucks on 120 sites**
- **Confirmation of medium-term financial targets in a booming low-carbon construction market**

During 2023, the Company will continue to execute its strategic plan and will focus on:

- **Industrial:**
 - Inauguration and commissioning of the H2 site planned for May 2023.
- **Commercial:**
 - Continued to sign contracts with strategic partners in France and France and abroad.
 - The aim is to market a volume of 24,000 tons of cement in 2023, the equivalent of 13,000 concrete mixer trucks. This would represent a revenue of more than €4.5m.
- **R&D:**
 - Development of a 5th technology to strengthen Hoffmann Green Cement's competitive advantage.
- **CSR:**
 - Development of carbon credit marketing.

Confirmation of 2026 targets: €130m revenue and 40% EBITDA margin

With a solid financial position and a dynamic market environment where the inflationary context and the regulatory framework, with the application of the second more restrictive RE 2020 threshold from 2025, are favourable to the development of low-energy and low-carbon solutions, the Company remains confident in its ability to achieve its commercial and financial targets.

In France, Hoffmann confirms its objective of selling 550,000 tons of cement per year in 2026 through three production sites, giving a revenue of approximately €120 million and corresponding to a French market share of 3%.

At the same time, abroad, as is already the case in Switzerland, the Company wishes to develop through licensing agreements with partners in charge of financing, building and operating Hoffmann Green Cement production units in their geographical territory and marketing Hoffmann Green Cement technologies. The Company's aims to have 4 plants up and running by 2026 generating revenue of approximately €10 million.

Overall, the Company believes it can achieve an EBITDA margin of around 40% by 2026.

ABOUT HOFFMANN GREEN CEMENT TECHNOLOGIES

Founded in 2014 and based in Bournezeau (Vendée, Western France), Hoffmann Green Cement Technologies designs, produces and distributes innovative extremely low-carbon cements – with a carbon footprint 5 times lower than traditional cement – that present, at equivalent dosage and with no alteration to the concrete manufacturing process, superior performances than traditional cement.

With one 4.0 industrial site supplied by a park of solar trackers and two new sites on the way, the Group has industrialized a genuine technological breakthrough based on alterations to cement's composition and the creation of a heating-free, clinker-free and low energy consumption manufacturing process making it a leading and unique player on a cement market that has not undergone any significant changes in the last 200 years.

Within the context of the climate emergency and energy price inflation, Hoffmann Green Cement is thus actively participating in the energy transition by producing a clean cement that consumes 10 to 15 times less energy than a Portland cement, by working to create eco-responsible buildings and by encouraging the circular economy and the preservation of natural resources. Thanks to its unrivaled technological know-how that is constantly improving, driven by effective and cutting-edge teams, Hoffmann Green Cement Technologies addresses all construction sector markets, both in France and abroad.

For further information, please go to: www.ciments-hoffmann.fr

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