



**HOFFMANN  
GREEN CEMENT**  
Catalyseur  
de la Transition  
Carbone

## Hoffmann Green publishes 2023 results exceeding expectations and confirms its guidance

- 2023 revenues of €6m, x2.7 vs. 2022, higher than the target of €4.5m
- Strong sales dynamic: 21 300 tons sold, +78% vs. 2022
- Validation of international development strategy: signature of a licensing contract in Saudi Arabia and agreement in principle for the signature of a licensing contract in the United States
- Strengthening of production capacity: launch of the H2 unit in summer 2023, the world's first vertical cement plant
- Solid financial structure: shareholder's equity of €67m and cash position of €25m

### PRESS RELEASE - March 2024

**Chaillé-sous-les-Ormeaux, March 18, 2024 – 8:00 a.m. CET:** Hoffmann Green Cement Technologies (ISIN: FR0013451044, Ticker: ALHGR) (“Hoffmann Green Cement” or the “Company”), an industrial player committed to the decarbonation of the construction sector that designs and markets innovative clinker-free cements, provides an update on its activities, and announces its 2023 annual results. The Supervisory Board of the Company met on March 14, 2024, and reviewed the 2023 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 2023	FY 2022
Revenue	6 041	2 219
EBITDA	-5 170	-6 617
Recurring operating profit/loss (EBIT)	-8 546	-9 358
Financial profit/loss	986	-1 111
Tax	-45	2 626
Net profit/loss	-7 862	-6 739

€ thousands – IFRS	At Dec. 31, 2023	At Dec. 31, 2022
Cash and cash equivalents (including placements)	25 034	42 001
Shareholders' equity	67 035	74 693



**Julien BLANCHARD et David HOFFMANN, co-founders of Hoffmann Green Cement Technologies, commented:** *"2023 was shaped by significant progress in Hoffmann Green's development. First of all, the growth of our revenue up to €6 million reflects the willingness of the construction industry to decarbonize its activities in the context of increasingly ambitious environmental policies. This paradigm change is necessary to ensure a sustainable and environmentally friendly future with construction projects relying on decarbonized solutions such as those offered by Hoffmann Green. The commercial dynamic of recent quarters has been confirmed by the signature of multiple partnerships with key players in the sector, some of which have reaffirmed their commitment, such as Bouygues Immobilier. In order to meet the growing demand for our decarbonized cement, we inaugurated our H2 production unit at the beginning of summer 2023, a unique plant in the world combining cutting-edge technology, industrial performance and minimal environmental impact. 2023 was also marked by Hoffmann Green's international development, particularly with the signature of a licensing agreement in Saudi Arabia. Hoffmann Green also has a solid financial structure, recently strengthened by an issue of OCEANE, which is slightly dilutive for our shareholders and was carried out under attractive conditions for the Company. The transaction was subscribed by Eiffel Investment Group, a key investor. We look forward to 2024 with confidence, in an increasingly restrictive regulatory environment for traditional cement manufacturers, which should favor Hoffmann Green's growth perspectives."*

### **A 2023 financial year characterised by an acceleration in sales dynamic and industrial deployment in line with the Company roadmap**

#### **Strong growth in sales volumes, increase of the order book, and international expansion:**

- Increase in sales in 2023, with sales volumes reaching 21,370 tons, up 78% vs. 2022 fiscal year;
- The order book progressed to 260,000 tons (+20,000 tons vs. 2022), thanks to several cement supply contracts with key partners, including:
  - VM Matériaux from the HERIGE Group, the leading distribution network in mainland France offering 25 kg bags of H-IONA cement to building professionals, artisans, and the general public across 50 points of sale in France.
  - Belin Promotion, an historic real estate developer based in the South-West of France, Belin Promotion, a long-established property developer in south-west France, for the supply of 0% clinker cements for the construction of several flat blocks and offices;
  - VENDEE HABITAT, one of the most dynamic social housing providers in the Pays de la Loire region, to supply concrete made with Hoffmann 0% clinker cements for future real estate projects throughout the Vendée region;
  - Structuring partnership with the leading brand POINT.P to distribute Hoffmann Green's clinker-free cement;
  - SPIE BATIGNOLLES, a key player in building, infrastructure, and service industries, for the supply of decarbonized cements, including a volume commitment until 2027;
  - Contract to supply decarbonized cement, including a volume commitment of around 20,000 tons until 2027, with the OGIC Group, a major French property developer.



- Validation of international development strategy, based on a licensing model:
  - Signature of a partnership agreement with the Belgian group ELOY to carry out initial pilot projects in the Liège region;
  - Signature of an exclusive 22-year licensing contract with the Shurfah Group to build several H2 type units in Saudi Arabia, to support the decarbonization of the construction sector in the country;
  - Pre-agreement with a partner for the signing of a licensing contract in the United States, in the state of Florida, with potential signing expected in 2024.

**Progress of the implementation of the industrial plan:**

- Operational launch of the H2 factory, the world's first vertical cement plant built entirely from Hoffmann cement. From the second half of 2023, this plant has been producing bulk cement to meet growing demand. This achievement increases production capacity from 50,000 to 300,000 tons per year at the Bournezeau site;
- Launch of Hoffmann Green's R&D concrete plant to test and develop new low-carbon concrete formulations using Hoffmann cements and recycled aggregates.

**Validation of a proactive CSR (Corporate Social Responsibility) policy:**

- Strengthening the offer on the carbon credit market:
  - Since the end of 2022, Hoffmann Green has been the first industrial player, outside of agriculture and renewable energies, to generate carbon credits on the voluntary market, validating the decarbonized production process of its cement;
  - In 2023, the Company strengthened its carbon credit offering, corresponding to the CO<sub>2</sub> emissions avoided through the use of 0% clinker cements developed by Hoffmann Green. The revenue from the sale of carbon credits amounted to €276 K in 2023. Hoffmann Green currently holds 13,000 carbon credits available for sale.
- Hoffmann Green has received several awards confirming its ESG commitment:
  - Solar Impulse Efficient Solution label, which guarantees the quality and economic profitability of its H-UKR cement, certifying Hoffmann Green's decarbonized manufacturing process.;
  - Factory of the Year Award in the CSR category at the Trophées des Usines, organised by L'Usine Nouvelle, celebrating the launch of the new production unit H2;
  - Low Carbon Cement Award, granted by the World Cement Association in October 2023, highlighting the positive impact of its decarbonized cements on the environment;
  - Hoffmann Green has been awarded a Gaïa extra-financial rating by Ethifinance of 62/100, confirming a higher level of ESG maturity compared to similar companies based on workforce size and sector of activity, using the 2022 baseline.



## 2023 annual results

Hoffmann Green's 2023 revenue is significantly higher than in 2022 (€6.0m vs. €2.2m) and above the initial target of €4.5m. This increase is due to the 78% rise in cement sales volumes (21,377 tons in 2023 vs. 12,010 tons in 2022) and the signature of the first international licensing contract in Saudi Arabia, which gave rise to an entry fee of €2.0m. It should be noted that the marketing of Hoffmann Green carbon credits, which began at the end of 2022, generated €276k in revenue in 2023.

EBITDA for 2023 is -€5.2m, compared with -€6.6m in 2022. The year-on-year improvement of EBITDA (+€1.4m) is mainly explained by the development of the business. It should be noted that Hoffmann Green's workforce has increased from 43 employees at the end of 2022 to 52 employees at the end of 2023 due to the strengthening of the sales and technical teams. Personnel costs increased by €0.7m compared with the previous year.

Recurring Operating Profit amounted to €8.5m. The year-on-year change (+€0.8m) was due to the rise in EBITDA and the increase in depreciation, amortization and provisions (-€0.6m) linked to the launch of the H2 unit and the concrete plant in 2023.

Net financial income for 2023 amounted €1.0m, a significant increase over the previous year (+€2.1m) due to the rise in the market value of OPCVMs (+€1.9m).

Overall, the Net Result for 2023 stands at -€7.9m.

## Solid financial structure

As of December 31, 2023, the Company maintains a strong balance sheet with equity amounting to €67.0m, down by €7.7m due to the net result for the year.

The available cash position as of December 31, 2023, stands at €25.0m (including placements). The variation in cash over the period (-€17.0m) is attributed to investment outflows (-€7.6m), mainly related to the construction of the H2 production unit, the construction of the R&D concrete plant, and the rehabilitation of the Hoffmann Microtech site, as well as operating outflows (-€5.m), and loan repayments (-€4.2m).

The Company's financial statements for the year ended 31 December 2023 will be disclosed in the Company's annual financial report, which will be available to shareholders on the Company's website by 30 April 2024 at the latest, in compliance with legal and regulatory requirements.

## Post-closing events: continued sales dynamic and recognition of the added value of the Hoffmann Green model

Since January 1<sup>st</sup> 2024, Hoffmann Green has been pursuing the strong sales dynamic observed in 2023 by signing strategic contracts and extending its existing partnerships:

- Extension of the partnership with Bouygues Immobilier, a key player in real estate development, for a duration of two years;
- Signature of a major partnership to distribute its decarbonized cements within Bricomarché, Bricorama, Brico Cash, and Tridôme stores. This represents the first distribution partnership for Hoffmann cements targeting the B2C market in 600 retail outlets across France;
- Signature of a partnership with Trecobat Group until the end of 2027, the 4<sup>th</sup> largest builder of individual houses in France;



- Signature of a strategic partnership with ViaVilla, an elite property company specialising in the construction of villas on the Atlantic coast;
- Signature of a commercial partnership with Groupe Tartarin, a company based in Vienne (86), manufacturing a wide range of ready-mixed concrete products.

Furthermore, Hoffmann Green announced the issue of bonds convertible into and/or exchangeable for new or existing shares ("OCEANE") for a nominal amount of approximately €5.0m. This transaction provides the Company with additional financial resources with attractive financial terms for the Company, to support its industrial and commercial strategy while limiting dilution for its shareholders,.

The company has also obtained the Solar Impulse Efficient Solution label for its H-UKR carbon-free cement, and has joined the Bpifrance Excellence Club, two prestigious distinctions that validate the Hoffmann Green model and the added value of its solutions.

### **Strategy and Outlook: Confirmation of medium-term financial targets**

**In 2024, the Company will continue to implement its strategic plan, with particular focus on the following priorities:**

- **Commercial:**
  - Continuing to sign and extend contracts with strategic partners;
  - International expansion through the expected signature in 2024 of a licensing agreement with an American partner to build several Hoffmann units in Florida.
- **Industrial:**
  - Launch of the construction of the H3 plant at the Dunkirk Grand Maritime Port (*Grand Port Maritime de Dunkerque*) for delivery in 2025;
  - Finalisation of the rehabilitation of the Hoffmann Microtech subsidiary's site to bring in-house the industrial process of grinding blast furnace slag, one of the essential raw materials for the production of H-UKR and H-IONA cements.
- **Financial:**
  - Achieve a positive EBITDA, in line with management's commitments of 2021.
- **R&D:**
  - Accelerating R&D funding to strengthen the environmental performance and quality of Hoffmann Green products, already rewarded in 2023 by the World Cement Association's Low Carbon Cement Award.
- **CSR:**
  - Continue the commercialization of carbon credits.
  - Continuous improvement of the CSR strategy: increase in the extra-financial rating



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

The tightening of the regulatory environment, in particular with the introduction in 2025 of the second, more restrictive RE<sup>1</sup> 2020 threshold, combined with the growing sales dynamic recorded in recent quarters, give the Company confidence that it will be able to achieve its commercial and financial targets.

In France, Hoffmann Green aims to commercialise 550,000 tons of cement per year by 2026 via three production sites, representing sales of around €120 million and a 3% market share in France.

Following the success of its international deployment in 2023, particularly in Saudi Arabia, the Company intends to increase the number of licensing agreements signed with new partners. These partners will be responsible for financing, building and operating Hoffmann H2 units and for producing and commercialising Hoffmann cements in their geographical territory in return for the payment of an entry fee, royalties and the purchase of a pre-formulation from the Company. The Company aims to have 4 operational units by 2026, generating sales of around €10m.

### 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.

Hoffmann Green operates two production units powered by a solar tracker park on the Bournezeau site: a 4.0 factory and H2, the world's first vertical cement plant inaugurated in May 2023. A third factory will be established at the Grand Port of Dunkirk in 2025, bringing the total production capacity to 550,000 tons per year, representing 3% of the French market. The group has industrialized a genuine technological breakthrough based on modifying cement composition and creating a cold manufacturing process, with 0% clinker and low energy consumption, making it a leading and unique player in the cement market that has not evolved for 200 years.

In a context of climate urgency and energy price inflation, Hoffmann Green Cement actively participates in energy transition by producing clean cement that consumes 10 to 15 times less energy than Portland cement. It also promotes eco-responsible construction and encourages circular economy and natural resource preservation. With its unparalleled and constantly evolving technological expertise, driven by high-performing teams, Hoffmann Green Cement Technologies serves all markets in the construction sector, both in France and internationally.

Hoffmann Green was selected among the 2022 promotion of the top 20 French green startups as part of the French Tech Green20 program, led by the French Tech Mission in partnership with the Ministry of Ecological Transition. In June 2023, the company was selected for French Tech 2030, a new ambitious support program operated by the French Tech Mission alongside the General Secretariat for Investment (SGPI) and Bpifrance.

The company continues its international development with contract signings in the United Kingdom, Belgium, Switzerland, Saudi Arabia and recently in the United States.

For further information, please go to : [www.ciments-hoffmann.fr/](http://www.ciments-hoffmann.fr/)

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<sup>1</sup> Environmental Reglementation

## CONTACTS HOFFMANN GREEN

### Hoffmann Green

- Jérôme Caron
- Chief Financial Officer
- [finances@ciments-hoffmann.fr](mailto:finances@ciments-hoffmann.fr)
- 02 51 460 600

### NewCap Investors Relations

- Thomas Grojean
- Alban Dufumier
- [ciments-hoffmann@newcap.eu](mailto:ciments-hoffmann@newcap.eu)
- 01 44 71 94 94

### NewCap Financial Media Relations

- Nicolas Merigeau
- Antoine Pacquier
- [ciments-hoffmann@newcap.eu](mailto:ciments-hoffmann@newcap.eu)
- 01 44 71 94 98



Hoffmann Green Cement Technologies | Telephone: +33 2 51 460 600 | Email: [finances@ciments-hoffmann.fr](mailto:finances@ciments-hoffmann.fr)



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