



Hoffmann Green announces improved 2023 half-year results and reviews achievements and outlook

- Multiplication of cement sales volumes by more than 3.5 compared with H1 2022: 7,338 tons sold in H1 2023
- Order book of over 250,000 tons to date, +30,000 tons since January 1st, 2023
- A key international milestone was reached with the signature of the first licensing contract in Saudi Arabia with the Shurfah Group
- Industrial deployment in line with plan, marked by H2 commissioning in summer
- Solid financial structure in line with budget: equity of €71.2 million and cash of €32.8 million (including investments)
- Confirmation of short- and medium-term financial targets in a context favourable to decarbonization of the sector

PRESS RELEASE - September 2023

Chaillé-sous-les-Ormeaux, September 18, 2023 - 8:00 am CEST: Hoffmann Green Cement Technologies (ISIN: FR0013451044, Mnemo: 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, announces its results for the first half of 2023. The Company's Supervisory Board met on September 15, 2023 and reviewed the accounts to June 30, 2023 approved by the Management Board.

Key elements of the Company's consolidated half-year accounts

€ thousands - IFRS	At June 30, 2023	At June 30, 2022
Revenue	1,676	544
EBITDA	-3,648	-3,519
Recurring operating profit/loss (EBIT)	-5,133	-4,720
Financial profit/loss	270	-1,454
Tax	1,259	1,586
Net profit/loss	-3,606	-4,558

€ thousands - IFRS	At June 30, 2023	At June 30, 2022
Cash and cash equivalents	32,760	52,775
Shareholders' equity	71,245	76,895



Julien Blanchard and David Hoffmann, Co-founders of Hoffmann Green Cement Technologies, said: *"In the first half of 2023, Hoffmann Green was able to significantly increase its cement sales volumes. Thanks to the daily work of all our teams, we are accelerating the marketing of our innovative clinker-free cement in a construction market in demand of truly carbon-free solutions. Considering the seasonality of our sales, we intend to intensify the transformation of our order book into sales during the second half of 2023. We are therefore confident of achieving our 2023 revenue target of marketing 24,000 tons of cement, representing revenue of more than €4.5 million.*

At the same time, the Company continued to deploy its industrial roadmap, with the commissioning of H2, which allow Hoffmann to significantly increase its production capacity. Finally, Hoffmann Green recently reached an important stage in its international development roadmap with the signature of a structuring partnership with the Shurfah Group, a major construction player in Saudi Arabia, to support the decarbonization of the Saudi construction sector.

In the medium term, with the strong sales momentum, the deployment of our industrial plan in line with schedule and budget, and a solid financial structure, we confirm that we will achieve all our financial targets in a context of tightening regulations (RE 2020, France's Environmental Regulation 2020) that are increasingly restrictive for traditional cement manufacturers and, on the contrary, favorable for Hoffmann Green."

H1 2023 achievements: strong growth in sales volumes, stronger order book thanks to partnerships in France and abroad, industrial deployment and CSR awards

Multiplication by more than 3.5 in cement sales volumes and continued growth in the order book:

- Cement sales volumes up +251.6% year-on-year to 7,338 tons, in line with the Company's 2023 target of 24,000 tons, with historically higher sales in the second half of the year. Sales mainly concerned H-UKR technology;
- Order book at over 250,000 tons, up 30,000 tons thanks to the signing of 11 structuring partnerships and order commitments with major players in the sector: VM Matériaux (H-IONA bags), Belin Promotion, Groupe Alkern, OGIC, GCC (partnership extended), BSS, Groupe Minier, Iribarren, Vendée Habitat, Domofrance and Marne Béton.

Accelerated international expansion :

- 22-year licensing agreement in Saudi Arabia with the Shurfah Group to build several vertical H2 units to support the decarbonization of the country's construction sector. In return for the industrial and technological transfer and this exclusivity, Hoffmann Green will receive an entry fee from Shurfah, as well as fixed and variable annual royalties based on revenue generated by the selling of Hoffmann cements in Saudi Arabia;
- Signature of a partnership with the Eloy group to develop carbon-free construction in Belgium, in particular for pilot ready-mix concrete and prefabrication applications.



Continued implementation of industrial strategy, with budget in line with plan:

- Commissioning of H2, the world's first vertical cement plant, since June 30, 2023. Built entirely from Hoffmann cements, the plant enables production capacity to be increased by 250,000 tons of cement per year, in line with the Group's ambitions and growing demand. The investment of €22.4 million is in line with forecasts;
- Commissioning of Hoffmann Green's R&D concrete plant since the beginning of April 2023. Equipped with solar trackers and ultra-modern water treatment systems, this 4.0 plant combines modernity and eco-responsibility, like all the Company's equipment. It will enable the internal development of R&D activities such as testing of future technologies and the development of certain concrete formulations specific to Hoffmann Green's customers. Its investment amounts to €2.0 million;
- Rehabilitation and commissioning during the summer of the site of its subsidiary Hoffmann Microtech, acquired in June 2022. The work made it possible to internalize the industrial process of grinding blast furnace slag, one of the raw materials used in H-UKR and H-IONA cements. The investment budget is €2.5 million.

Awards recognizing the Company's CSR commitments and innovation policy:

- Awarded the Paulownias Prize by the Collège des Directeurs du Développement Durable (C3D), which recognizes the managers of tomorrow's companies who are committed to sustainable development;
- Laureate of the "Waste and Circular Economy Showcase" at the 14^{ème} National Forum organized by the PEXE network in partnership with ADEME at the French Ministry of the Economy, Finance and Industrial and Digital Sovereignty;
- Laureate of the French Tech 2030 program, an ambitious new support program operated by La Mission French Tech alongside the Secrétariat général pour l'investissement (SGPI) and Bpifrance;
- Member of the *World Cement Association (WCA)*, the world's largest independent organization working on behalf of the cement industry.

2023 half-year results

The Company's revenue amounted to €1.7 million, corresponding mainly to cement sales of €1.6 million and the invoicing of carbon credits in the amount of €0.1 million. During the first half of 2023, the Company pursued its commercial development with a +251.6% year-on-year increase in cement sales volumes (7,388 tonnes in H1 2023 vs. 2,087 tonnes in H1 2022).

EBITDA was stable year-on-year (-€0.1 million). At the end of June 2023, it stood at -€3.6 million, compared to -€3.5 million at the end of June 2022. The year-on-year decrease in operating expenses (+€0.2 million), due to tight control of certification costs, was offset by the rise in personnel costs (-€0.3 million). The Company's workforce increased from 41 at the end of June 2022 to 56 at the end of June 2023. The sales, R&D, technical and operating teams have been strengthened in accordance with the Company's development plan.

Operating income before non-recurring items for H1 2023 came to -€5.1 million. Change over one year (-€0.4 million) is explained by the evolution of EBITDA and higher depreciation charges.



Financial result was +€0.3 million, up significantly compared with the previous year (+€1.7 million). As a reminder, the Financial Result at the end of June 2022 (-€1.5 million) was marked by the fall in value of the Company's UCITS linked to the effects of the war in Ukraine on the financial markets.

After taking into account tax income of €1.3 million, net income at the end of June 2023 was €3.6 million, compared with €4.6 million at June 30, 2022.

Solid financial structure in line with budget

At June 30, 2023, the Company had a solid balance sheet, with shareholders' equity of €71.2 million.

Available cash amounted to €21 million (and €32.8 million including investments), in line with the Company's development plan.

The change in cash and cash equivalents over the first half of 2023 (-€9.2 million) is explained by operating cash flows (-€3.8 million), investment cash flows (-€3.5 million) linked to the completion of work on the H2 production unit, the construction of the concrete plant and work to upgrade Hoffmann Microtech's production site, as well as loan repayments (-€1.9 million).

The Company's financial statements to June 30, 2023 will be disclosed in the Company's half-yearly financial report, which will be made available to shareholders on the Company's website by October 30, 2023 at the latest, in accordance with legal and regulatory requirements.

Strategy and outlook: short and medium-term financial targets confirmed

In H2 2023, the Company will continue to execute its strategic plan, with a particular focus on :

- Market a volume of 24,000 tons of cement by 2023, equivalent to 13,000 truckloads of concrete. This represents sales in excess of €4.5 million. Given the seasonal nature of its sales, which are higher in the second half of the year, the Company is confident of achieving this target;
- Pursue its industrial deployment through the H3 project, for which construction of the plant is scheduled to start in the first half of 2024, for delivery in 2025. This schedule is in line with the Company's industrial ambitions by 2026;
- Continue to sign contracts with strategic partners in France and abroad;
- Develop the marketing of its carbon credits;
- Develop a fifth technology.

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

Despite the current economic climate, the Company considers that it is well positioned and has strengthened its model in relation to the decarbonization challenges facing the construction sector. Unlike traditional cement manufacturers, the Company is energy-efficient thanks to its clinker-free cold production process, which requires little electricity. This is an asset for its development in France and Europe in the current energy crisis. What's more, from 2025 onwards, with the application of its second, more restrictive threshold, France's Environmental Regulation 2020 (RE2020) will force construction players to use more low-carbon cements, which will encourage the development of Hoffmann cements.



In this context, Hoffmann Green has confirmed its target of selling 550,000 tons of cement a year from three production sites in France by 2026, representing revenue of around €120 million and a 3% share of the French market.

At the same time, on an international scale, as already undertaken in Switzerland and more recently in Saudi Arabia, the Company aims to expand through licensing agreements with partners responsible for financing, building and operating Hoffmann Green vertical production units in their geographical territory, and for marketing the Company's technologies. The Company aims to have 4 units operational by 2026, generating sales of around €10 million. Construction of the first plant is due to start next year in Saudi Arabia.

Overall, the Company expects to achieve an EBITDA margin of around 40% by 2026, with the intermediate milestones of positive EBITDA from 2024 and positive EBITDA from 2025.

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 has two production units powered by a fleet of solar trackers on the Bournezeau site: a 4.0 plant and H2, the world's first vertical cement plant, which was inaugurated in May 2023. A third plant will be built at the major port of Dunkirk in 2024-2025, bringing total production capacity to 550,000 tonnes a year, or 3% of the French market. The Group has developed a genuine technological breakthrough based on the modification of cement composition and the creation of a cold manufacturing process, 0% clinker and low energy consumption, making it a leading and unique player in the cement market, which has not changed for 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.

Hoffmann Green was chosen as one of the 20 French green start-ups in 2022 as part of the French Tech Green20 programme, run by Mission French Tech in partnership with the French Ministry for Ecological Transition. In June 2023, the company was selected as part of French Tech 2030, an ambitious new support programme run by La Mission French Tech alongside the General Secretariat for Investment (SGPI) and Bpifrance.

The company is continuing to expand internationally, signing contracts in the UK, Belgium, Switzerland and recently Saudi Arabia.

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



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