

Hoffmann Green announces its 2021 half-year results

- **Buoyant increase in the volume of cement sold in H1 2021: 1,875 tons, already more than the volume sold over the entire year in 2020**
- **Strengthening of the order book to over 200,000 tons of cement, +29% vs. end-2020**
- **Continuation of the execution of the industrial strategic plan: construction of H2 in line with forecasts and identification of a number of possible sites for H3**
- **Acceleration of the logistics strategy with a planned storage silo in the port of La Rochelle**
- **Strong financial situation with over €62 million in shareholders' equity and €50 million in available cash¹**
- **Extension of the range of low-carbon cements with the launch of H-IONA, the European market's most decarbonized cement, which meets the NF EN 15743 standard and has CE marking**

Chailé-sous-les-Ormeaux (France), September 20, 2021, 7:30 am CEST – Hoffmann Green Cement Technologies (ISIN: FR0013451044, Ticker: ALHGR) ("**Hoffmann Green Cement**" or the "**Company**"), a pioneer in clinker-free low-carbon cement, today announces its results for the first half of 2021 to June 30. The Company's Supervisory Board met on September 17, 2021 and reviewed the accounts to June 30, 2021 approved by the Management Board.

Commenting on the publication of the Company's 2021 half-year results, **Julien Blanchard and David Hoffmann, co-founders of Hoffmann Green Cement Technologies**, said: "*The first half of 2021 was marked by numerous very real breakthroughs on the commercial, industrial and technological fronts. Firstly, we are continuing our commercial development, with a strengthening of our order book, and the volume of cement sold in H1 2021 has already exceeding the total volume sold throughout 2020. From an industrial perspective, just nine months after the launch of its construction, our second plant, H2, is currently 25 meters high and its delivery is expected on schedule by the end of 2022. Furthermore, to speed things up on the logistics front and have direct access to the Atlantic seaboard, we are today unveiling our storage silo project in the port of La Rochelle that will enable us to export finished products and import raw materials by sea. Lastly, in terms of innovation, we have recently expanded our range of cements with H-IONA, the European market's most decarbonized cement that is suitable for a very broad range of applications. This new cement, which meets France's NF EN 15743 standard and has obtained CE marking, perfectly complements our three existing technologies and will allow us to address new markets, in particular the general public with the marketing of 25 kg bags. Buoyed by achieving these various milestones, we are reaffirming our target of addressing 3% of the French cement market by 2026. With these four technologies, we are addressing all construction sector players (concrete companies, contractors present on construction sites, property developers and end-clients), and are thus providing everyone with an opportunity to contribute to the transition towards a more sustainable construction model.*"

¹ The cash position includes €10.0 million in UCITS

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

€ thousands – IFRS	H1 2021	H1 2020
Revenue	540	96
EBITDA	(2,562)	(2,103)
Recurring operating profit/loss (EBIT)	(3,592)	(2,876)
Financial profit/loss	33	(3,036)
Tax	835	1,485
Net profit/loss net	(2,684)	(4,414)

€ thousands – IFRS	At June 30 2021	At Dec. 31 2020
Cash and cash equivalents	40,101	46,268
Shareholders' equity	62,274	64,643

A first half of 2021 marked by dynamic commercial activity, a strengthening of the order book and the continuation of the execution of the industrial plan

The Company enjoyed buoyant activity in the first half of 2021. The volume of cement sold thus totaled 1,875 tons, higher than the level recorded throughout the entire 2020 financial year. Sales concerned H-UKR technology and related to the execution of contracts recorded in the order book (Les Hauts de Tanchets for CCY Investissements, Saint-Leu-la-Forêt with GCC for Immobilière 3F, Gaité Montparnasse with Eiffage Construction for Unibail Rodamco Westfield, the Aizenay high school with GCC, construction of H2 with Eiffage GC, extension of the IFACOM training center alongside Groupe Cougnaud, CO'MET in Orléans with Bouygues Construction, retaining walls for the A10 highway with Bouygues Construction, foundations for the SCI Marle industrial building, etc.)

In terms of order commitments, additional contracts were signed in the first half of 2021, notably with Ouest Réalisations, Edycem, concrete subsidiary of the Hérige Group, Entreprises Nivet, Podeliha, regional subsidiary of the Action Logement group, and Maulini. It should be noted that the Maulini contract represents the first step in Hoffmann Green Cement's expansion beyond its domestic borders. As of the date of this press release, the order book stood at close to 200,000 tons of cement, up 29% compared with the figure at December 31, 2020.

On the industrial front, the construction of the H2 plant in Bournezeau (Vendée, western France) next to the H1 site began, as expected, at the end of 2020. The estimated budget (€22 million) and the schedule are in line with the development plan. As of the date of the Half-year Financial Report, the plant has already reached a height of 25 meters. As a reminder, the unit is being entirely constructed using Hoffmann cement. The plant is due to be delivered at the end of 2022.

At the same time, the Company is continuing its search for land in the Paris area to build its H3 plant, which will be modeled on the H2 plant. A number of plots of land meeting the Company's specifications have been targeted and talks are currently ongoing. The Company wants to choose the location of its new Parisian site by the end of 2021.

In recent months, the Company had been putting out feelers with a view to establishing a presence in a port on the Atlantic seaboard, the aim being to have maritime access both for incoming supplies of raw materials and outgoing shipments of finished products. This site is a key component of the Company's sustainable logistics strategy. Talks are currently being finalized with the port of La Rochelle (which lies halfway down France's Atlantic coast) with a view to constructing facilities for loading and unloading materials as well as storage silos. The signing of an agreement for the temporary occupation of public land for the next 25 years is envisaged by the first quarter of 2022. The investment, in accordance with the Company's development plan, is estimated at €10 million.

In terms of human resources, the Company is continuing to scale up thanks to the recruitment of additional staff in the technical, development, research and production fields. A Director of Certification and Accreditation has notably been appointed. These resources will help support Hoffmann Green Cement's commercial and industrial development. The Company thus had 29 employees at June 30, 2021 versus 18 at June 30, 2020. Additional recruitments are planned during the second half of 2021. The Company is notably expecting to double its sales force by the end of 2021.

In line with its ambitious Research & Development and Innovation policy, the Company has reached a new milestone in the protection of its intellectual property with the granting of an H-EVA patent in Europe, following the one granted in the United States in January 2020. Obtaining this patent is a key step within the framework of the Company's international expansion, particularly in the United States.

The Company is also continuing to pursue its CSR (Corporate Social Responsibility) roadmap. The Company undertook and published, at the beginning of the year, a *Bilan Carbone*[®] scope 3 carbon assessment on the strength of the Net Zero Initiative[®] database developed by the Carbone 4 consulting firm. At the same time, the Company has committed to follow 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 Cement has obtained 13A+, one of the highest ratings in the ACT database. Furthermore, the Company's ESG performances have been assessed by two independent players specializing in extra-financial ratings. Hoffmann Green Cement thus obtained a rating of 54 from consulting agency Ethifinance (placing it 23rd out of the 78 companies in the panel with revenue of less than €150 million) and 20.8 from international ratings agency Sustainalytics (putting it 3rd out of the 115 companies assessed that produce building materials).

Lastly, to help its clients comply with the sector's regulatory and environmental requirements, **the Company has developed and made available online a calculator ("PHARE")** that measures the carbon footprint of its concrete on the scale of a construction site. This calculator has been certified by INIES, the French national reference database of environmental and health declarations for products, equipment and services for assessing constructions' performances.

Half-year results

The Company continued its development in the first half of 2021. Over the period to June 30, 2021, it generated revenue of €540 thousand corresponding to €420 thousand in sales by volume of cement and €120 thousand in billed engineering services. The volume of cement sold has significantly increased over the last year, from 378 tons in the first half of 2020 to 1,875 tons in the first half of 2021.

Operating expenses include personnel costs of €1.1 million, reflecting the scaling up of the teams. They also include external expenses of €2 million primarily associated with purchases of raw materials and the tests undertaken with the Company's partners over the period.

EBITDA was -€2.6 million in the first half of 2021 compared with -€2.1 million in the same period of 2020.

At June 30, 2021, the Company's Recurring Operating loss (EBIT) and Operating loss came to -€3.6 million. The increase of €0.7 million in this figure compared with last year was due to the structuring of the teams (-€0.4 million), and the increase in amortization charges associated with the commissioning of facilities and equipment in 2020 and early 2021.

The financial result saw a significant improvement of €3.1 million compared with last year, giving a small profit. As a reminder, the financial loss for the six months to June 30, 2020 was marked by UCITS losses and depreciations resulting from the impact of the COVID-19 pandemic on the financial markets.

Once tax income of €0.8 million is taken into account, the Net loss at June 30, 2021 was -€2.7 million.

A solid financial situation

At June 30, 2021, the Company had a solid balance sheet with Shareholders' Equity of €62.3 million, down €2.3 million since December 31, 2020 primarily due to the net loss over the period. It had €40.1 million in available cash (€50.1 million including UCITS). The change in the cash position over the period (-€6.2 million) was a result of investment cash flow primarily associated with the construction of the H2 production plant and operating cash flow including the building up of inventories of blast furnace slag, partly offset by the receiving of bank loans for €5.0 million.

It should be noted that the Company has subscribed to €6.0 million in bank loans that should be received during the second half of this year and will increase the level of available cash accordingly.

Lastly, the Company has an unused credit line of €10.0 million.

Events since the end of H1 2021

In July 2021, the Company signed a 3-year partnership agreement for the development and marketing of its low-carbon cement with Alegina, a Vendée-based company that specializes in designing and manufacturing innovative materials and products from oyster shells and other seashells.

In September 2021, following over five years of appraisals, the H-P2A patent, already validated in the United States in January 2020, was validated by the European Patent Office under number 3274315. The granting of this European patent represents a key step in the Company's future overseas development.

The Company has just announced the commercial launch of H-IONA, its 4th technology, the European market's most decarbonized cement that is accessible to everyone and has a carbon footprint of less than 150 kg of CO₂ per ton. The first low-carbon cement to obtain CE marking, H-IONA can be applied in numerous areas of construction and is for the first time accessible to the general public, as it will be available in 25 kg bags. This new cement further enhances the range of technologies developed by Hoffmann Green Cement and allows it to address new markets in perfect complementarity with those already targeted by its other three technologies (H-UKR, H-P2A and H-EVA).

A winning strategy and a promising outlook

The Company is maintaining its target of achieving a 3% share of the French cement market with revenue of €120 million by 2026. To do this, the Company is reaffirming its industrial plan to open two more plants (H2, whose construction is already underway, and H3) capable of producing 250,000 tons each by 2024/2025: H2 in 2022 and H3 in 2024/2025. These units will be located in Bournezeau in the Vendée region of western France (H2) and in the Paris region (H3) and, by the end of the period covered by the plan, should reach a total production capacity of 550,000 tons of cement per year on the three production sites (H1, H2 and H3).

In 2021, the Company currently expects to market 10,000 tons of cement, corresponding to its partners' commitments, versus the figure of 20,000 tons indicated when H1 2020 results were published. So far in 2021, the Company has increased its order book by 45,000 tons, most of which will be produced beyond the 2021 financial year.

Hoffmann Green Cement expects to record positive EBITDA from 2022 and a Recurring Operating Profit from 2023. It is maintaining its EBITDA margin target of 40% by the end of the period covered by the plan.

Hoffmann Green Cement Technologies' financial report will be available on the Company's website at: <https://www.ciments-hoffmann.com/investors/financial-informations/financial-reports/>

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

Hoffmann Green Cement contacts

Hoffmann Green Cement	NewCap	NewCap
Jérôme Caron Chief Financial Officer finances@ciments-hoffmann.fr +33 (0)2 51 46 06 00	Pierre Laurent Thomas Grojean/Quentin Massé 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

Appendices

Simplified income statement

€ thousands – IFRS	H1 2021	H1 2020
Revenue	540	96
Other income from activity	21	4
Purchases consumed	(532)	(119)
Other external purchases and expenses	(1,631)	(1,622)
Personnel costs	(1,076)	(658)
Tax	(48)	(49)
Change in inventories	36	18
Other operating income and expenses	128	227
EBITDA	(2,562)	(2,103)
Depreciation, amortization and provisions	(1,031)	(773)
Recurring operating profit/loss (EBIT)	(3,592)	(2,876)
Other operating income and expenses	41	13
Operating profit/loss	(3,552)	(2,863)
Cost of net financial debt	30	(3,039)
Other financial income and expenses	3	3
Tax	835	1,485
Consolidated net profit/loss	(2,684)	(4,414)

Balance sheet

€ thousands – IFRS	At June 30 2021	At Dec. 31 2020
Intangible assets	4,103	3,579
Tangible assets	20,561	16,026
Other financial assets	10,089	10,073
Other non-current assets	223	223
Non-current tax assets	6,195	5,439
Total non-current assets	41,171	35,340
Inventories and work-in-progress	2,675	46
Accounts receivable	681	445
Other current assets	2,468	2,970
Current tax assets	10	4
Cash and cash equivalents	40,101	46,268
Total current assets	45,935	49,733
TOTAL ASSETS	87,106	85,074

€ thousands – IFRS	At June 30 2021	At Dec. 31 2020
Shareholders' Equity – Group share	62,274	64,643
Shareholders' Equity – minority interests		-
Total Shareholders' Equity	62,274	64,643
Borrowings and financial debt	17,240	13,637
Provisions for pensions	35	37
Other non-current liabilities	2,095	1,833
Non-current tax liabilities		62
Total non-current liabilities	19,369	15 569
Borrowings and financial debt	2,704	2,175
Accounts payable	2,012	2,142
Other current liabilities	747	537
Current tax liabilities		7
Total current liabilities	5,463	4,861
TOTAL LIABILITIES	87,106	85,074