



Hoffmann Green announces its 2022 half-year results

- Strengthening of the order book to 210,000 tons at end-June 2022: six new contracts signed, two of them abroad
- Creation of a first Joint Venture in Switzerland
- Acquisition of a grinding facility to increase competitiveness
- Deployment of the industrial strategy in line with the plan
- Volumes sold up by 11%, below expectations within the context of inflation and postponements of site launches
- Solid financial structure: shareholders' equity of €77 million and cash position of €53 million (including placements)
- Medium-term financial targets reaffirmed, driven by a favorable inflationary and regulatory context strengthening Hoffmann Green's model

PRESS RELEASE - SEPTEMBER 2022

Chaillé-sous-les-Ormeaux (France), September 19, 2022 – 8:00 am CEST: Hoffmann Green Cement Technologies (ISIN: FR0013451044, Ticker: ALHGR), an industrial player committed to decarbonizing the construction sector that designs and distributes innovative clinker-free cement, announces its results for the first half of 2022. The Company's Supervisory Board met on September 16, 2022 and reviewed the accounts to June 30, 2022 approved by the Management Board.

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

| € thousands – IFRS | At June 30, 2022 | At June 30, 2021 |
|--|------------------|------------------|
| Revenue | 544 | 540 |
| EBITDA | -3,519 | -2,561 |
| Recurring operating profit/loss (EBIT) | -4,720 | -3,592 |
| Financial profit/loss | -1,455 | 33 |
| Tax | 1,586 | 835 |
| Net profit/loss | -4,558 | -2,684 |

| € thousands – IFRS | At June 30, 2022 | At December 31, 2021 |
|---------------------------|------------------|----------------------|
| Cash and cash equivalents | 40,999 | 56,704 |
| Shareholders' equity | 76,895 | 81,399 |

Julien Blanchard and David Hoffmann, co-founders of Hoffmann Green Cement Technologies, said: *“The first half of 2022 allowed us to achieve several defining milestones in our development. Firstly, the signing of contracts with major construction players such as Bouygues Immobilier has boosted our order book. Abroad, we have completed the first steps in our development with the setting up of a subsidiary in Switzerland and the signing of our first distribution contract in the United Kingdom. At the same time, we are continuing to deploy our industrial roadmap with the finalization of the H2 site that will become operational in the coming months and the signing of an occupancy agreement for land in Dunkirk Major Sea Port, where we will build the H3 plant. Furthermore, we are optimizing our cost structure in order to benefit from increased competitiveness thanks to the acquisition of ABC Broyage, which will enable us to internalize part of the processing of our raw materials. Buoyed by this momentum and a favorable regulatory context with the French RE2020 Environmental Regulations, we intend to intensify our development in the coming months. In the first half of this year, the growth in volumes sold fell short of expectations as a result of building projects being postponed due to rising inflation and the unprecedented shortage of construction materials that is affecting the entire sector. However, in the medium term, the current energy crisis is demonstrating just how important it is to move towards decarbonized and energy-efficient solutions such as those deployed by Hoffmann Green, which uses a heating-free manufacturing process. This unprecedented crisis thus confirms our positioning as a leading player of the cement industry’s energy transition”.*

An active first half of 2022 with several commercial, industrial and R&D milestones achieved

Increase in the order book and the volume of cement sold:

- Cement orders were up by 10,000 tons thanks to the signing of determining new partnerships with key players in the sector: Bouygues Immobilier, Duret Immobilier, P2i, Les Maçons Parisiens and Cemblend;
- Volumes of cement sold were up by 11% to 2,087 tons compared to a year ago, below the Company’s expectations. In the short term, the sales momentum is being penalized by an inflationary context and the shortage of building materials. Construction players are seeing unprecedented rises in raw material prices, leading them to postpone certain projects.

International expansion of Hoffmann cements:

- Creation of a Joint Venture with a Swiss construction player to produce, in a plant similar to Hoffmann Green’s second production site (H2), and exclusively distribute Hoffmann cements in Switzerland;
- Signing of a first partnership deal in the United Kingdom with Cemblend, a British supplier of customized cement powder mixes.

Execution of the industrial strategy and optimization of the logistics circuit:

- Construction of H2 is continuing on schedule, with the plant due to be delivered by the end of 2022. As a reminder, this production site's budget is €22 million. As of June 30, 2022, the remaining balance to be paid is €5 million;
- Signing of a 40-year AOT (*Autorisation d'Occupation Temporaire*, or Temporary Occupation Permit) in Dunkirk Major Sea Port (*Grand Port Maritime de Dunkerque*) in order to build the Company's third production site (H3);
- Signing of a 25-year AOT in the port of La Rochelle in order to build silos and facilities for loading and offloading raw materials;
- First external growth operation, with the acquisition of the ABC Broyage group to internalize the treatment of raw materials (blast furnace slag), which will allow Hoffmann Green to become more independent, expand its supply capability and increase its competitiveness. The acquisition, for €1.7 million, was paid for in cash.

Intellectual property extended and construction of a concrete mixing plant 4.0 to further strengthen barriers to entry:

- H-UKR has become the world's first clinker-free cement to be validated under ATEX case A by the CSTB and has obtained type 'A' ATEX for a large number of indoor and outdoor applications;
- H-EVA patent granted in China;
- Launch of the construction of an eco-responsible concrete mixing plant 4.0 to develop concrete formulations based on Hoffmann Green's clinker-free cements. Total investment of €1.5 million.
- Hoffmann Green is one of the 20 French jewels selected by the French Ministry of Ecological Transition (*Ministère de la Transition Ecologique*) to participate in the French Tech Green20 program.

Continuation of the implementation of the CSR roadmap and change in Governance:

- Undertaking and publication of a new *Bilan Carbone*[®] SCOPE 3 carbon assessment;
- 11-point improvement in the Company's Ethifinance rating to 65/100;
- Expansion and feminization of the Management Committee to 9 members, including 2 women, to more broadly involve the teams in the Company's strategic decisions and to strengthen synergies.

2022 half-year results

In the first half of 2022, the Company continued its commercial development with a more than 11% increase in the volumes of cement sold compared to a year ago (2,087 tons in H1 2022 vs. 1,875 tons in H1 2021). The Company generated €0.5 million in revenue, essentially corresponding to €0.4 million in cement sales and €0.1 million in billed engineering services. This sales momentum is less dynamic than expected because of the high inflation and shortage of building materials affecting builders, contractors and real-estate developers. This unprecedented situation has led to construction work being pushed back by, according to the Company's estimates, an average of 6 to 12 months.

EBITDA was -€3.5 million at June 30, 2022 versus -€2.6 million at June 30, 2021. This decrease was primarily due to the increase in raw material purchases within the framework of R&D tests and developments (-€0.7 million) and the resumption of trade fairs and shows (-€0.2 million). The sales, R&D and technical teams have been strengthened in accordance with the development plan. Other operating income and expenses were globally stable compared to last year.

The H1 2022 Recurring Operating Loss was €4.7 million. The deepening of this loss compared to H2 2021 (-€1.1 million) was due to the change in EBITDA and the increase in depreciation charges.

At June 30, 2022, there was a Financial Loss of €1.5 million, impacted by UCITS depreciations and losses and the effects of the war in Ukraine on the financial markets.

Altogether, once tax income of €1.6 million is taken into account, the Net Loss at the end of June 2022 was €4.6 million.

The Company's half-year accounts to June 30, 2022 will be published in the half-year financial report that will be made available to shareholders on the Company's website no later than October 28, 2022, in accordance with legal and regulatory provisions.

Solid financial structure in line with the budget

At June 30, 2022, the Company had a solid balance sheet with Shareholders' Equity of €76.9 million, up €14.6 million compared with the figure at June 30, 2021 as a result of the capital increase successfully carried out in December 2021 (€22.5 million).

Hoffmann has €41 million in available cash (€52.8 million including placements). The change in the cash position over the period (-€15.7 million) was due to investment cash flow (-€11.3 million) primarily associated with the construction of the H2 production plant, operating cash flow (-€3.1 million) and loan repayments (-€1.3 million).

Strategy and Outlook: medium-term financial targets reaffirmed, driven by a favorable inflationary and regulatory context strengthening Hoffmann Green's model

In H2 2022, the Company will continue to deploy its operational roadmap with the following priorities:

- **Industrial:**
 - H2 plant scheduled for delivery during the fourth quarter of 2022;
 - Launch of the construction of the La Rochelle silos.
- **Commercial:**
 - Signing of more contracts with strategic partners in France;
 - Signing of the first contracts abroad;
 - Objective of selling more than 10,000 tons of cement in 2022, generating more than €2.3 million in revenue, compared to a previous target of 20,000 to 30,000 tons, due to the postponement of construction work Hoffmann Green is participating in.
- **R&D:**
 - Construction of the concrete mixing plant 4.0;
 - Development of a fifth technology.

2026 guidance reaffirmed: sales of €130 million and EBITDA margin of 40%

Contrary to traditional cement, Hoffmann Green sets itself apart through its energy sobriety thanks to a heating-free and clinker-free production process requiring little electricity. Within the current context of energy price inflation, the pertinence of Hoffmann Green's positioning is thus stronger than ever. At the same time, the Company is planning to expand its fleet of solar trackers to 12 units by the end of 2022 in order to increase its energy self-sufficiency. Furthermore, from 2025, the French RE2020 environmental regulations will require construction players to use decarbonized cements such as those produced by Hoffmann Green.

Buoyed by its solid financial situation and this favorable medium-term context, the Company continues to have confidence in the pertinence of its project and in its ability to meet its commercial and financial targets. In France, it is thus reaffirming its objective of selling 550,000 tons of cement a year by 2026 through three production sites, giving revenue of approximately €120 million, corresponding to a French market share of 3%. Abroad, the Company wants to grow via licensing agreements with partners in charge, on their geographical territory, of financing, building and running Hoffmann Green Cement production plants and marketing Hoffmann Green Cement's technologies. The Company aims to have 4 plants up and running by 2026 generating revenue of around €10 million. The Company feels that it should be able to achieve an EBITDA margin of approximately 40% by 2026.

At the same time, the Company will closely monitor the evolution of the increase in energy and transport costs and the supply difficulties affecting certain raw materials that are currently impacting the construction sector.



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 6 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 already operational 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 clean, heating-free and clinker-free 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, Hoffmann Green Cement is thus actively participating in the energy transition 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.com

HOFFMANN GREEN CONTACTS

Hoffmann Green

- Jérôme Caron
- Chief Financial Officer
- finances@ciments-hoffmann.fr
- +33 2 51 460 600

NewCap Investor Relations

- Pierre Laurent
- Thomas Grojean
- Quentin Massé
- ciments-hoffmann@newcap.eu
- +33 1 44 71 94 94

NewCap Media Relations

- Nicolas Merigeau
- ciments-hoffmann@newcap.eu
- +33 1 44 71 94 98

Hoffmann Green Cement Technologies | Telephone: +33 2 51 460 600 | E mail: finances@ciments-hoffmann.fr

