

Vénissieux, 5 March 2020

2019 FULL-YEAR RESULTS:
SUCCESSFUL MARKET LAUNCH
AND INITIAL INDUSTRIAL SCALE-UP
IN LINE WITH MID-TERM TARGETS

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BOOSTHEAT (FR0011814938 / BOOST), a French energy efficiency manufacturer that designs, develops, and markets a new generation of economical, eco-friendly boilers, today publishes its earnings for the 2019 financial year. The BOOSTHEAT Board of Directors approved the financial statements on 4 March 2020. The statutory auditors have completed their audit of the consolidated financial statements and are currently preparing their audit report for certification purposes.

IFRS (€000) - audited	2018	2019
Revenues	-	490
Purchases consumed	(1,598)	(2,579)
Other purchases and external expenses	(2,646)	(3,098)
Personnel costs	(3,963)	(6,012)
Taxes and duties	(207)	(230)
Other operating income and expenses	1,108	728
EBITDA¹	(7,306)	(10,701)
Net depreciation, amortization and provision	(761)	(2,813)
Recurring operating income	(8,067)	(13,514)
Non-recurring operating income and expenses	(515)	(648)
EBIT	(8,582)	(14,162)
Net cost of debt	(40)	(50)
Other financial income and expenses	(416)	(4,356)
Net income/(loss)	(9,038)	(18,568)

BOOSTHEAT CEO and co-founder Luc Jacquet made the following statement to coincide with the publication of 2019 earnings:

*"In 2019 we saw proof of **the appeal of our boiler and the market's interest in solutions like ours designed to meet the challenges of energy transition**. We recorded 381 orders in 2019, nearly double our initial target, and recognized the first sales under revenues.*

*It was a particularly eventful year for BOOSTHEAT marked by the **successful IPO on Euronext**, which gave us the funding we need to pursue and step up our development.*

*In 2019, we **produced our first boilers using a more industrial approach**. This was an opportunity to reach a major milestone in optimizing our manufacturing processes. We also **carried out the first installations for customers**, the last stage of the process which will show how our product stands up to the complexities of individual homes. Customer*

¹EBITDA = Recurring operating income before net depreciation, amortization and provision.

feedback will provide inspiration for further improving our solution, including for instance, integrating more advanced connectivity into our boiler.

***2020 will be a year of consolidation in terms of commercial, operational and economic efficiency.** We are building the trajectory towards achieving the 2022 target for our recurring operating income to which we committed at the time of the IPO. This profitability will come from growing revenues and reducing costs. We will convince the market of our ability to manage both aspects of our business.*

These major advances confirm our goals and mission to accelerate energy transition by offering affordable, energy-efficient solutions.”

| 2019, A YEAR OF BOOMING SALES: ORDER INTAKE WELL OVER TARGET

By 31 December 2019 BOOSTHEAT had clocked up 381 orders, nearly doubling the 200 order target set at the time of the IPO. This promising achievement confirms the appeal of the BOOSTHEAT.20 boiler and the appropriateness of its positioning with regard to market expectations.

The product scored a resounding success on the French market, the first target of the Group's sales campaigns, which generated 302 orders. Sales were achieved through three different channels, proving the Group's commercial flexibility: 54% direct sales to individual customers (B2C), 37% under a conventional indirect sales model (B2B2C) and 9% sales to professionals (B2B).

In Switzerland, HOLDIGAZ ordered 50 BOOSTHEAT.20 boilers which it will market directly across its own territory. First boilers were delivered in late 2019/early 2020.

In Germany, the Group scored an initial success with 29 orders, mainly B2B. Sales were boosted by the award of BAFA certification, a sign of recognition for BOOSTHEAT's innovative technology from Germany's technical authorities. BAFA provides the most generous incentive scheme for households switching to more eco-friendly systems.

| OPEX TRENDS IN LINE WITH ROADMAP

Out of a total 381 orders received by the end of 2019, 40 boilers were installed in 2019 (including 20 pilot projects) generating revenues of around €0.5 million.

The EBITDA loss increased from €7.3 million in 2018 to €10.7 million in 2019 impacted by the first phase of the Company's industrial and commercial scale-up. Operating expenses are in line with the roadmap, given the strong growth expected over the coming years. Sales and marketing operating expenses rose €1.5 million and production expenses increased by €1.4 million, while **other expenses (innovation, operations and support) fell €0.6 million in total.**

Personnel costs left in charge increased by + 51.7% as of 31 December 2019 due to the lower activation of capitalized development costs. The evolution of the average workforce over the year (+ 23%) and the loss of innovative

start-up (JEI) status lead to an effective increase of 27% in these personnel costs. BOOSTHEAT's workforce at 31 December 2019 is 97 employees.

The Group is currently working on optimizing operating expenses in order to, at least, stabilize recurring operating expenses in 2020.

Recurring operating income amounted to a €13.5 million loss at end 2019, impacted by the accelerated amortization of development costs in relation to the market launch of BOOSTHEAT.20.

It is to be highlighted that the Group recognized a €0.6 million non-recurring expense related to IPO costs not allocated to the share premium.

Net financial expense amounted to €4.4 million, mainly impacted by (i) the early redemption of bonds, the proceeds of which (€3.7 million) were immediately reinvested by bondholders at the time of the IPO and (ii) the recognition of the change in fair value of equity warrants (€0.6 million), with no impact on cash.

As a result of the foregoing, the Company posted a net loss of €18.5 million for the financial year ended 31 December 2019.

I BALANCE SHEET BOLSTERED BY SUCCESSFUL IPO, GROSS CASH AND CASH EQUIVALENTS OF €18.3M AT 31 DECEMBER 2019

In October 2019, the Group raised €36.9 million through its IPO in order to finance its future growth and development plans.

As of 31 December 2019, shareholders' equity stood at €20.1 million.

The net cash outflow in 2019 was €19.4 million, directly related to the first phase of the Group's industrial and commercial scale-up. This includes €2.3 million of capital expenditure (mainly capitalized R&D costs), a €1.3 million increase in inventories corresponding to upcoming deliveries in 2020 and a €3.7 million outflow related to the early redemption of bonds.

Bolstered by the funds raised through the successful IPO, gross cash and cash equivalents amounted to €18.3 million as of 31 December 2019 versus €2.2 million a year earlier. Gross debt amounted to €13.2 million comprising €7.1 million of liabilities arising from the application of IFRS 16 to lease valuation, €4.0 million of conditional advances and bank borrowings totaling €2.0 million.

The Group currently has sufficient financial leeway to finance its development until end 2020. Beyond this date, BOOSTHEAT is looking into ways of raising further bank financing for working capital needs and additional financing by the European Investment Bank (EIB).

I ON TRACK TOWARDS ACHIEVING MID-TERM TARGETS

On the basis of initial manufacturing experience and user feedback, BOOSTHEAT plans to adapt its production processes in order to scale up production in the future.

During the first half, the Group will focus on internal processes and installation while pursuing sales campaigns in a reasonable manner so as not to prolong delivery times. Furthermore, BOOSTHEAT is confident in this year's confirmation of the order of 250 boilers by HOLDIGAZ as announced at the time of the IPO.

The remaining order backlog, which represents revenues of €4.8 million, will be recognized gradually as boilers are installed.

On the strength of these developments, BOOSTHEAT aims to boost order intake in order to achieve its target of raising annual orders to 4,500 by 2022.

The Group will also continue to roll out the distribution and installation network. BOOSTHEAT currently boasts a strong network of partners in France comprising 64 companies including Gaz de Bordeaux, the UNERGIES network, Logista Hometech and ISERBA group offering nationwide coverage (over 1,200 agents). Installers follow training courses provided by the BOOSTHEAT Academy and some of them are already accompanying BOOSTHEAT technicians in situ during installation. They will gradually take over BOOSTHEAT.20 deliveries during the year. The B2B2C sales model that BOOSTHEAT tested on its first sales is showing promise and the Group plans to maintain a key role for the installer network in its sales strategy.

In Germany, the first installer partners have joined the network and will take charge of deliveries in 2020. The Group has already identified strong potential in this country, which is expected to be a primary source of growth over the coming years.

Meanwhile, the Company will continue the developments announced at the time of the IPO, including opening a subsidiary in Belgium during the second half of 2020 and expanding new applications around its thermal compressor (solar coupling, high-powered BOOSTHEAT.50, etc.). The Group will also draw on user feedback in order to optimize its solution and integrate more advanced connectivity in 2020. Concurrently, the Group is working on optimizing BOOSTHEAT.20 production costs, which should allow it to maximize gross margin growth following the ramp-up of volumes expected from 2021 onwards.

Accordingly, the Group is well on the way towards meeting its IPO commitments. The appeal of BOOSTHEAT.20, as confirmed by its promising market launch and the strong interest shown by professional networks in the main target countries, coupled with the scheduled reduction in fixed operating expenses, strengthens the Company's confidence in achieving the targets announced for 2022, in particular its goal of posting breakeven in recurring operating income.

Read more about BOOSTHEAT at
www.boostheat-group.com

ABOUT BOOSTHEAT

Founded in 2011, BOOSTHEAT designs, develops, produces and markets heating solutions that are technologically advanced, energy-efficient and sustainable. BOOSTHEAT's new-generation boilers feature a patented thermal compressor, enabling them to achieve efficiency of up to 200% and reducing energy consumption by up to half. They are more environmentally friendly and economical, giving all users the opportunity to achieve an immediate and significant reduction in their environmental impact.

The Company's mission is to accelerate energy transition through its products by making them affordable to the widest possible spectrum of the population. BOOSTHEAT has its head office and manufacturing plant in Vénissieux, near Lyon (historically an HVAC* industrial zone). The Company holds the Innovative Company (BpiFrance) and French Fab labels. BOOSTHEAT is listed on Euronext à Paris, Compartment C (ISIN: FR0011814938).

*Heating, ventilation and air-conditioning

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