

Vénissieux, 17 September 2020

BOOSTHEAT CONFIRMS THE TRAJECTORY OF ITS EFFICIENCY 2022 PLAN AND PROVIDES DETAILS OF ITS FIRST-HALF 2020 RESULTS

- **Implementation of the three-part Efficiency 2022 plan;**
- **Stabilisation of operating expenses in the first half of 2020;**
- **Efficient management of the cash position;**
- **Confirmation of commercial and financial ambitions.**

BOOSTHEAT (FR0011814938 / BOOST), a French energy efficiency manufacturer, is today publishing its interim results for the six months ended 30 June 2020 and confirming the trajectory and goals of its Efficiency 2022 strategic action plan. The Audit Committee met on 15 September 2020. BOOSTHEAT's Board of Directors approved the financial statements on 16 September 2020. The statutory auditors have completed their limited review of the consolidated financial statements and are currently preparing their report for certification purposes. The interim financial report will be published by 30 September 2020.

| BOOSTHEAT EXECUTING ITS STRATEGY

On 7 July 2020, the Group announced its Efficiency 2022 strategic plan. The plan involves enhancing the performance and reliability of its BOOSTHEAT.20 boiler, restructuring its commercial and technical activities and streamlining its cost structure in order to put the Group on a trajectory that will ensure commercial success and improved economic performance.

Today, BOOSTHEAT is providing its first update on the actions it has taken and confirming the plan's ambitions.

BOOSTHEAT.20 CONNECT: central to the Group's strategy

Product optimisation work has progressed in line with the Group's expectations. BOOSTHEAT has made extensive use of its in-house expertise along with external skills to help it reach its goals in this area.

BOOSTHEAT is currently on track to reach its previously announced milestones and is **still aiming to resume commercial activities in the first half of 2021** based on the upgraded version of its product – the BOOSTHEAT.20 CONNECT – which will be available in the second half of next year. BOOSTHEAT is also maintaining its efforts to achieve those milestones ahead of schedule.

A new organisation suited to the company's current context

BOOSTHEAT intends to bring together all of its activities and skills (production and R&D) at its Vénissieux site, at the heart of France's HVAC industry¹. By bringing its operations closer together, the Company will become more efficient and able to focus its processes around its production facility, while also reducing overheads.

On 7 July 2020, BOOSTHEAT held an initial meeting with its unions and presented to them a restructuring plan addressing the new strategic challenges faced by the company, including an Employment Safeguard Plan (PSE). A second meeting took place on 24 August 2020. The negotiations resulted in the signature of an agreement, subject to the approval of the Social and Economic Committee in its upcoming meeting and subject to the final approval of the regional department of business, competition, consumption, labour and employment (DIRECTTE), in accordance with the statutory procedure.

While respecting the prerogatives relating to the discussions with employee and government representatives, the plan could lead to the loss of around 40 jobs², mostly in manufacturing and R&D and including the recent restructuring of the BOOSTHEAT France commercial subsidiary³, which is already focusing on the new B2B commercial model and customer support activities.

BOOSTHEAT is continuing to hold discussions with employee representatives in accordance with the regulatory timetable and procedures. BOOSTHEAT's management will not disclose any information that falls under the prerogatives of the company's Social and Economic Committee. The timetable for any measures is likely to extend until the end of 2020.

Streamlined cost structure

The cost-cutting plan initiated in late 2019, combined with measures to reduce overheads and a Design2Cost project to reduce the BOOSTHEAT.20's BOM⁴, should enable BOOSTHEAT to lower its breakeven point significantly. Together, these measures are giving the Company greater financial visibility. The expenditure schedule resulting from the Efficiency 2022 plan would mean that operations are funded until September 2021, allowing the Company to implement the Efficiency 2022 plan in full and according to the planned timetable.

I STABILISING OPERATING EXPENSES

In the first half of 2020, BOOSTHEAT made a loss of €5.0 million at the EBITDA level, as opposed to a loss of €4.2 million in the first half of 2019. The difference was mainly due to a €0.5 million increase in purchases consumed and a €0.3 million increase in external expenses relating to the production of the Company's first boilers. Personnel costs fell by €0.1 million due to changes in the workforce (91 employees at 30 June 2019, 97 employees at 31 december 2019 and 84 employees at 30 June 2020) as well as furloughing measures. Support and subsidies (recognised under

¹Heating, ventilation and air conditioning.

² At 30 June 2020, the BOOSTHEAT group employed 89 people, of whom 69 were permanent employees of BOOSTHEAT SA, 15 of BOOSTHEAT France and 5 of BOOSTHEAT Germany (excluding staff members on apprenticeship and work-study programmes).

³ Including the redundancy of nine people, mainly working in B2C operations.

⁴ Bill Of Materials, or the cost of the items needed to make a product.

operating income) fell by €0.2 million to €0.3 million in the first half of 2020 as opposed to €0.5 million in the year-earlier period.

After net depreciation, amortisation and provision expenses of €1.4 million as opposed to €1.1 million in the first half of 2019 – due to the ongoing depreciation and amortisation of BOOSTHEAT.20-related assets – BOOSTHEAT made a recurring operating loss of €6.4 million as opposed to €5.3 million.

Net financial expense fell by €0.2 million (from €0.4 million in the first half of 2019 to €0.2 million in the first half of 2020) due to savings arising from the conversion of bonds redeemable in shares (ORA) and bonds with warrants (BSA) at the time of the IPO.

After recognising a €1.1 million mark-to-market (non-cash) gain on the remaining warrants in issue, BOOSTHEAT made a net loss of €5.5 million in the first half of 2020 as opposed to €5.7 million in the year-earlier period.

Taking into account the first-half loss, equity amounted to €13.6 million as opposed to €20.1 million at 31 December 2019.

At 30 June 2020, the Group had €17.2 million of available cash, versus €18.3 million at 31 December 2019. Gross debt amounted to €13.0 million at 30 June 2020, comprising €4.0 million of conditional advances and €9.0 million of bank loans (excluding €6.6 million of IFRS 16 lease liabilities). As previously announced, in June 2020 the Group obtained €7.3 million of new resources, comprising €6.0 million of state-guaranteed loans, a €1.0 million innovation loan and €0.3 million of subsidies from the Auvergne-Rhone-Alpes region. The Group's cash position will cover its funding requirement until September 2021 at least. The Group is also expecting to receive €0.7 million of funds by November 2020 relating to CIR research tax credits recognised in 2019.

| CONFIRMING 2022 GUIDANCE

BOOSTHEAT's various partners remain committed to the BOOSTHEAT.20 CONNECT. In particular, Holdigaz group subsidiary Novogaz has confirmed its intention to buy 250 BOOSTHEAT.20s, with the ordering schedule aligned with the market launch of the BOOSTHEAT.20 CONNECT. In general, the Group's order book – including all B2B, B2B2C and B2C orders – is being reviewed in conjunction with its various installer networks and partners to align with the availability of the BOOSTHEAT.20 CONNECT.

BOOSTHEAT is confirming its ambition – as announced on 7 July 2020 – of **generating positive EBITDA from 2022 onwards with sales of at least 2,000 boilers.** With all of the measures it is taking, BOOSTHEAT expects to achieve cumulative savings of €10 million by the end of 2022.

The Company will keep the market informed of all material progress on any aspect of the Efficiency 2022 plan.

Luc Jacquet, CEO and co-founder of BOOSTHEAT, said:

“We are transforming our business while maintaining the schedule we previously announced. BOOSTHEAT is implementing its Efficiency 2022 plan at the operational level to achieve the expected efficiency and financial gains. We are working with staff representatives in a pro-active way to adjust our organisation and manage our skills base. We are focusing most of our attention on the BOOSTHEAT.20 CONNECT, ensuring its reliability and efficiency, in line with our targets and previous announcements.”

APPENDICES

Income statement for the six months ended 30 June 2020

In € thousands	First half 2019 (6 months)	First half 2020 (6 months)
Revenue	25	40
Purchases consumed	-902	-1,364
Other purchases and external expenses	-1,351	-1,674
Personnel costs	-2,375	-2,243
Taxes and duties	-124	-59
Net depreciation, amortisation and provisions	-1,069	-1,382
Other operating income and expense	504	301
Recurring operating income	-5,292	-6,381
Other non-recurring operating income and expense	0	0
Operating income	-5,292	-6,381
Net cost of debt	-378	-216
Change in the fair value of derivative-related liabilities		1,118
Income before tax	-5,670	-5,479
Income tax		
Net income	-5,670	-5,479

Balance sheet at 30 June 2020

In € thousands	31/12/2019	30/06/2020
Development costs	4,538	3,990
Concessions, patents, trademarks, software and similar rights	132	132
Intangible assets in progress	1,503	2,551
Intangible assets	6,173	6,673
Right-of-use assets relating to leased buildings	5,335	5,015
Technical installations, industrial plant and machinery	1,836	1,677
Right-of-use assets relating to leased plant and machinery	1,324	1,372
Other property, plant and equipment	269	254
Right-of-use assets relating to other leased assets	568	437
Property, plant and equipment	9,332	8,755
Associates	24	24
Other financial assets	202	205
Financial assets	226	229
Total non-current assets	15,731	15,657
Inventories	2,281	2,299
Trade receivables	175	44
Tax receivables	706	923
Other receivables	1,370	1,058
Cash and cash equivalents	18,275	17,185
Prepaid expenses	50	115
Total current assets	22,857	21,624
Total assets	38,588	37,281

In € thousands	31/12/2019	30/06/2020
Share capital	2,209	2,215
Share premiums	50,209	49,203
Consolidated reserves	-13,757	-32,388
Net income for the period	-18,568	-5,479
Equity attributable to equity holders of the parent	20,093	13,551
Non-controlling interests	0	0
Total equity	20,093	13,551
Borrowings and financial liabilities	4,427	6,481
Lease liabilities (part at more than one year)	5,837	5,410
Contingency and loss provisions	139	149
Deferred tax liabilities		
Prepaid income (part at more than one year)	450	525
Total non-current liabilities	10,853	12,565
Borrowings and debt (part at less than one year)	1,737	6,540
Lease liabilities (part at less than one year)	1,225	1,223
Contingency and loss provisions (part at less than one year)	0	0
Trade payables	2,382	1,291
Other current liabilities	1,777	1,546
Prepaid income (part at less than one year)	521	565
Total current liabilities	7,642	11,165
Total liabilities	38,588	37,281

Cash flow statement for the first half of 2020

In € thousands	First half 2019	First half 2020
Total consolidated net income	-5,670	-5,479
Net depreciation, amortisation and provisions	444	1,278
Tax expense/(income)		
Other calculated income and expense	-3	-1,118
Funds from operations	-5,229	-5,319
Change in inventories	-714	-19
Change in trade receivables	1,336	128
Change in trade payables	-994	-1,092
Change in other receivables and payables	-483	-104
Net cost of debt	378	221
Cash flow from operating activities	-5,706	-6,185
Purchases of property, plant and equipment and intangible assets	-1,749	-1,195
Change in loans and advances granted	-131	-2
Investment subsidies received	133	268
Disposals of non-current assets	3	
Cash flow from investing activities	-1,744	-929
Capital increases	822	118
Change in shares held in treasury		-85
New borrowings and conditional advances	7,507	6,996
Repayments of borrowings and conditional advances	-540	-687
Interest paid	-86	-211
Change in shareholder loans	117	-107
Cash flow from financing activities	7,820	6,024
Impact of changes in exchange rates	0	0
Change in cash position	370	-1,090
Net cash and cash equivalents at start of period	2,123	18,275
Net cash and cash equivalents at end of period	2,493	17,185
Change in cash position	370	-1,090

Find out 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 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 Paris, compartment C (ISIN: FR0011814938).

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