

Vénissieux, 21 May 2021

BOOSTHEAT ANNOUNCES NEW FUNDING IN THE FORM OF AN EQUITY LINE

Up to €10 million of funding over a 12-month period through the issue of warrants entitling holders to subscribe bonds redeemable in new shares

BOOSTHEAT (Euronext Paris - FR0011814938 - BOOST) (the “**Company**”), which designs, manufactures and sells technologically advanced, energy-efficient and sustainable heating solutions, has arranged funding in a maximum amount of €10 million through an agreement formed on 20 May 2021. The funding will take place through the issue of warrants (“**Warrants**”) entitling holders to subscribe bonds redeemable in new shares in the Company (“**Bonds**”), entirely reserved for IRIS (the “**Investor**”). This funding facility will be submitted for approval in the next Shareholders’ General Meeting, which will take place on 10 June 2021.

As announced on 30 April 2021 when the Company published its full-year results, it has decided to arrange an equity line to cover its funding requirements over the next 12 months, which are estimated to amount to €7 million from September 2021. This will give BOOSTHEAT the resources it needs to pursue its industrial and commercial ambitions, including the launch of the BOOSTHEAT.20 CONNECT this year.

BOOSTHEAT has selected the solution proposed by IRIS, which combines attractive financial terms with flexibility in terms of drawings. The equity line allows BOOSTHEAT to make drawings based on its actual requirements, in its interests and those of its shareholders. The Company and the Investor may, by mutual consent, increase or decrease the number of Bonds subscribed, subject to an upper limit of 1,200 Bonds, i.e. €3 million, per tranche. The Company may also, without penalty, pause and resume drawings according to its needs or terminate the funding facility.

I Legal basis for the issue

Acting under the delegation of authority granted in the extraordinary shareholders' general meeting of 10 June 2021 in its 31st resolution, the Company's board of directors will hold meetings on 10 June 2021 and then in September 2021 at the latest in order to issue 1,600 Warrants and 2,400 Warrants respectively, making a maximum of 4,000 Warrants, each entitling its holder to subscribe one Bond, in a total maximum nominal amount of €10,000,000, with shareholders' preferential subscription rights withheld in favour of the Investor.

I Terms of the transaction and timetable

The intention is for 1,600 Warrants to be subscribed by the Investor on 11 June 2021, with the remaining 2,400 Warrants to be subscribed by September 2021 at the latest.

On 11 June 2021, the Investor will be obliged to exercise 400 Warrants in order to subscribe an initial tranche of €1,000,000, consisting of 400 Bonds with a nominal value of €2,500 each.

The Company may, at its sole discretion and without incurring any expense or penalty, pause or resume drawings on the tranches by giving the Investor 5 trading days' notice. The Bonds will be issued at their nominal value without any discount at the discretion of the Investor. The share price applied when redeeming the Bonds in new shares and the other main terms of the Warrants and Bonds are set out in the appendix to this press release.

The equity line may be renewed twice on the same terms for two periods of 12 months each at the sole discretion of the Company and provided that all of the 4,000 Bonds have been issued and subscribed following exercise of the Warrants. The Company will publish a press release if it decides to renew the equity line.

It is expected that the Investor will form agreements to borrow shares from several of the Company's core shareholders, under which those shareholders will place their shares at the Investor's disposal through a simple loan of shares.

No request will be made to admit the Warrants or Bonds to trading on any market, and so they will not be listed.

This transaction does require the publication of a prospectus requiring approval from the Autorité des Marchés Financiers.

The Company will keep updated on its website a table showing the number of Warrants and Bonds in issue, along with the number of shares issued through the redemption of the Bonds.

The Company has carried out a specific review of its liquidity risks and takes the view that will be able to meet its future payment obligations in the next 12 months as a result of arranging this funding line.

Theoretical impact

Based on the theoretical reference price of €2.03¹, a shareholder holding 1% of the Company's capital and not taking part in the transaction would see its interest fall to 0.63% if all Bonds subscribed through the maximum €10 million fundraising were redeemed through the creation of 5,185,377 new shares.

¹ BOOSTHEAT's closing share price on 20 May 2021

Theoretical impact on a shareholder's interest

%	Shareholder's interest	
	Non-diluted basis	Diluted basis
Before the issue of new shares	1.000%	1.000%
After the issue of 5,185,377 new shares through the redemption of 4,000 Bonds	0.63%	0.61%

Theoretical impact on the Company's equity

In € and per share	Equity at 30 June 2020	
	Non-diluted basis	Diluted basis
Before the issue of new shares	€0.10	€1.34
After the issue of 5,185,377 new shares through the redemption of 4,000 Bonds	€0.78	€1.55

Key features of the Warrants

Investor/Subscriber	IRIS, a single-shareholder limited-liability company with capital of €400,000, whose registered office is located at 5 Villa Houssay, 92200 Neuilly-sur-Seine, registered with the Nanterre Trade and Companies Register under number 753.471.853.
Number	1,600 Warrants issued and subscribed on 11 June 2021 It is expected that the remaining 2,400 Warrants will be issued by September 2021 at the latest.
Subscription price	Zero.
Transfer	The Warrants cannot be assigned or transferred without the Company's prior consent, except if they are transferred to an affiliate of the Investor.
Ratio	Each Warrant will entitle the holder to subscribe one Bond at the Bond subscription price on exercise of the Warrant.

Key features of the Bonds

Tranches	10 tranches of €1 million, each consisting of 400 Bonds with nominal value of €2,500 each, making a maximum total of €10 million, which the Investor will draw by exercising the Warrants subject to certain conditions provided for in the issuance agreement (absence of any event of default, adverse change or change in control over the Company, listing of the Company's shares, trading volume of at least €4
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	<p>million for BOOSTHEAT shares in the last 20 stockmarket trading sessions, number of shares lent to the Investor etc.).</p> <p>The Company and the Investor may, by mutual consent, increase or decrease the number of Bonds subscribed per tranche, subject to an upper limit of 1,200 Bonds, i.e. €3 million.</p>
Pausing and resuming drawings	<p>The Company will be entitled to pause and resume drawings on the tranches, without penalty, by giving the Investor 5 trading days' notice before the pause or resumption takes effect. The commitment period of 12 months will be extended to take account of any pauses and resumptions requested by the Company.</p>
Bond subscription price	<p>100% of the Bonds' nominal value, i.e. €2,500 per Bond.</p>
Term	<p>12 months from their date of issue.</p>
Interest rate	<p>0%</p>
Transfer	<p>The Bonds may not be transferred to any third party without the Company's prior consent, except to an affiliate of the Investor.</p>
Redemption at maturity	<p>If, on their maturity date, the Bonds have not been redeemed in shares or repurchased, the holder of the Bonds must request that they be redeemed in shares.</p>
Events of default	<p>Events of default include the Company's failure to comply with its undertakings under the Bond issuance agreement, a default on another of the Company's material debts, the delisting of the Company's shares and a change in control over the Company. However, there are no financial covenants.</p>
Bond redemption price	<p>The share price at which the Bonds will be redeemed in new shares shall be 95% of the lowest volume-weighted average share price over a period of twenty (20) trading sessions immediately preceding the Bonds' redemption date. If that period were to include a trading day during which the Investors carried out transactions provided for on page 95 of AMF position-recommendation 2020-06, that trading day will not be taken into account when calculating the Bond redemption price.</p> <p>In addition, the Bond redemption price may not under any circumstances be lower than the minimum price set under the authority delegated in the extraordinary shareholders' general meeting of 10 June 2021 in its 31st resolution, i.e. the volume-weighted average share price in the three stockmarket trading sessions immediately preceding the Bonds' redemption date less a 5% discount.</p> <p>That discount allows the Investor, which is acting as a financial intermediary and does not intend to remain a shareholder of the Company, to guarantee that the shares are subscribed despite any volatility in the financial markets.</p>
New shares	<p>The new shares in the Company issued on redemption of the Bonds will rank for dividends immediately. They will confer the same rights as those attached to the Company's existing ordinary shares and will be admitted to trading on Euronext</p>

	Paris. The Company will keep updated on its website a table showing the number of Warrants and Bonds in issue, along with the number of shares issued through the redemption of the Bonds.
Termination penalty	The agreement may be terminated at any time without penalty.
Lending of the Company shares	A securities lending agreement will be formed between the Company's core shareholders, under which those shareholders will lend shares in the Company in order to make up for any failure or delay in delivering shares in performance of the issuance agreement.

The public's attention is drawn to the risk factors concerning the Company and its business, described in its 2020 annual financial report available on the Company's website. If any or all of these risks were to materialise, this could have an adverse impact on the Company's activities, financial position, results, development or outlook.

The main risks relating to the transaction are as follows:

- Volatility and liquidity of the Company's shares and impact on the share price: the market price and volatility of the Company's shares could fluctuate materially;
- Dilution: shareholders unable to take part in the transaction will see their stakes diluted when the Bonds are redeemed in shares; and
- Inability to draw all tranches: the Company may have to review its investment strategy if it is unable to draw one or more tranches.

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Find out more about BOOSTHEAT at

www.boostheat-group.com

À PROPOS DE BOOSTHEAT

Constituée en 2011, BOOSTHEAT conçoit, développe, produit et commercialise des solutions de chauffage technologiquement avancées, énergétiquement efficaces et durables. Équipées d'un compresseur thermique breveté, les chaudières nouvelle génération BOOSTHEAT ont un rendement allant jusqu'à 200% et divisent jusqu'à deux fois la consommation d'énergie. Plus écologiques et plus économiques, elles permettent à leurs utilisateurs de réduire immédiatement et significativement leur impact sur l'environnement.

La Société a pour mission d'accélérer la transition écologique au travers de ses produits, en les rendant économiquement accessibles au plus grand nombre. BOOSTHEAT a installé son siège social et son site industriel à Vénissieux, en région lyonnaise (bassin historique de l'industrie HVAC*). La Société est labellisée Entreprise Innovante (Bpifrance) et French Fab. BOOSTHEAT est cotée sur Euronext à Paris, Compartiment C (ISIN : FR0011814938).

* Heating, ventilation and air-conditioning, soit chauffage, ventilation et climatisation en français.

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