

Vénissieux, 16 November 2022

PROJECT BY **HBR INVESTMENT GROUP** TO ACQUIRE A STAKE IN THE CAPITAL OF BOOSTHEAT

In conjunction with today's filing of a report by the receiver from the Commercial Court of Lyon under a voluntary safeguard procedure opened by the Court's ruling on 4 October 2022, BOOSTHEAT (FR0011814938 / ALBOO) has disclosed the main characteristics of the offer submitted by HBR Investment Group (HBR).

I HBR INVESTMENT GROUP, AN EXPERT IN TURNAROUND COMPANIES

BOOSTHEAT notes that on 25 October, it received a binding offer subject to conditions precedent, to acquire a minority stake in the Company's capital (the "Offer"), following the presentation of its strategic plan aimed at repositioning the business to focus its expertise on the valuation of its two technological bricks (see [press release of 27 October 2022](#)).

The Offer was submitted by HBR Investment Group, headed by Hugo Brugière and Baudoin Hallo, which regularly invests in the capital of listed companies that are struggling. HBR Investment Group participates both directly and indirectly in projects to turn around companies in industry (Cybergun, Verney-Carron) and life sciences (Neovacs).

I TOTAL ESTIMATED INVESTMENT OF NEARLY €10 MILLION, FULLY MARKET FUNDED AND SECURED BY HBR

As previously announced (see [press release of 27 October 2022](#)), the success of BOOSTHEAT's strategic turnaround plan requires an investment estimated at around €7 million over 2023, excluding the cost of the Company's prior reorganisation. Restructuring costs are estimated at €2.5 million. The financial resources required to implement this project are estimated at approximately €9.5 million over the next 12 months.

According to the terms of the Offer, stock market financing would be undertaken to enable the Company to generate the financial means required to execute its strategic plan. It is therefore specified that "*this financing may take the form of an issue, by the Company, of bonds convertible into new shares and/or exchangeable for existing shares ('OCEANE'), which are non-interest-bearing, according to its needs, and up to a limit of €10 million. This financing offers the advantage of not impairing the Company's cash flow, thereby enabling BOOSTHEAT to focus on its turnaround*".

In light of this Offer, HBR received a firm commitment from Alpha Blue Ocean, a financial partner involved in the investment company's previous turnaround plans.

In its Offer, HBR announced that *“in all scenarios, the Company’s financing will be secured by HBR for an amount of up to €10 million”*.

I NEW LEGAL AND FINANCIAL FRAMEWORK UNDER PREPARATION

HBR plans to implement a legal and financial framework specifically intended for BOOSTHEAT’s situation, characterised by:

- debt restructuring, which includes €10 million of bank debt and €8 million of bond debt, through negotiations with BOOSTHEAT creditors (banks and bondholders) to partially or fully write off their receivables and securities and to stagger remaining liabilities;
- a minority stake through the mutually agreed acquisition of shares currently held by the Company’s main shareholders and/or through the conversion of part of the bonds so as to hold a maximum of 30% of BOOSTHEAT’s capital;
- the legal structuring of the transaction through the shareholding, based on a structure (NewCo) controlled by HBR, receivables and securities bought back by HBR from Bondholders and Banks as well as a change in BOOSTHEAT’s legal status to a private company limited by shares (*société en commandite par actions – SCA*) with the NewCo formalised as general partner and manager;
- the preparation and presentation of a safeguard plan;
- the arrangement of the above-mentioned stock market financing.

Discussions are currently underway regarding terms and conditions to acquire BOOSTHEAT shares from the main shareholders and the restructuring of the Company’s receivables.

In its Offer, HBR states that *“if during the period prior to the presentation of a draft safeguard plan, a cash requirement had to be met, HBR is prepared to provide financing according to the terms and conditions set out in consultation with the receiver”*.

To date, BOOSTHEAT’s cash position and forecasts provide an outlook for financing until early December 2022.

I CONDITIONS PRECEDENT CURRENTLY BEING MET

The Offer is subject to a number of conditions precedent, which are in the process of being met:

- *“Final approval of the transaction by the Company’s Board of Directors;*
- *Reaching an agreement with Bondholders and Banks concerning the terms and conditions to buy back their receivables;*
- *Approval, by the Commercial Court of Lyon, of a safeguard plan in accordance with the Binding Offer;*
- *Agreement with (...) (the) lessor of the premises in Vénissieux to develop, amend or terminate the required commercial lease with respect to use of the space and a change in BOOSTHEAT’s operations;*

- *No negative material change, understood as any fact or event (or combination of facts and/or events) affecting (or reasonably expected to affect) the Company – whether directly or indirectly – and causing (or reasonably expected to cause) serious short- or medium-term damage to the Company, its sustainability, its business, its assets, its financial position, its earnings and its outlook as well as its property and assets, it being understood that the current and future effects of measures taken to address the Covid-19 pandemic shall not be considered such a change”.*

HBR shall have the right to either acknowledge the fulfilment of the conditions precedent or waive otherwise, as the case may be.

Lastly, it should be noted that once the conditions precedent are met, final adoption of the Offer is subject to the approval of a safeguard plan which complies with the ruling of the Commercial Court of Lyon. This could take effect in early 2023.

The Company will continue to provide updates on upcoming developments in its proceedings, particularly with regard to the gradual fulfilment of HBR's conditions precedent.

In the current context, BOOSTHEAT will continue to suspend the listing of its shares.

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All information about BOOSTHEAT is available at

<https://www.boostheat-group.com/fr/>

ABOUT BOOSTHEAT

Founded in 2011, BOOSTHEAT operates in the energy efficiency sector. The Company's mission is to accelerate the energy transition by integrating its technology into energy-intensive applications. BOOSTHEAT has designed and developed a thermal compressor protected by 7 patent families that significantly improves energy consumption in order to promote the reasonable and appropriate use of resources.

BOOSTHEAT has its head office, research centre and manufacturing plant in Vénissieux, near Lyon (historically an HVAC* industrial zone). The Company holds the Entreprise Innovante (Bpifrance) and French Fab labels. The BOOSTHEAT share is listed on Euronext Growth Paris (ISIN: FR0011814938).

*Heating, ventilation and air-conditioning.

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