

## **2021 EARNINGS** **IMPROVEMENT IN EBITDA**

### **POSITIVE FIRST RESULTS OF PERFORMANCE CAMPAIGNS AND PLAN UNDERWAY FOR A RETURN TO THE MARKET BY WINTER 2023-2024**

**BOOSTHEAT (FR0011814938/ALBOO)**, a French energy efficiency manufacturer, publishes its earnings for the **2021 financial year**. The BOOSTHEAT Board of Directors approved the 2021 financial statements on 14 April 2022. The certification report is in the process of being issued by the statutory auditors and will be available by 30 April 2022.

BOOSTHEAT CEO **Éric Lambert** made the following statement on the release of the 2021 earnings:

*“In September 2021, the Company adopted a new strategic focus, concentrating all financial and human efforts on thermal compression. Since then, we have succeeded in consolidating our skills base while generating genuine progress in short loops, from idea to field demonstration, alongside our partners.*

*This mobilization of energy has enabled us to demonstrate in less than six months the relevance and performance of our compressor, integrated into a heat pump, in various applications, in laboratory and on our beta-test sites.*

*Our teams and our partners have implemented the plan jointly, at a sustained pace, despite the challenging context. I would like to extend my heartfelt thanks to them for that.*

*Financially, our expenses have remained under control, enabling us to improve our EBITDA for the year.*

*On these robust foundations, we are now entering the development phase of our offer, based on a dual-service Thermally Driven Heat Pump for existing individual or collective residential buildings. Our aim is to be back in the market by winter 2023-2024.*

*In order to accelerate, strengthen our business plan and take our technology even further, we are now looking for new industrial and commercial partners.”*

*Important comment on accounting standards: in 2021, BOOSTHEAT changed its listing market from the Euronext regulated market to Euronext Growth. As such, the Company now presents its financial statements in accordance with French GAAP.*

<b>French GAAP (€000) – audited</b>	<b>31/12/2020</b>	<b>2021</b>
Revenues	488	(303)
Product inventory	(57)	819
Capitalized production	1,184	2,004
Reversal of provisions/transfer of expenses	36	1,547
Other income	108	-
<b>Total operating income</b>	<b>1,759</b>	<b>4,067</b>
Purchases of raw materials and other supplies	(1,319)	(695)
Change in inventory	390	(315)
Other purchases and external expenses	(6,109)	(5,969)
Payroll expenses	(5,510)	(3,037)
Taxes and duties	(227)	(439)
Other operating income and expenses	(193)	25
Depreciation, amortization and provisions	(9,697)	(5,291)
<b>EBIT before non-recurring items</b>	<b>(20,906)</b>	<b>(11,654)</b>
Net financial expense	(2,637)	(964)
Exceptional income/(expenses)	(127)	413
Taxes	(591)	(525)
<b>Net income/(loss)</b>	<b>(23,081)</b>	<b>(11,680)</b>
<b>EBITDA<sup>1</sup></b>	<b>(11,245)</b>	<b>(7,910)</b>

## **I GOOD CONTROL OF OPERATING EXPENSES**

In the year ended 31 December 2021, operating income amounted to €4.1 million, compared with €1.8 million in 2020, an improvement of €2.3 million. This includes €(0.3) million in revenues covering the cancellation of orders in progress and reversals on installed products, €2 million in capitalized production for 2021 development costs and €0.8 million in product inventory.

Operating expenses amounted to €9 million, compared with €11.6 million in 2020. They include €3 million in personnel expenses, a reduction of €2.5 million compared with 2020, in line with the reduction in the Company's workforce and the redundancy plan. At the same time, external expenses edged down by 3% to €6 million, although the Company used external services to strengthen its technical skills. At 31 December 2021, the Company had 29 employees and around 20 external service providers, mainly in R&D, compared with 42 employees at 31 December 2020.

EBITDA<sup>1</sup> totaled €(7.9) million, an improvement on the €(11.2) million reported for 2020, as the Company reaped the benefits of its cost-cutting plan.

<sup>1</sup> EBITDA = EBIT before non-recurring items and net depreciation, amortization and provision charges/reversals

Depreciation, amortization and provisions amounted to €5.3 million in 2021, compared with €9.7 million in 2020. They include impairment of €2.1 million in respect of development costs incurred prior to 2020 and €1.8 million in respect of inventories of spare parts already mentioned in the 2021 half-year earnings. At the same time, BOOSTHEAT recorded €1.5 million in reversals of customer and equipment provisions.

After taking into account exceptional income of €0.4 million (residual share of an investment subsidy), financial expense down sharply at €(1.0) million, and tax €(0.5) million, the net loss was €(11.7) million, compared with €(23.1) million in 2020.

Gross cash and cash equivalents totaled €3.5 million at 31 December 2021, compared with €10.8 million at 31 December 2020. This does not include the €3 million bond issue subscribed for by HOLDIGAZ after the end of the year<sup>2</sup> to support BOOSTHEAT's business plan. The Company also notes that it has an equity line with IRIS Capital in the annual amount of €10 million renewable twice and believes that it can cover its financing requirements for the coming 12 months.

Borrowings and financial debt amounted to €17.1 million, compared with €12.8 million at 31 December 2020. They include €10.9 million in bank loans (including €5 million in government-guaranteed loans repayable over five years, four of which have been extended by a year) and €6.2 million in bond financing (€5 million from core shareholders in July 2021 and €1.2 million from IRIS Capital). Note that debt maturing within two to five years represents approximately 87% of total financial debt.

## **| PERFORMANCE OF THE THERMAL COMPRESSOR VALIDATED IN MULTIPLE APPLICATIONS**

In September 2021, the Company changed its strategic focus, dedicating all financial and human efforts to its innovation in thermal compression.

Since then, skills in thermodynamics, combustion and control automation have been consolidated internally and through cooperation with expert partners, universities (Pau, Liège) and CETIAT, with which BOOSTHEAT has signed an annual cooperation agreement.

This approach has made it possible to accelerate product development with regular performance measurements in an independent laboratory and to confirm the product's performance in real-life situations via a program of 12 demonstrators in France, Germany, and Switzerland. The initial results are already satisfactory and a summary of the results of five of them will be available by the end of the heating season (May-June 2022) with ENGIE LAB Crigen on one installation and COSTIC<sup>3</sup> on four others.

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<sup>2</sup> See press release dated 28 January 2022

<sup>3</sup> Climate Industries Scientific and Technical Committee

Crigen, who is currently analyzing the performance of the BOOSTHEAT heat pump, states: *“ENGIE has been working with BOOSTHEAT for more than four years... Progress to date has been remarkable in terms of both reliability and performance... We are currently seeing an average performance of over 130% (LHV).”*<sup>4</sup>

Lastly, work carried out with major market players, including DALKIA, with which BOOSTHEAT recently extended its partnership around the “domestic hot water” application, has enabled the Company to confirm the validity of its technology in this type of very high temperature application (65°C) for individual or small collective buildings.

## **| PROMISING MARKETS FOCUSED ON THE CHALLENGES OF ECOLOGICAL TRANSITION AND ENERGY SOVEREIGNTY**

The adaptation of the environmental policies of European countries and the direct implications of the REPowerEU plan, aimed at making Europe independent in respect of Russian gas, confirm, with 20% to 30% of buildings using gas by 2030 and the acceleration of investments in biomethane and hydrogen, the vital need for Europe to have gas heating solutions allowing it to reduce its energy consumption and bill. BOOSTHEAT technology is one of the few solutions that can provide an answer on that front.

## **| A RETURN TO THE MARKET IN WINTER 2023-2024, PRIMARILY IN GERMANY**

Bolstered by its performance results, BOOSTHEAT is aiming to return to the market in winter 2023-2024, with the offer of a dual-service Thermally Driven Heat Pump (domestic hot water and building space heating) for existing individual or small collective buildings.

Government subsidies to help finance energy renovations ( $\geq 35\%$  not means tested) and the ratio of the price of electricity to that of gas ( $> 2.5$ ) make Germany BOOSTHEAT's priority market, with an addressable market estimated at over 250,000 renovations per year.

BOOSTHEAT intends to make a significant contribution to the ecological transition by offering its technological innovation, which generates renewable energy and energy savings, for the gas heating of all buildings concerned as quickly as possible. There are considerable needs, and BOOSTHEAT plans to strengthen its response by joining forces with industrial and commercial partners.

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For more information on BOOSTHEAT, visit

[www.boostheat-group.com](http://www.boostheat-group.com)

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<sup>4</sup> David Dupuis, ENGIE project manager.

## ABOUT BOOSTHEAT

Founded in 2011, BOOSTHEAT operates in the energy efficiency sector. The company's mission is to accelerate 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 center 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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