Vénissieux, 18 February 2021

A FAVORABLE REGULATORY ENVIRONMENT FOR BOOSTHEAT AFTER THE 2020 TRANSITION

BOOSTHEAT (FR0011814938 / BOOST), a French energy efficiency manufacturer, shares its vision of the market and its positioning in 2021 after the roll-out of its "2022 Efficiency Plan" in 2020.

RE2020: AN INCREASINGLY STRICT REGULATORY ENVIRONMENT, TO BOOSTHEAT'S ADVANTAGE

According to the IPCC[1], in order to limit global warming to 1.5°C (compared to the current 2°C trajectory), global greenhouse gas emissions must be cut by 45% from 2010 levels, by 2030. Finding alternative solutions for space heating, which accounts for 25% of the world's energy consumption, will play a key role in achieving this objective.

To help reduce greenhouse gas emissions, BOOSTHEAT is focusing on the renovation segment, which accounts for 80% of the heating market in France. Half of Europe's boilers are more than 25 years old. This segment also comprises the most energy-intensive buildings, or "energy sieves", where new heating solutions will have the quickest return on investment and the greatest impact in terms of meeting the energy transition's challenges.

The most recent environmental regulation for new builds - RE2020 - still under negotiation, sets the tone for a more efficient and stringent energy transition over the coming years. Today, lawmakers are seeking to promote and impose alternatives designed to reduce greenhouse gases and BOOSTHEAT is a pioneer in the field. RE2020 will set a maximum limit for greenhouse gas emissions generated by heating systems, which will likely exclude solutions with an efficiency ratio of less than 110%. BOOSTHEAT.20 is one of the most efficient heating solutions on the market, and will meet the requirements of the new standards where other solutions are likely to be phased out. Gas boilers, with over 500,000 new units per year on the French market alone, will likely no longer meet the requirements of the new standards. These will have to be replaced by energy-efficient solutions such as gas heat pumps, e.g. BOOSTHEAT.20.

BOOSTHEAT provides customers with a concrete solution to help reduce their environmental impact by complying with increasingly strict regulatory requirements.

While many countries are seeking to decarbonize and decentralize their heating and electricity production, a growing number of opportunities are emerging for high-efficiency gas technologies in the residential and tertiary heating market, leading to the development of new solutions that use gas-based fuels with higher efficiency and lower emissions than natural gas condensing boilers. The latest Delta-EE report highlights these emerging "Thermally Driven Heat Pump" (TDHP) technologies as a great new alternative that helps support decarbonization efforts. BOOSTHEAT is listed by the report as one of the leaders of these technologies.

[1] Intergovernmental Panel on Climate Change

NATURAL GAS WILL PLAY AN ESSENTIAL ROLE IN THE ENERGY TRANSITION

France aims to be carbon neutral by 2050, using 100% renewable gas. The gas transported through our infrastructures will therefore be increasingly green over the next few years through the introduction of biomethane (from waste) and hydrogen (power to gas or P2G). The proportion of renewable energy in gas can now be further increased through the use of BOOSTHEAT.20 boilers at the time of consumption.

BOOSTHEAT.20 couples the use of natural gas with a renewable and free source of energy captured by its aerothermal unit heater (hot air). The innovative and patented thermal compressor reduces boilers' consumption and production of greenhouse gases, making them more cost efficient and eco-friendly.

Gas plays a key role in meeting winter consumption peaks. Without this option, France would have to accommodate 13 new nuclear power plants or multiply its wind farm fleet by 10 in order to meet household demand. Gas is also nearly 2.5 times less expensive than electricity, and helps preserve household purchasing power.

BOOSTHEAT provides gas producers and distributors with a concrete solution to keep using this energy source, while complying with increasingly strict regulatory requirements.

INTERNATIONAL EXPANSION

In Germany, where BOOSTHEAT has set up its first subsidiary, the energy transition has been stepped up in the building sector with the implementation of stricter regulations than in the rest of Europe, supported by consumer subsidies. Germany's public agency BAFA contributes up to 45% of the total household bill (including installation and supplies), i.e. up to €27,000 under the most favorable categories. In October 2019 BOOSTHEAT.20 obtained BAFA approval in this category and had it renewed in early 2021.
Thanks to its renewable energy capture technology, BOOSTHEAT.20 meets the requirements of the multi-family housing market throughout Germany, without any structural modifications to the buildings, thereby providing a cost effective and easy-to-deploy solution. The market survey conducted by BOOSTHEAT in cooperation with specialist firm DELTA-EE identified a potential addressable market of over 100,000 units per year for single or multi-family homes, with consumption of more than 25 MWh.

BOOSTHEAT efforts are encouraged by the North America Gas Heat Pump Collaborative (NAGHPC), which represents over 30% of natural gas consumers in the United States and Canada developing and implementing activities to accelerate the adoption of gas heat pump technologies in North America.

BOOSTHEAT, RESCALED FOR AN AGILE MARKET RESPONSE

Thanks to this favorable context and the implementation of its "Efficiency 2022" plan in spring 2020, BOOSTHEAT is looking forward to achieving its goals in 2021 and the following years.

In terms of operations, BOOSTHEAT has finalized its job protection, site centralization and cost reduction plan. BOOSTHEAT is heading into 2021 with an optimized structure, streamlined team (52[2] employees compared to 97 at 2019 year-end) and fully committed to the success of the next phases.

[2] 52 employees, comprising: 43 at BOOSTHEAT SA, 4 at BOOSTHEAT France, and 5 at BOOSTHEAT Germany

From a financial standpoint, thanks to strict cost control and the additional financing secured during the year (€6.0m PGE state guaranteed loan, a €1.0m innovation loan and €300,000 in subsidies from the Auvergne-Rhône-Alpes region), BOOSTHEAT has begun 2021 with a positive cash position of €10.6m. The company is already considering various avenues for optimizing and extending its financing sources during the year.

BOOSTHEAT.20 Connect
An optimized regulation and a new HMI[3]

From a commercial standpoint, having suspended the sale and installation of its first generation BOOSTHEAT.20 boiler in spring 2020, the company is now focusing on its next generation boiler: BOOSTHEAT.20 Connect. As part of its "Efficiency 2022" plan, the company has accelerated the design process and is already testing pre-production runs of the upgraded version, through pilot programs and customer installations.

In accordance with the schedule previously announced, BOOSTHEAT.20 Connect will hit the market in the second half of 2021.

Meanwhile, BOOSTHEAT also has projects in the pipeline extending further into the future, as part of programs building on current trends. BOOSTHEAT continues to take part in the European Sun Horizon program, alongside French solar panel manufacturer DualSun and the French Alternative Energies and Atomic Energy Commission (CEA), to develop demo projects for energy-efficient, low-carbon housing. Four installations will soon be deployed in Europe. The option to link the BOOSTHEAT boiler with the DualSun hybrid solar panels will be assessed.

Finally, BOOSTHEAT is preparing the next generation BOOSTHEAT.20 with the EVOLVE project, focusing on reducing production costs. This project aims to boost the company's profitability and will be presented in further detail on 30 April with the release of the 2020 annual results. This time will allow the company to move forward on its various projects so as to provide the market with a comprehensive overview of past performance, current situation and future outlook.

Next release: 2020 annual results, April 30, 2021 after market close.

For more information on BOOSTHEAT visit
www.boostheat-group.com

[3] Human-machine interface

ABOUT BOOSTHEAT

Founded in 2011, BOOSTHEAT designs, develops, manufactures and sells high-tech energy efficient and sustainable heating solutions. Fitted with a patented thermal compressor, the new generation BOOSTHEAT boilers offer up to 200% efficiency and can cut energy consumption by up to half. More economical and eco-friendly than existing solutions, BOOSTHEAT boilers immediately generate dramatic reductions in 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 Entreprise Innovante (Bpifrance) and French Fab labels. The BOOSTHEAT share is listed on Euronext Paris, Compartment C (ISIN: FR0011814938).

* Heating, ventilation and air-conditioning

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