

Vénissieux, 30 April 2021

2020 EARNINGS

2020, A YEAR MARKED BY IN-DEPTH RESTRUCTURING

2021, NEW MANAGEMENT AND A BOND FINANCING LINE TO SUPPORT INDUSTRIAL AND COMMERCIAL REVIVAL

BOOSTHEAT (FR0011814938 / BOOST), a French energy efficiency manufacturer that designs, develops, and markets a new generation of economical, eco-friendly boilers, today publishes its earnings for the 2020 financial year. The BOOSTHEAT Board of Directors approved the financial statements on 30 April 2021.

After a year marked by the end of the marketing of BOOSTHEAT.20, profound restructuring of commercial and technical activities and a cost-cutting plan, the Company is now in working order to achieve its ambitions. As the next step in its strategy, the Company is actively working towards the release of BOOSTHEAT.20 CONNECT, with a return to the market expected in the second half of 2021.

2021 should see the Company take a new lease on life.

The arrival of a new Chief Executive Officer is a milestone for BOOSTHEAT. With a fresh look and stellar operational skills, Éric Lambert will help BOOSTHEAT pursuing its industrial and commercial ambitions with the release of BOOSTHEAT.20 CONNECT, in particular, this year. HOLDIGAZ, a long-standing shareholder and commercial partner, has renewed its commitments on orders. The Company also stands to benefit from the full impact of the EFFICIENCY 2022 plan on its cost structure and expenses from 2021.

Lastly, BOOSTHEAT is currently setting up an equity line of approximately €10 million to cover its funding requirements for the coming 12 months. Additionally, the Company plans to transfer its listing to Euronext Growth, a market better suited to its structure, during the year.

IFRS (€000) - audited	2019	2020
Revenues	490	363
Purchases consumed	(2,579)	(2,187)
Other purchases and external expenses	(3,098)	(3,641)
Personnel costs	(6,012)	(5,656)
Taxes and duties	(230)	(227)
Other operating income and expenses	728	570
EBITDA¹	(10,701)	(10,778)
Net depreciation, amortization and provision	(2,813)	(8,959)
Recurring operating income	(13,514)	(19,737)
Non-recurring operating income and expenses	(648)	(99)
EBIT	(14,162)	(19,836)
Net cost of debt	(3,789)	(195)
Other financial income and expenses	(617)	1,200
Net income/(loss)	(18,568)	(18,831)

¹EBITDA = Recurring operating income before net depreciation, amortization and provisions.

| 2020, A YEAR OF IN-DEPTH RESTRUCTURING

2020 was a challenging year for BOOSTHEAT, beyond the COVID-19 crisis, with the end of the marketing of BOOSTHEAT.20 ORIGIN. However, the Company has taken the necessary steps to pursue its aim of accelerating the energy transition in housing (EFFICIENCY 2022 plan), focusing on three objectives:

1. Preparation of BOOSTHEAT.20 CONNECT

The Company confirms that it is on track with its plan to optimize the performance and reliability of its boiler.

BOOSTHEAT is currently embarking on the final phase of the qualification of BOOSTHEAT.20 CONNECT, allowing it to obtain all the required certification (CE marking in particular) for deployment in its three markets (Germany, France and Switzerland). This final step does not entail any major technical risks with a view to obtaining CE marking. BOOSTHEAT.20 CONNECT also meets all performance criteria allowing users to obtain public subsidies in both France and Germany, where the rules governing heating systems have been tightened.

BOOSTHEAT has been working to improve performance levels in real-life conditions. In line with this objective, the BOOSTHEAT.20 CONNECT includes a new regulation system allowing the boiler to harness the full potential of BOOSTHEAT thermal compression technology, irrespective of the conditions of use. Besides, the Company has partnered with Resideo to offer its customers centralized and connected thermal comfort control using Evohome[®] thermostat, fully integrated into the BOOSTHEAT.20 CONNECT boiler. Above all, the CONNECT version is more user-friendly than its predecessor thanks to informative screens and intuitive menus designed for both users (step-by-step configuration of the system, remote control) and heating professionals (reduced installation and maintenance time compared to the former version).

BOOSTHEAT is still determined to roll out its upgraded version in the second half of 2021, with all development and industrial scale-up teams galvanized to meet this objective.

Note that BOOSTHEAT is running a beta-tester program in its three markets (France, Switzerland and Germany), offering testers the chance to try out the very first versions of the new BOOSTHEAT.20 CONNECT boiler over the winter of 2020/2021. The program will continue until the end of the 2021/2022 winter season with a view to building up a database on the comfort and performance delivered by the product in real conditions.

2. Repositioning of commercial strategy towards B2B2C

In 2020, BOOSTHEAT reviewed its business model with the aim of optimizing volumes and marketing costs, opting for an indirect B2B2C model allowing it to limit marketing and communication costs by scaling down its sales teams. The new approach provides for block sales to experienced professional partners who can incorporate BOOSTHEAT.20 CONNECT into a more comprehensive product and services offering more geared to customer needs. BOOSTHEAT has kept its two commercial subsidiaries in France and Germany, employing four and three people respectively, working mainly on technical aspects, customer support and partner relations.

The order book has been suspended for the time being, so there is uncertainty as to its depth. It will be reassessed as soon as marketing resumes, among both individual customers and professional partners.

HOLDIGAZ, a long-standing shareholder and exclusive distributor in Switzerland, has already renewed its commitment under previously issued orders, postponing their execution until BOOSTHEAT.20 CONNECT becomes available. It plans to order 50 BOOSTHEAT.20 CONNECT boilers in 2021, and has signaled its intention of ordering a further 250, 500 and 750 respectively over the next three years.

3. Reduction in costs

BOOSTHEAT has refocused its expenses solely on strategic activities, thereby sharply reducing cash burn (negative free cash flow²) by nearly 20% (between 2019 and 2020), with the effect set to continue in 2021. It has also pooled operations at the Vénissieux site to promote structural gains and deploy a more responsive organization whose available time is dedicated to projects.

Lastly, BOOSTHEAT has implemented a redundancy plan (PSE), reducing its headcount from 97 people at 2019 year-end to a keenly product-focused team of 53 at the end of 2020.

The newly defined processes and organization have also received ISO 9001:2015 certification confirming the efficiency of the organization as it now stands.

| 2020 EARNINGS: EBITDA STABLE THANKS TO CONTROL OF OPERATING EXPENSES

The EBITDA loss for the year ended 31 December 2020 was stable at €10.8 million versus €10.7 million in 2019. The Group discontinued the manufacture and marketing of BOOSTHEAT.20 during the first half of 2020.

The cumulative decline in purchases consumed (down €0.4 million) and personnel costs (down €0.4 million, linked to the initial effects of the redundancy plan implemented in the second half of 2020 and the use of furlough arrangements) offset the increase in external expenses (up €0.5 million) stemming from the occasional use of subcontracting to support the Efficiency 2022 plan.

Grants and subsidies (recognized as operating income) amounted to €0.6 million in 2020 versus €0.7 million in 2019.

After depreciation, amortization and provisions totaling €8.9 million (linked to the continued depreciation of BOOSTHEAT.20 beginning in H2 2019), versus €2.8 million in 2019, the EBIT loss came to €19.7 million versus €13.5 million in 2019.

Net financial expense improved significantly to €0.2 million, versus €4.4 million in 2019, thanks to the savings stemming from the conversion of ORA and OBSA bonds in conjunction with the IPO.

After recognition of a €1.2 million gain linked to change in the fair value of the remaining outstanding warrants (non-cash impact), the Group posted a net loss of €18.8 million for the year ended 31 December 2020, close to the €18.6 million net loss recorded in 2019.

| FINANCIAL POSITION

Gross cash and cash equivalents amounted to €10.8 million at 31 December 2020 versus €18.3 million at 31 December 2019. This includes new funds obtained during the year (€6 million state-guaranteed loan,³ €1.0 million innovation loan

² Free cash flow = Cash flow from operating activities + Cash flow from investing activities

³ Of the €6 million state-guaranteed loan obtained, €1 million has been repaid and the entire remaining amount was drawn down in April 2021.

and €0.3 million in grants from the Auvergne-Rhône-Alpes regional authority). BOOSTHEAT also expects a further inflow of €0.6 million by November 2021 relating to research tax credits recorded in 2020.

Gross debt was €18.9 million at 31 December 2020 (versus €13.2 million at 31 December 2019), including €4.0 million in conditional advances and €8.9 million in bank loans (excluding €6.0 million in lease liabilities in application of IFRS 16 “Leases”). Shareholders’ equity amounted to €0 million at 31 December 2020, versus €20.1 million at 31 December 2019, after recognition of the year’s net loss.

To cover its funding requirements over the coming 12 months, estimated at €7 million as of September 2021, the Board of Directors approved the establishment of an equity line on 22 April 2021. BOOSTHEAT is in the process of finalizing the contractual terms of its implementation in the amount of approximately €10 million. The prospective equity line will be submitted to shareholders for approval at the next General Meeting on 10 June 2021. The proper execution of this financing plan will ensure business continuity beyond the first half of 2022.

In the longer term, the Company is also considering one or more of the following financing solutions:

- establishment of working capital financing;
- arrangement of a conditional shareholder loan;
- search for additional non-dilutive funds.

| 2021, NEW MANAGEMENT TO PURSUE THE INDUSTRIAL AND COMMERCIAL STRATEGY

On 30 April 2021, BOOSTHEAT announced a change in executive management with the appointment of Éric Lambert as Chief Executive Officer. The Company is starting a new chapter in its history with the same strategy and values but a new operational dimension.

A graduate of École Polytechnique (1988) and École Nationale des Ponts et Chaussées (1993), Éric Lambert built most of his industrial career during 15 years at Renault, directing production sites, managing technological innovation projects and coordinating the launch of new vehicles. In 2009, he became Managing Director of Areva’s Aix-les-Bains industrial site, where he took on the challenge of achieving a swift return to profitability. In 2011, he joined Manitou Group’s Executive Committee as Rough Terrain Handling Business Unit President & Group Industrial VP. He then took on the general management of Aztec (start-up snow groomer manufacturer) in 2014 before becoming Deputy Managing Director – Chief Operating Officer of Babolat (equipment manufacturer specializing in racket sports) from 2017 until end 2020.

Éric Lambert intends to put all this experience at the service of energy transition and industrial innovation at BOOSTHEAT.

He will present his roadmap for the next milestones after a vital phase of integration and analysis. The Management Committee remains fully committed on a daily basis to allowing BOOSTHEAT to continue its activity at the same pace with a view to the upcoming release of its product.

Trading in BOOSTHEAT shares will resume on Monday 3 May when the market opens.

| AVAILABILITY OF THE ANNUAL FINANCIAL REPORT

BOOSTHEAT will release today its annual financial report for the year ended 31 December 2020. It will be made available under the conditions provided for by the regulations in force and can be consulted on the BOOSTHEAT website, www.boostheat-group.com, under the heading PRESS RELEASES & PUBLICATIONS/Reports. The reader’s attention is drawn to the section on risk factors, and particularly liquidity risk.

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

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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