

#Act4Climate

ENERGY OPTIMIZATION
THE ENVIRONMENTAL
TRANSITION ACCELERATOR

MIDCAPS FORUM GILBERT DUPONT
18 JUNE 2020



BOOSTHEAT
ENERGY UNITES PEOPLE



-45%¹

Greenhouse gas
emissions must be
reduced by 45% by 2030
compared with their
2010 level to limit global
warming to 1.5°C.

¹Intergovernmental Panel on Climate Change (IPCC), October 8, 2018



BOOSTHEAT



HEATING SYSTEMS: A MAJOR DRIVER OF ENERGY TRANSITION

Home heating
accounts for
≈ 25%
of worldwide energy
consumption²

≈ 50%
of European
boilers are
older than
25 years¹



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¹2016 European Commission Report (An EU Strategy on Heating and Cooling)
²Data from International Energy Agency - <https://iea.org/renewables2018/heat>

BOOSTHEAT **AT A GLANCE**

1

A more economical and eco-friendly product based on disruptive technology
100% French manufacture

2

7 patent families & CE marking

Regenerative thermal compression | Multi-tier architecture | Micro-cogeneration

3

High efficiency based on thermal compression

188% in aerothermal application (A7) | 229% in geothermal application (W10)¹

4

Operational manufacturing facility

with annual production capacity of up to 20,000 units²

5

€81 million raised since foundation in 2011

¹External laboratory test reports (CETIAT and Gas.be)

²Subject to additional hiring without further investment



BOOSTHEAT.20, THE NEW GENERATION GAS BOILER



INDOOR UNIT

A **condensing boiler** fitted with a hot-water tank and a separate burner

THE THERMODYNAMIC MODULE

BOOSTHEAT thermal compressor activates a **CO₂ thermal heat pump** cycle (**BOOSTHEAT innovation**)

OUTDOOR UNIT

Draws **cost-free** energy from the surrounding air environment



2019, A **STRUCTURING** YEAR



OPENING 3 KEY EUROPEAN TARGET MARKETS

France, Germany and Switzerland



MARKET'S INTEREST CONFIRMED

381 BOOSTHEAT.20 units ordered¹ (1.9x IPO target)



ORGANIZATION OF PARTNER NETWORK

Expanding installer network | 40 boilers installed by 31/12/2019 (including 20 pilot projects) | Focus on FR, GER & SW markets

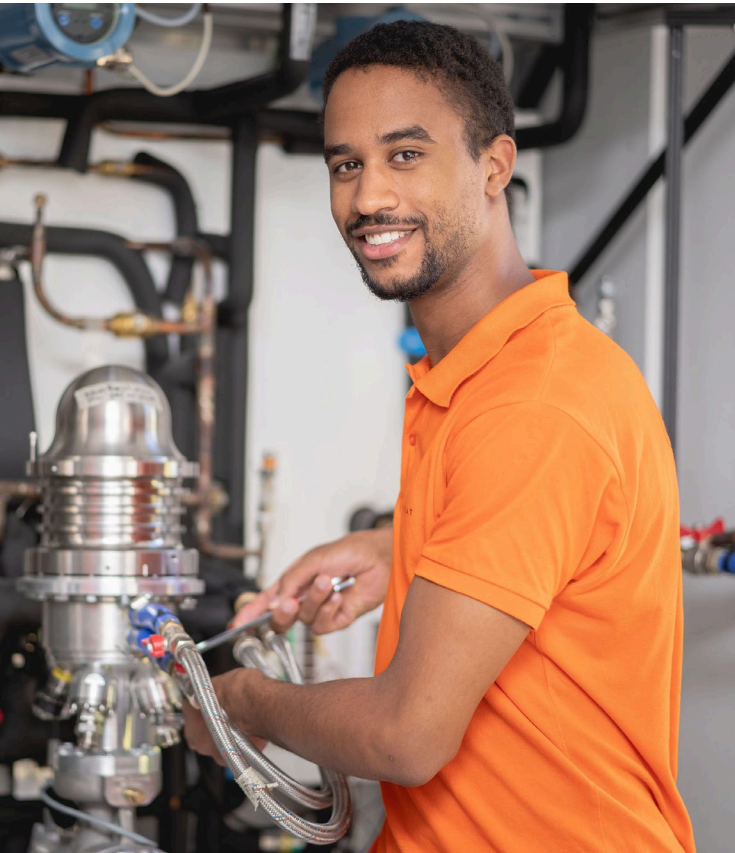


SUCCESSFUL IPO ON EURONEXT PARIS

€36.9m capital increase - Offering oversubscribed 1.3x

¹As of December 31, 2019

2020: AIMING FOR OPERATING EFFICIENCY



PERFORMANCE AND RELIABILITY OF BOOSTHEAT.20

BOOSTHEAT.20 Connect, an upgraded version, the company's top priority



OPTIMIZED BUSINESS STRATEGY

Indirect B2B2C sales model faster and more profitable. Development of Germany market



FURTHER COST REDUCTION



TEMPORARY SUSPENSION OF IPO COMMITMENTS

Assessment of the impacts of the COVID-19 pandemic

FIRST HEATING SEASON FEEDBACKS: PERFORMANCE AND RELIABILITY OF BOOSTHEAT.20



A measured assessment of the first heating season thanks to an accurate monitoring of the boilers installed

Variable results depending on customer configuration, not in accordance with the requirements set by the company

An action plan already launched on an optimized version: BOOSTHEAT.20 Connect, an upgraded version focused on the regulation system

Pending production and commercial activities for the benefit of the customer satisfaction

An update of the boilers installed during the annual maintenance with no additional cost for the customer. Case-by-case management of customers awaiting installation

FIRST HEATING SEASON FEEDBACKS: OPTIMIZED BUSINESS STRATEGY

Successful start-up phase in B2C direct sales (1.9x the objective) with nearly 40% of orders recorded at the end of the year on the B2B2C model

An optimized business strategy:

“Bulk” sales limiting internal structure costs and allowing volume and margin to be in line with the maturity of the company

A deteriorated economic environment (impact on purchasing power and investment capacity following the COVID-19 pandemic), added to a drop in incentives in France

A German market awaiting an innovative product combining gas and renewable energy (price of electricity: 4x more expensive) supported by strong national incentives (35 to 45% of total cost)



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FIRST HEATING SEASON FEEDBACKS: SIGNIFICANT COST REDUCTION



A first expenditure reduction plan implemented at the end of 2019

A Design2Cost project accelerated to reduce the BOM*

Cash estimated at end of May 2020 equivalent to 1st January cash situation (**≈€18 million**) thanks to €7.3 million in new funds into account: €6m PGE state-guaranteed loan, €1m innovation loan, €0.3m subsidy balance

10

New measures being deployed to adapt the cost structure to the current business environment to **reduce the breakeven point and broaden the company's financial visibility**



NEXT STEPS

7 July:

Business review

Action plan follow-up

17 September:

Half-year results

Communication on guidance & action plan update



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THANK YOU

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APPENDICES

ENERGY OPTIMIZATION THE ENVIRONMENTAL TRANSITION ACCELERATOR



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FOCUS ON 2019 SALES AND EXPENSES

2019 ORDER INTAKE



2019 OPEX (BREAKDOWN BY PURPOSE)

(€m)	2018	2019	Ch. (€m)
INNOVATION	3.4	3.5	+0.1
SALES & MARKETING	2.5	3.9	+1.5
OPERATIONS	2.8	2.1	-0.7
PRODUCTION	-	1.4	+1.4
G&A	1.8	1.8	-
TOTAL OPEX	10.5	12.9	+2.4

Not audited

EXPENSES IN LINE
WITH 2019 BUDGET

INCREASE IN
MARKETING AND
PRODUCTION
EXPENDITURE

OPERATIONS DOWN,
G&A STABLE

SUMMARY 2019 INCOME STATEMENT

IFRS (€000) - audited	2018	2019	
Revenues	-	490	
Purchases consumed	(1,598)	(2,579)	
Other purchases and external expenses	(2,646)	(3,098)	● Increase in marketing expenditure (B2C marketing launch)
Personnel costs	(3,963)	(6,012)	● Average headcount up 23% + decrease in R&D capitalized expenses + loss of innovative start-up (JEI) status. At end 2019 increase of staff +2
Taxes and duties	(207)	(230)	
Other operating income and expenses	1,108	728	● Corresponding to research tax credit (CIR)
EBITDA ¹	(7,306)	(10,701)	
Net depreciation, amortization and provision	(761)	(2,813)	● Continued depreciation of BOOSTHEAT.20 (since Oct. 2018)
Recurring operating income	(8,067)	(13,514)	
Non-recurring operating income and expenses	(515)	(648)	● IPO costs not impacted by the share premium
EBIT	(8,582)	(14,162)	
Net cost of debt	(40)	(50)	
Other net financial income and expenses	(416)	(4,356)	● Early redemption of bonds immediately reinvested at the time of the IPO (interest + premium) and the change in fair value of share subscription warrants (€0.6m non-cash)
Net income/(loss)	(9,038)	(18,568)	

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

INITIAL
RECOGNITION
OF
REVENUES

SIMPLIFIED 2019 BALANCE SHEET

€000 - audited - IFRS

	2018	2019
Non-current assets	9,648	15,731
• w/o Intangible assets	5,887	6,173
• w/o Property, plant and equipment	3,694	9,332
Current assets	5,741	22,857
• w/o Inventories	948	2,281
• w/o Trade receivables	785	175
• w/o Tax receivables	1,064	706
• w/o Cash and cash equivalents	2,223	18,275
• w/o Other current assets	617	1,370
• w/o prepaid expenses	105	50
Total assets	15,390	38,588

2018

2019

2,495	20,093	Shareholders' equity
6,415	10,853	Non-current liabilities
2,794	1,517	• w/o bank borrowings/other financial debt
3,151	2,911	• w/o Repayable advances
-	5,837	• w/o Lease liabilities (IFRS 16)
6,480	7,642	Current liabilities
899	608	• w/o bank borrowings/other financial debt
-	1,225	• w/o Lease liabilities (IFRS 16)
2,296	2,382	• w/o Trade payables
60	1,130	• w/o Repayable advances
1,789	1,777	• w/o Other current liabilities
15,390	38,588	Total equity and liabilities

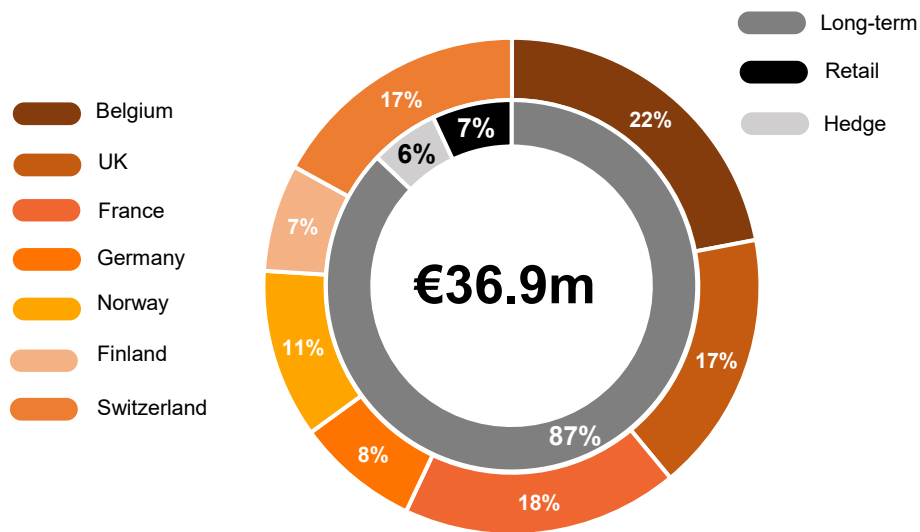
EQUITY BOLSTERED BY
SUCCESSFUL IPO

TAX LOSS
CARRYFORWARDS:
€34.6m as of end 2019

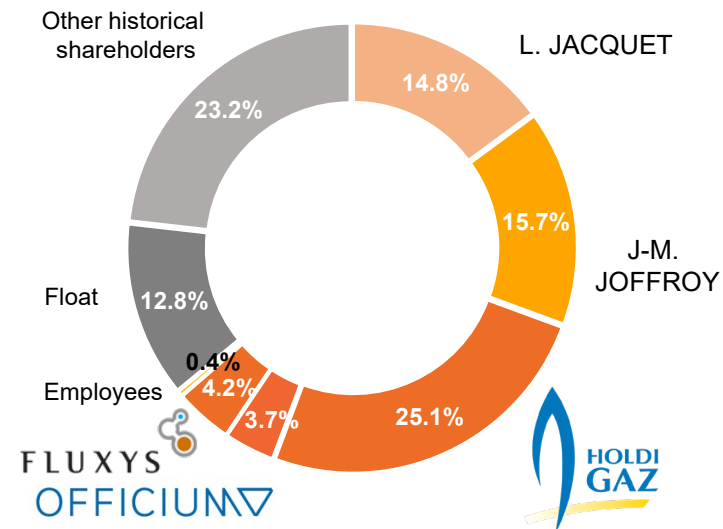
ONGOING
DISCUSSION FOR
BANK DEBT

AN IPO WITH A STRONG EUROPEAN DIMENSION

BREAKDOWN OF THE IPO



POST IPO CAPITAL STRUCTURE
(non-diluted basis)



As part of the initial public offering that took place on 8 October 2019, shareholders representing 82.8% of the current capital made lock-up commitments, undertaking to hold their shares until 4 October 2020.

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